



Manpower®

SOUTH EAST EUROPE REGION

SALARY AND ADDITIONAL BENEFITS TREND RESEARCH

H2, 2022

INDEX

Labor market review	3
Introduction to research	4
Methodology	4
Respondents per business sector	4
Size of the companies	5
Location of all industries	5
Research results	6
How many employees must expect changes in their remunerations?	7
What employers plan regarding additional benefits and financial incentives?	8
What is the main reason for any changes and is it connected with The Great resignation?	8
Review of data for the first half of 2022	9
Executed changes from the employers in H1 2022 South-East Europe	9
Planned changes in salaries by industry	9
Review of the amount of change in remunerations by sectors	9
Review of the purpose of changes of remunerations by sector	9
Information technology	10
Manufacturing sector.....	12
FMCG / Retail.....	14
Consultancy services sector.....	16
Banking, insurance & finance	18
Automotive industry.....	20
About ManpowerGroup	22
The following forecast of wage trends and employee benefits	22

LABOR MARKET REVIEW

Registered unemployment in SEE
According to

Survey unemployment rate

Employment forecasts

Number of vacancies

Issuance of work permits

Self-employed

INTRODUCTION TO RESEARCH

Quality data and information on the labor market are the key to strategic planning and good positioning for companies. At ManpowerGroup SEE, as a leader in the field of human resources services, we conduct market research and analysis and encourage the exchange of knowledge, information, and data on labor market trends, with the aim of raising awareness and promoting good practices in companies.

The purpose of the survey "Salary and additional benefits trend research " H2, 2022 was to investigate employers' forecasts regarding the changes of salaries, additional benefits, and financial incentives of employees in the second half of 2022. The survey will be repeated every 6 months to compare results.

METHODOLOGY

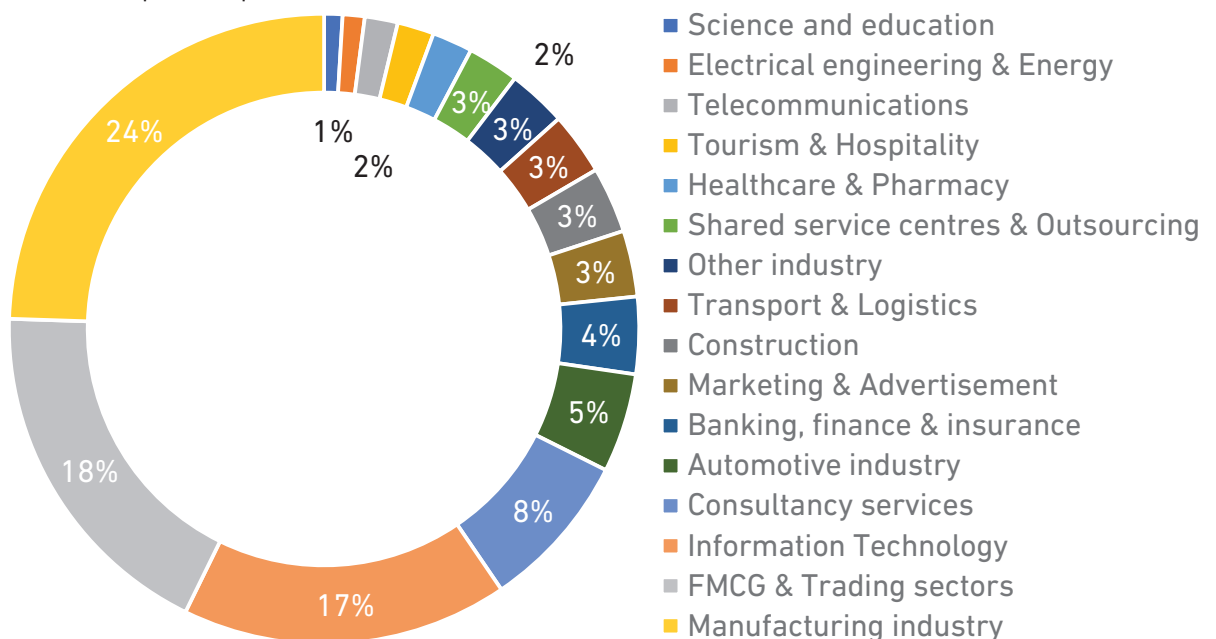
In the process of each market research, ManpowerGroup SEE use ZOHO platform with tools as ZOHO Survey and ZOHO Analytics. The study was widespread to all ManpowerGroup SEE partners, but not only. The questionnaire was shared throughout social media platforms and direct communication, and it included an exclusively closed type of questions.

RESPONDENTS PER BUSINESS SECTOR

The representatives of the companies (531 in total) included in this survey were decision makers in each company (ex: HR Managers, General Managers, Financial managers) from the following industries: **Manufacturing** (24%), **Information technology** (17%), **Retail & FMCG** (18%), **Consultancy services sector** (8%), **Banking, insurance & finance** (4%), **Automotive industry** (5%), **SSC & Outsourcing** (3%), **Transport & Logistics** (3%), **Construction** (3%), **Marketing & Advertisement** (3%), **Telecommunications** (2%), **Healthcare & Pharmacy** (2%), **Tourism & Hospitality** (2%), **Science & Education** (1%), **Electrical engineering & Energy** (1%) and **Other industries** (3%).

Other industries include most companies from "Agriculture", "Betting & Casino" and NGO's.

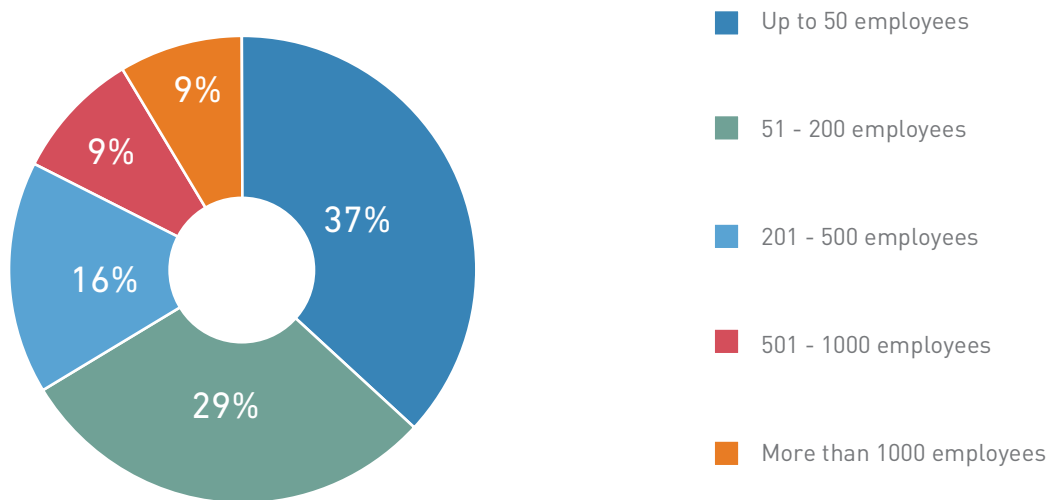
Graph 1: Business sectors per % respondents



SIZE OF THE COMPANIES

Companies of different sizes from all five countries – Serbia, Bulgaria, Slovenia, Croatia & Bosna and Herzegovina - were included in the research. 37% of all organizations have up to 50 employees, 29% have up to 200 employees, 16% of all have between 201 up to 500 employees, 9% are with 501 to 1000 employees and other 9% of the industries have more than 1000 employees.

Graph 2: Size of the industries



LOCATION OF ALL INDUSTRIES

As expected, most of the industries participating in this survey are located in the capital cities of all five countries. For Bulgaria, industries in Sofia are presented as 61% of all Bulgarian respondents, for Serbia – Belgrade is with 51.72% for Croatia – Zagreb is with 72.9%, for Slovenia is Ljubljana region with 44% and for Bosnia and Herzegovina Sarajevo and the east coast are with 65%.



Most of the South-East Europe respondents in this survey are located in Bulgaria – 154 or 29% of all, followed by Slovenia with 150 - 28% after that is Croatia with 129 - 24%, Serbia with 58 - 11% and Bosnia and Herzegovina with 40 - 8%.

Graph 2: Size of the industries

Bulgaria	Serbia	Croatia	Slovenia	Bosnia and Herzegovina
Sofia & the region	Belgrade	Zagreb & the region	Osrednjeslovenska region (Ljubljana)	Sarajevo & East coast
61%	51,72%	72,9%	44%	65%
Plovdiv & the region	Novi Sad	Split & the region	Podravska region	Tuzla
12%	10,34%	7%	12,67%	7,5%
Varna & the region	Niš	Rijeka & the region	Gorenjska region	Banja Luka & Zenica
7%	5,17%	2,3%	12%	10%
All over the country & smaller cities or villages	Other cities & villages	Other cities & villages	Savinjskaregion & other cities or villages	Bijeljina, Mostar, & Srebrenik
21%	32,75%	17,8%	31,33%	7,5%

Graph 3: Regional location of companies

RESEARCH RESULTS

WHAT CHANGES IN SALARIES ARE PLANNED BY EMPLOYERS AROUND THE SEE?

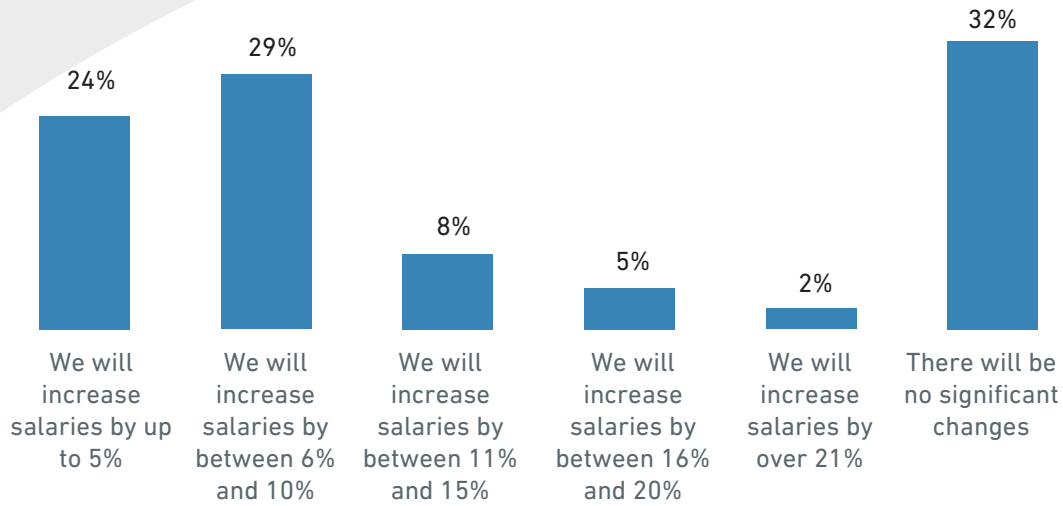
The majority of SEE employers - 32% - shares that their salaries will not change in the second half of 2022, while other 29% plan to increase salaries between 6% and 10%. 24% of all will increase with up to 5% but only 2% expects to rise the remunerations with more than 21%.

Around 8% of the employers expect an increase in salaries between 11% and 15% and other 5% of the participants in the survey predict an increase between 16% and 20%.

According to the survey, none of the employers forecast a reduction in remunerations.

Among all participating in all five countries, significant part of the industries plan to increase or change salaries in a way of positive change for H2.

Graph 4 : What changes SEE employers are planning for H2?

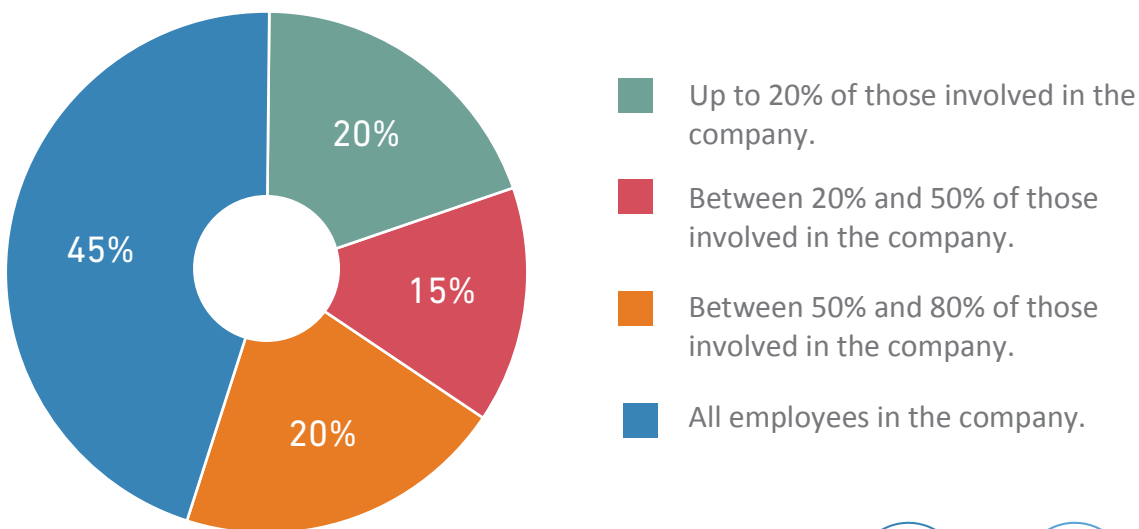


HOW MANY EMPLOYEES MUST EXPECT CHANGES IN THEIR RENUMERATIONS?

45% of all employers in SEE plan to raise salaries for everyone in their organization. Other 20% plan to increase salaries for between 50% and 80% of those involved in the company. 15% of the employers also plan increase in salaries for between 20% and 50% of employees.

The last 20% plan to increase salaries for up to 20% of their employees (This result also includes those employers who do not plan to change salaries.)

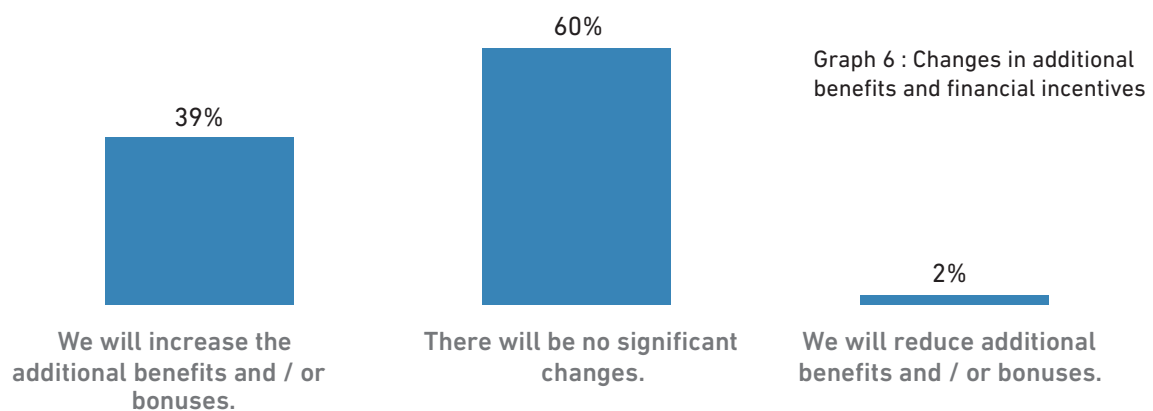
Graph 5 : Share of employees whose salary will change



WHAT EMPLOYERS PLAN REGARDING ADDITIONAL BENEFITS AND FINANCIAL INCENTIVES?

60% of South-Eastern Europe employers shared that there will be significant changes in terms of additional benefits and financial incentives for their organizations for the second half of 2022, while 39% other think to increase additional benefits and/or bonuses. Only 2% of all will reduce some of the additional bonuses and benefits for the employees involved.

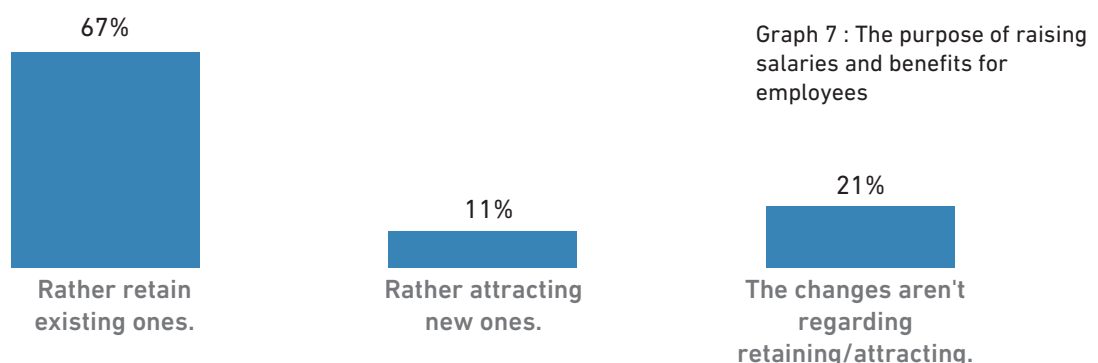
For H1 around 41% of the employers also didn't plan to make any change in additional bonuses and benefits, but the topic for corporate well-being and 'must-haves' and 'must-needs' benefits and financial incentives regarding the new way of working is still discussed worldwide.



WHAT IS THE MAIN REASON FOR ANY CHANGES AND IS IT CONNECTED WITH THE GREAT RESIGNATION?

We asked the industries whether they plan to increase remunerations and additional benefits for the sake of retention or recruitment as a future strategy and execution plan. 67% of all 531 employers say these measurements are related to rather retaining their current employees while other 11% plan to make changes as a strategy to attract new talents from the labor market. But 11% shared that either they will not plan any changes or the ones that will make aren't regarding attracting or retaining.

According to the collective thinking of South-Eastern Europe employers for the study "Salaries and additional benefit trends H2", 67% are increasing remunerations and bonuses for the benefit of their current employees.



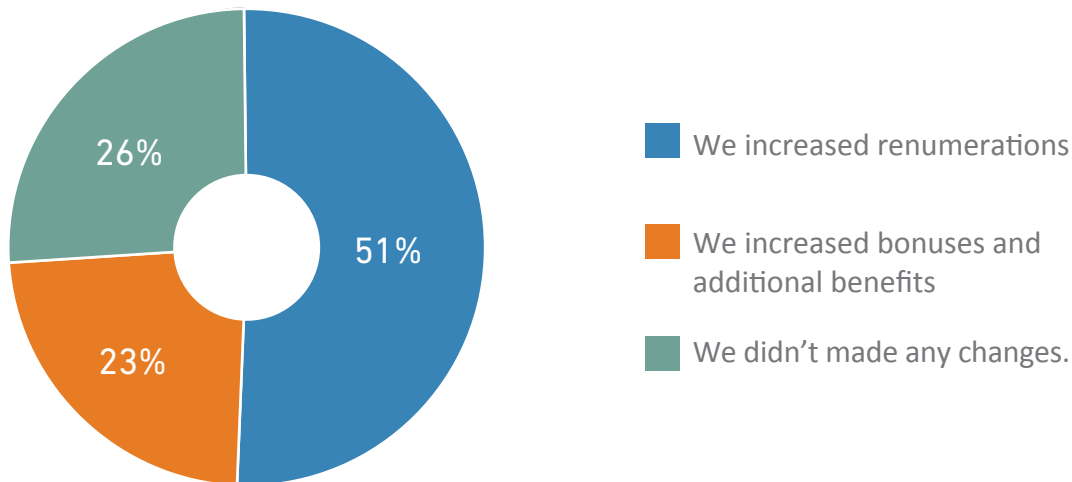
REVIEW OF DATA FOR THE FIRST HALF OF 2022

Executed changes from the employers in H1 2022 South-East Europe

When we asked, 'Did you made any changes in H1 for your employees?'; 51% of the employers answered that they increased salaries in the first half of 2022. 23% shared that there have been no major changes in salaries, and other 26% shared that they have increased employee benefits and bonuses.

None of the employers involved responded that they had reduced benefits and bonuses

Graph 8 : Change in salaries, benefits and allowances in the first half of 2022



PLANNED CHANGES IN SALARIES BY INDUSTRY

Review of the amount of change in remunerations by sectors

If we compare the results from sectors with majority of respondents, the largest share of responses predicts that salaries in their companies will be increased with up to 5% or remain the same. For example, in Manufacturing industry 34% predicts their salaries will remain while other 28% plan to increase. We have the same tendency in FMCG where 33% also will not make any changes 25% others will increase again with up to 5%. The other way around is for Information technology where employers (26% of them) want to increase with up to 10% and other 19% with up to 15%. Only 17% will predict nothing will change in the remunerations.

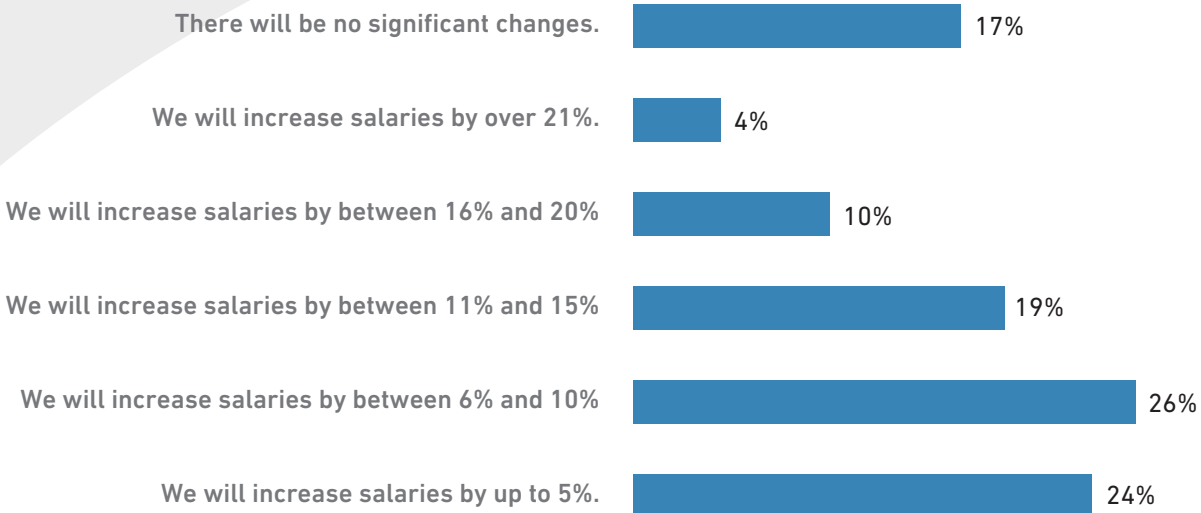
Review of the purpose of changes of remunerations by sector

The companies that mostly predict salary increase to retain employees come from the Information Technology sector. 75% of them predict an increase in salaries in the second half of 2022 to retain employees. The second sector, which has a large share of companies that forecast a rise in remunerations to retain employees, is Manufacturing - 68%, followed by Automotive industry - 63% - and Consultancy services also with 63%, FMCG with 51% and Finance, banking & Insurance with 57%.

The largest share of companies announcing salary increases with plan to attract employees is Construction - 50% & Transport and logistics -25%.

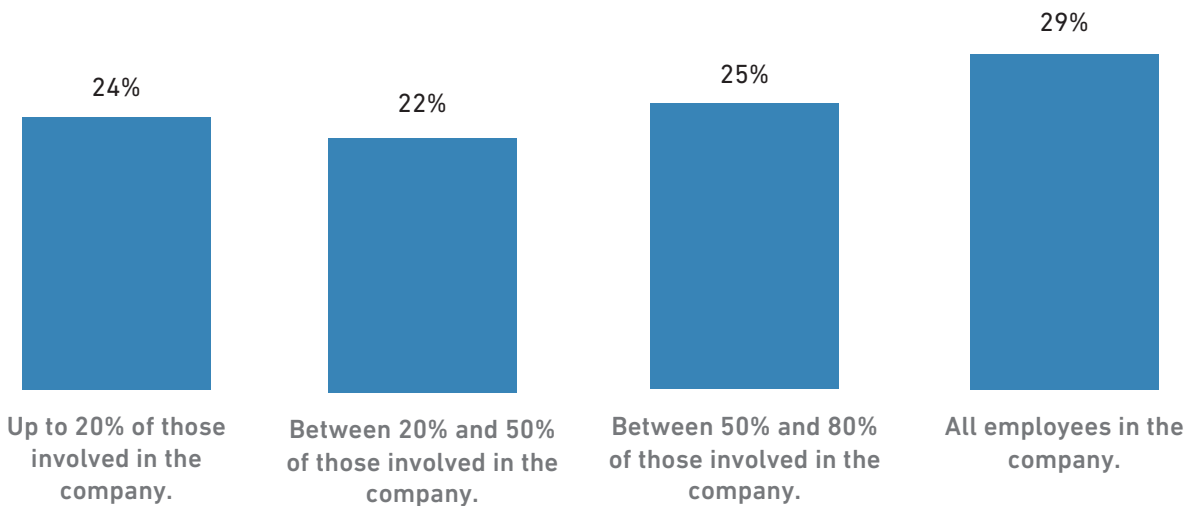
INFORMATION TECHNOLOGY

In IT sector, 83% of all companies forecast increase in remunerations between 5% and 21%. The largest share of all companies that participated in the survey (26%) plan to increase salaries between 6% up to 10%.

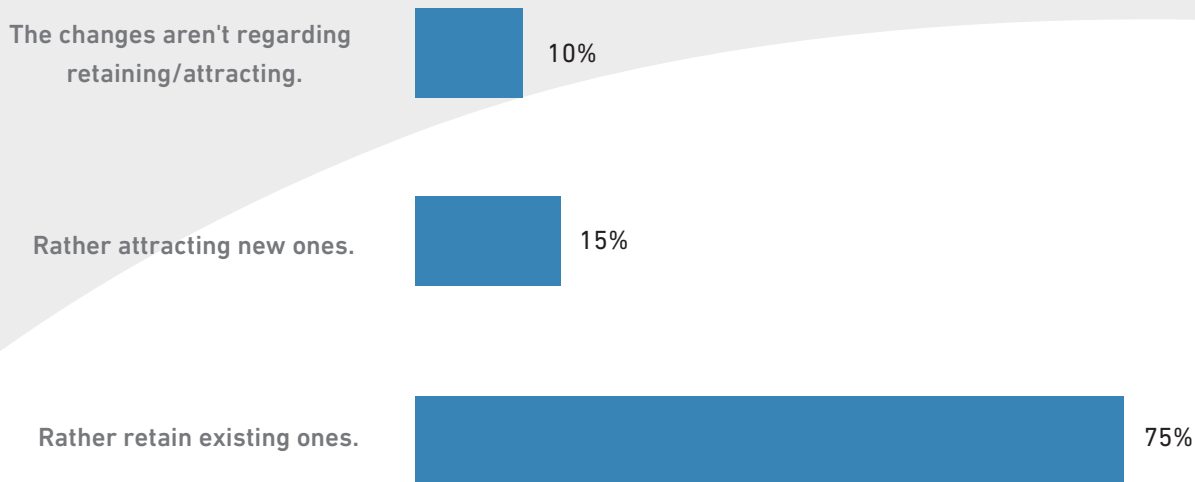


Other 24% plan to increase salaries with up to 5%, while 19% will increase between 11% and 15% and 17% of all do not plan to make any changes.

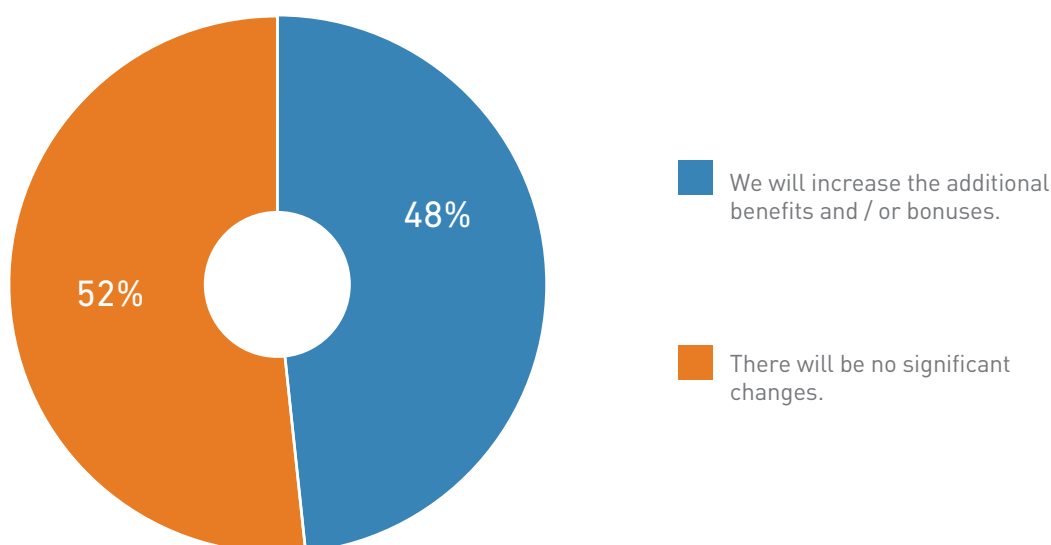
Only 4% of all IT respondents will increase salaries with up to 21% in South-East Europe.



In the sector, 29% of all employers say that all their employees will feel the difference or H2. Another 24% will make changes only for 1/5 of those involved in their organizations while other 25% shared up to 80% will receive salary increase.



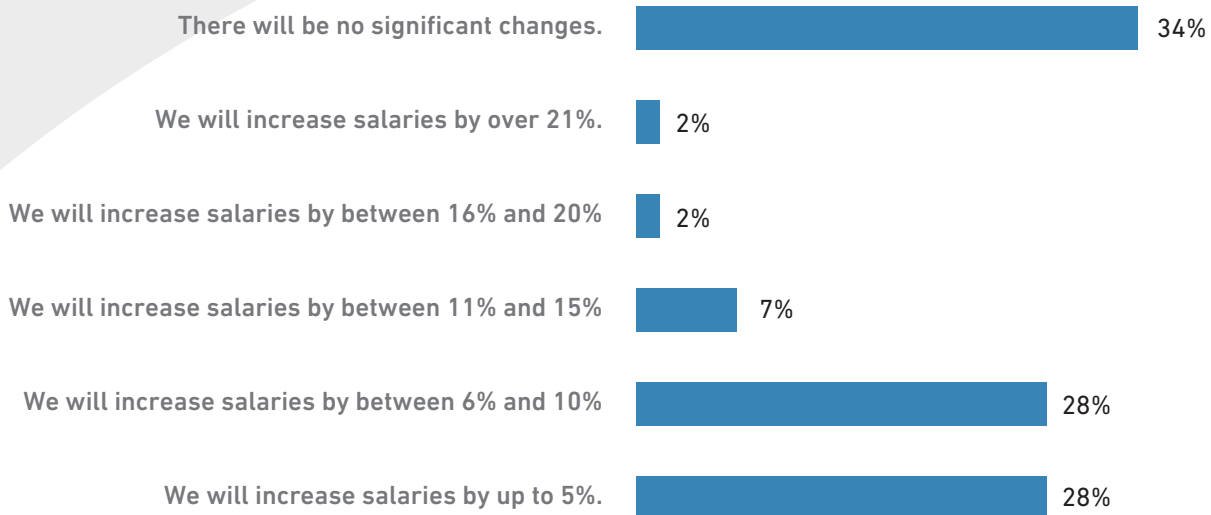
In the SEE IT sector, salaries are being raised mainly for the purpose of retaining employees, according to 75% of companies. 15% of all respondents in the sector say that raising salaries is primarily a measure to attract new employees in the organizations. Other 10% involved in the IT survey responded that the reasons for any changes are neither attracting nor retaining.



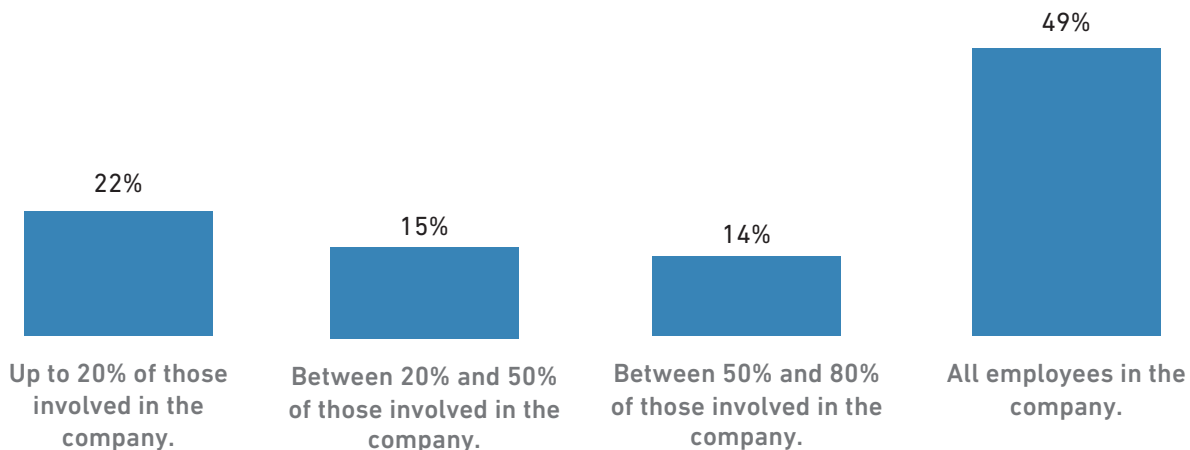
The situation with increasing bonuses and additional benefits is divided almost equally per respondents – 52% plan to increase while 48% will make no changes.

MANUFACTURING SECTOR

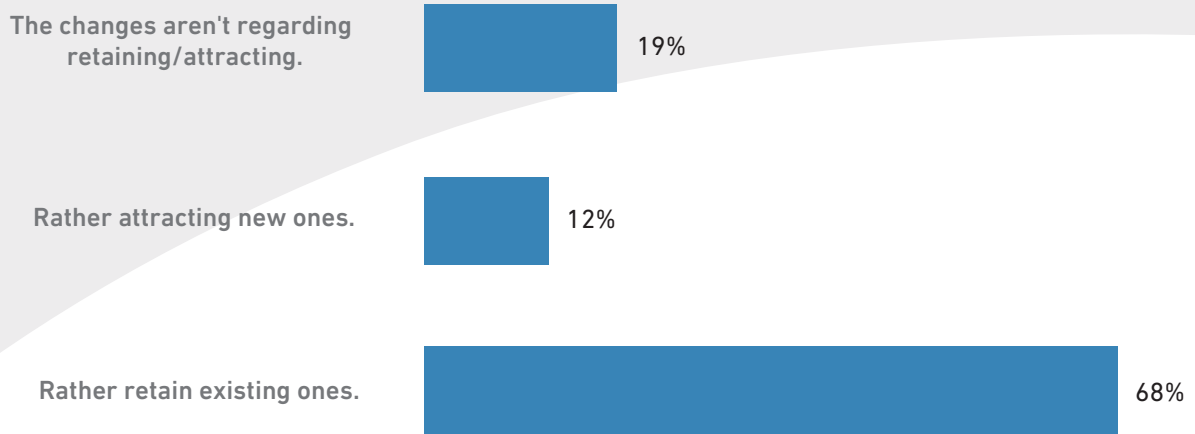
The respondents from Manufacturing sector are the largest part of surveyed companies in the SEE data for Salary and additional benefit trend study H2 – 130 companies out of 531 in total.



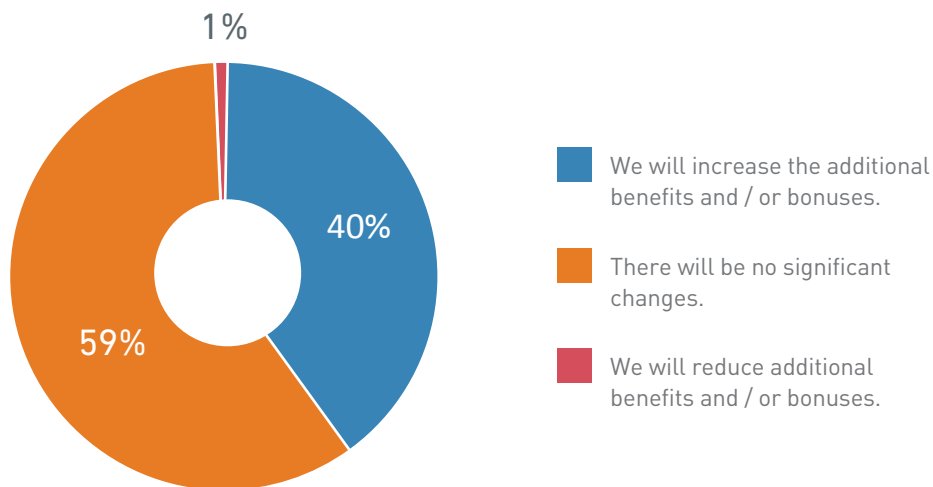
The largest share of companies in Manufacturing sector included in this survey (34%) do not forecast any rise in salaries. 28% plan to raise remunerations by 5% and another 28% of companies plan to raise salaries by 6% to 10%. Only 4% of those involved in the inquiry forecast a rise in wages from 16% to 21%. None of the employers involved are announcing salary cuts.



When asked what proportion of employees will receive a pay rise in Manufacturing sector, the employers involved shared: 49% of them plan to involve all employees in the company, 22% say that only 1/5 of their employees will receive a pay rise, 15% want to include between 20% and 50% of all employees and only 14% will make changes for up to 80% of their staff.



Again, as was the plan in H1, the main reason in 68% of all Manufacturing companies is to retain existing employees rather than attract new ones. Around 12% want to attract with the changes but another 19% will not make any changes or will make but not regarding retaining or attracting.

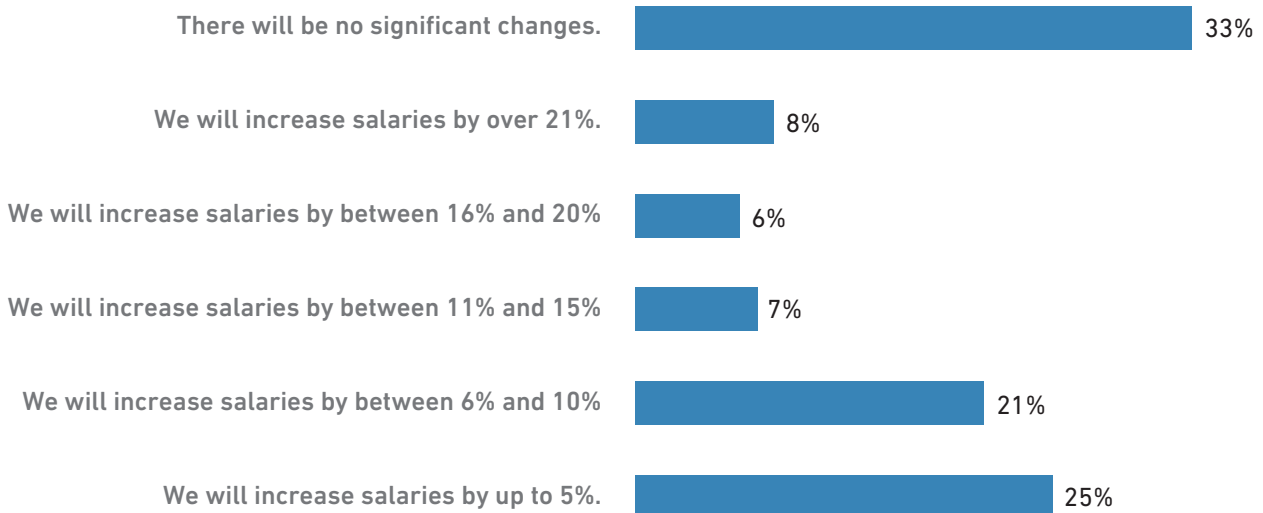


While for H1 the majority of companies was planning to increase benefits and bonuses, for H2 59% do not consider this as a step towards any changes for the employees. Only 40% of all thinks that increasing bonuses and benefits will help retain or attract employees.

FMCG / RETAIL

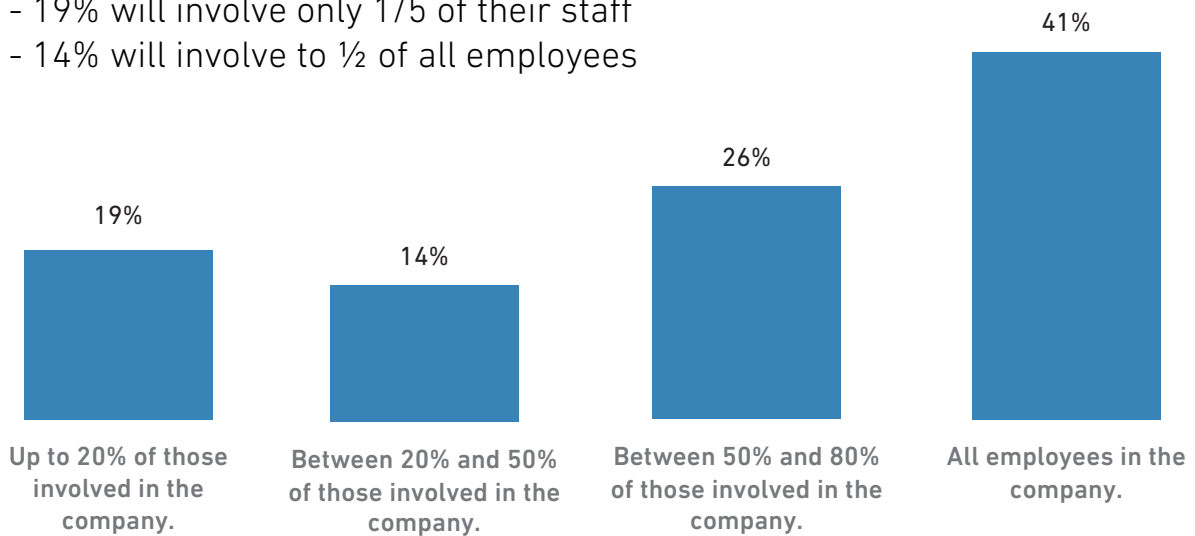
When asked about the increase in salaries in the previous half-year (H1 2022), more than half of employers in FMCG / Retail said that salaries will rise for at least 80% of their employees.

In FMMSG sector, 33% of companies will not change salaries for H2 while other 25% will rise them to up to 5%. Regarding worldwide inflation this changes may not be significant for the employees, but another 21% will rise the remunerations with up to 10%.

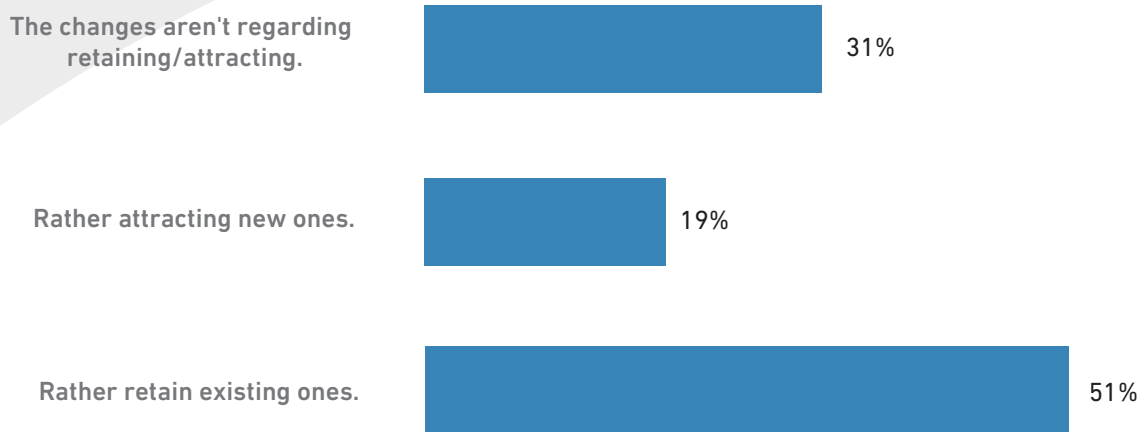


How many employees from FMMSG sector in SEE will feel the difference in H2 if there is any?

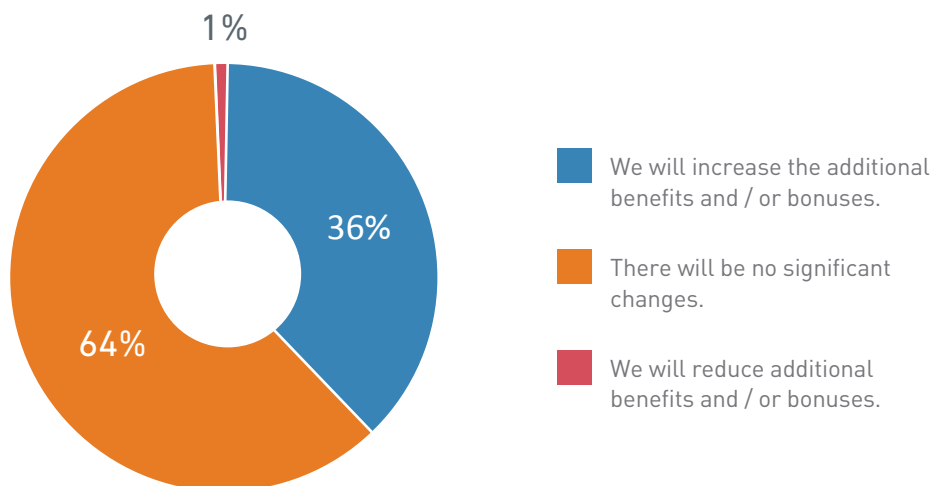
- 41% plan to involve all company employees
- 26% will involve up to 80% of the employees
- 19% will involve only 1/5 of their staff
- 14% will involve to 1/2 of all employees



In Retail, 51% say that raising salaries is a measure to retain employees, and 19% say it is a measure to attract new employees. The rest of the companies aren't making changes regarding salaries and the reason is nor retaining, nor attracting.

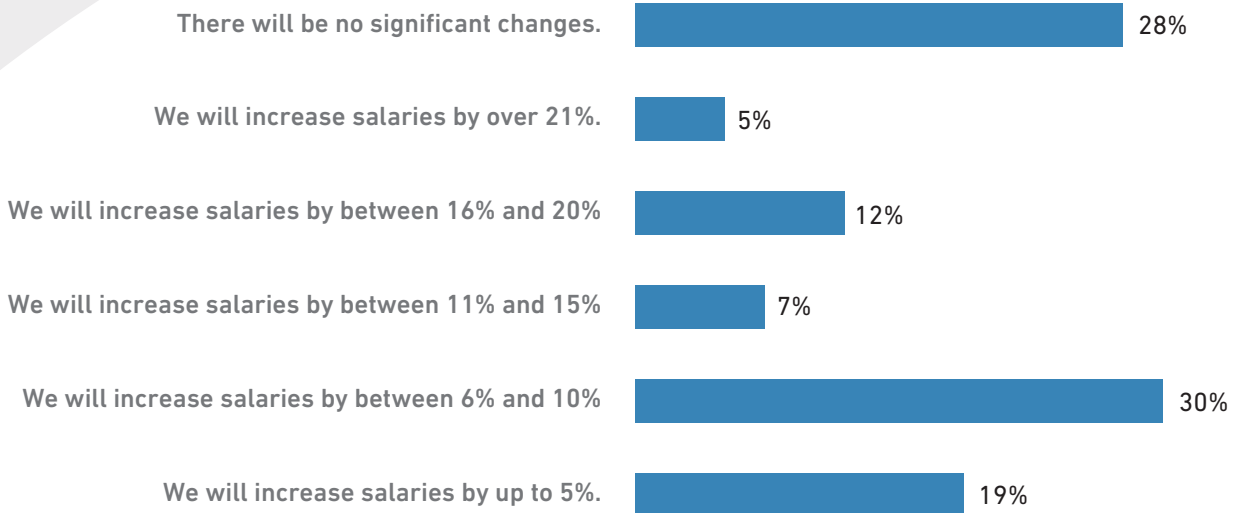


63% plan to keep the benefits as there are from H1, but another 36% plan to add or uprise bonuses and benefits for their employees in FMSG sector.



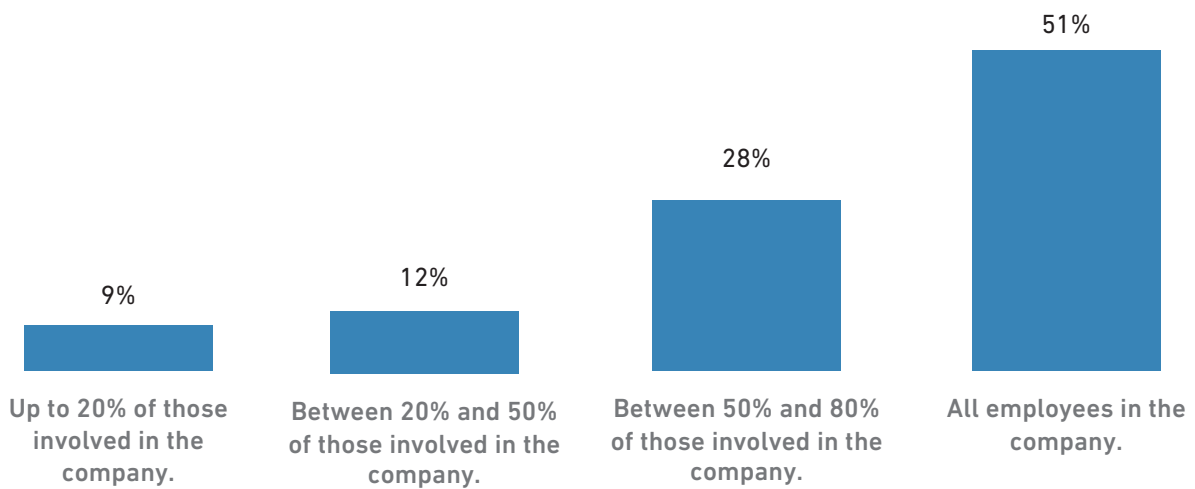
CONSULTANCY SERVICES SECTOR

In this sector companies such as HR consulting, Business consulting and any other services requiring consultation are included.



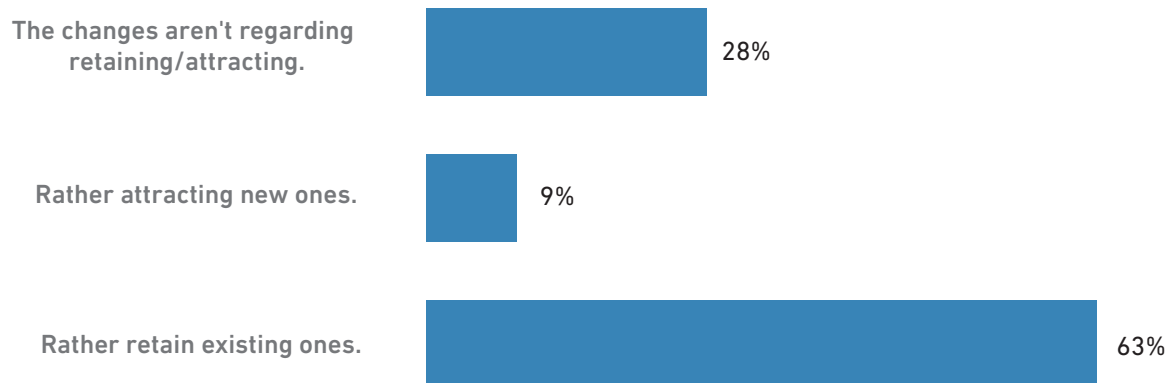
We asked our participants in the Services what they plan regarding any changes in salaries. 30% plan to increase with up to 10%, 28% will not make any changes while 19% others will increase with up to 5%.

There are 5% of all that plan to increase salaries with more than 21% for their employees.

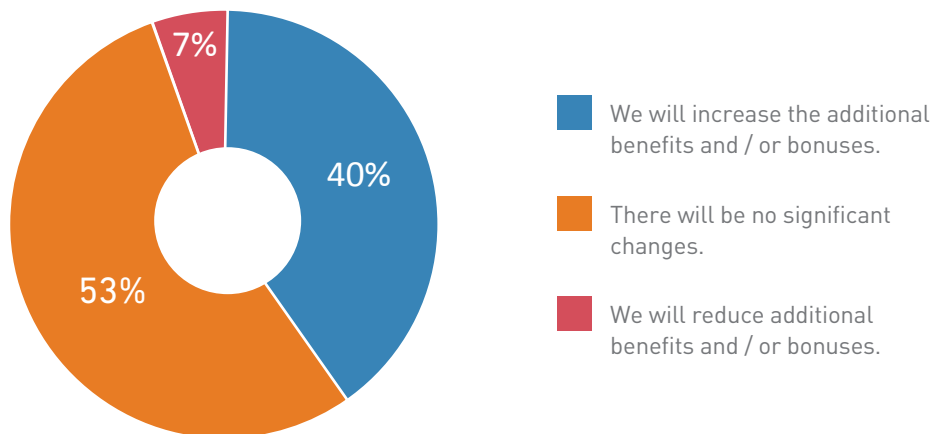


The question of 'How many employees will receive a salary increase' is answered as following:

- 51% shared that all employees in the company will receive a salary increase
- 28% of companies say that between 50% and 80% of employees will receive a salary increase
- 12% say that up to 50% of employees will receive a salary increase
- 9% plan to involve only 1/5 of all employees



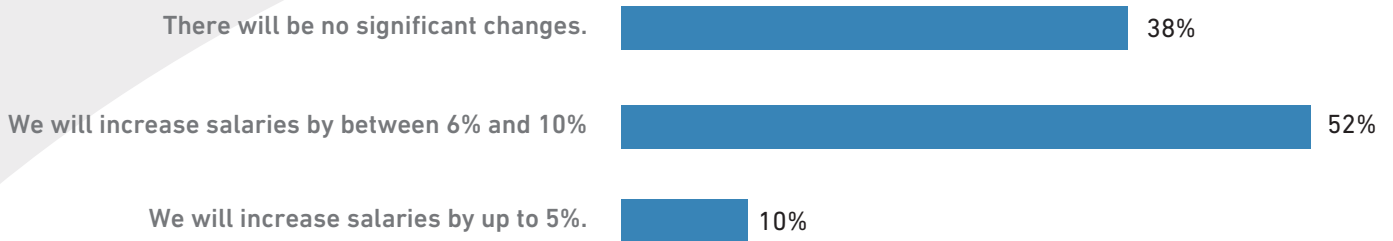
Almost three quarters (63%) of companies in the Service sector say that raising remunerations is a measure to retain employees, and 9% that the purpose of raising salaries is to attract new employees. The remaining share does not intend to share the main reason if there is any, for the decisions made.



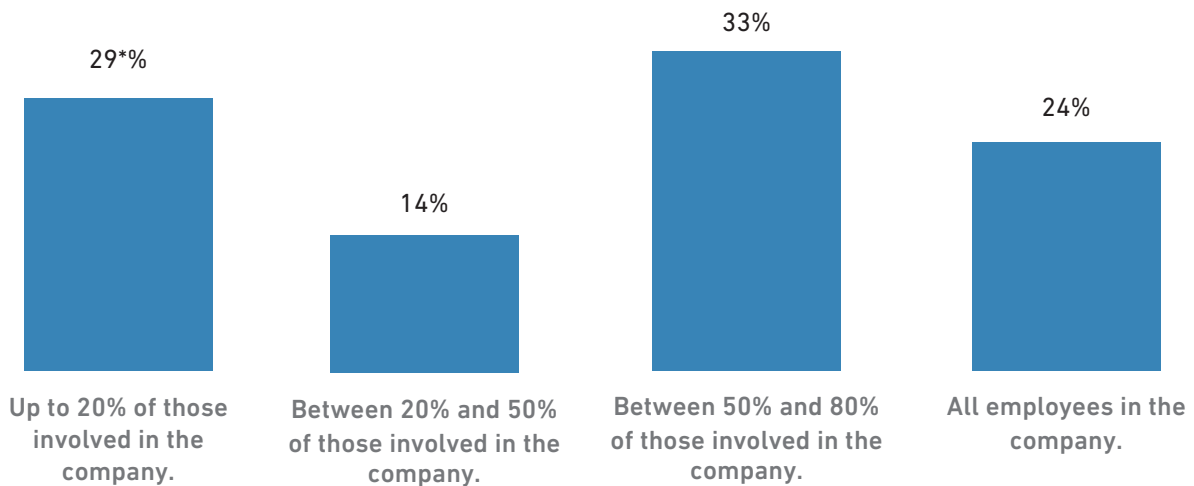
53% of the organizations in the sector share that there would be no major changes in the first half of 2022 regarding benefits or bonuses, while 40% other shared that they plan to increase benefits and bonuses. This sector respondents represents 7% of employers who plan to reduce bonuses and benefits.

BANKING, INSURANCE & FINANCE

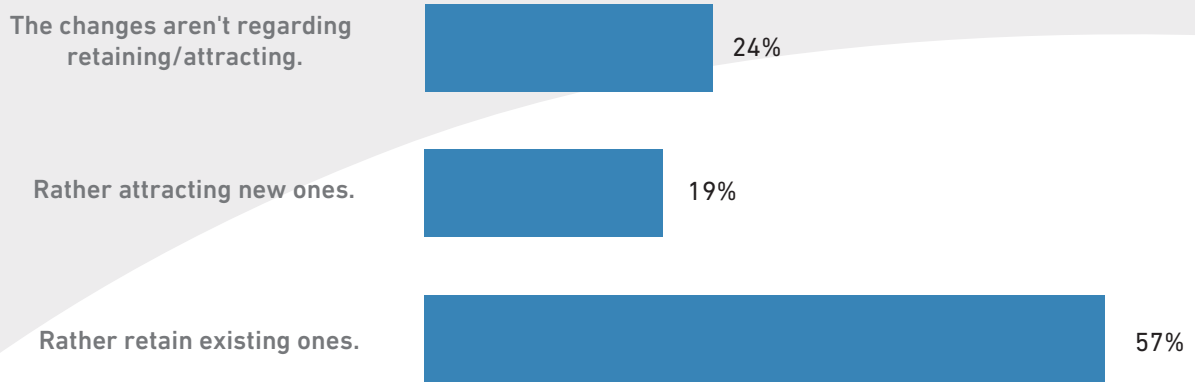
The respondents in this sector are giving exact predictions regarding salaries and their increase for the second half of H2.



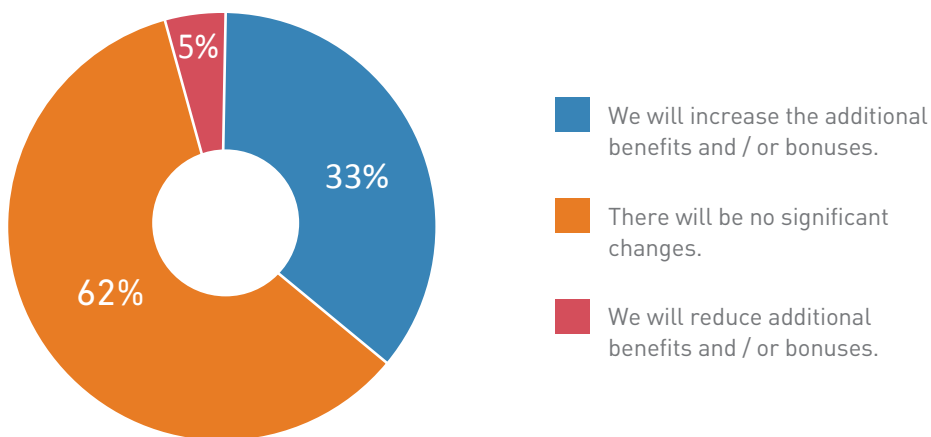
In 52% of the respondents' organizations for the Banking, insurance & finance sector will be increasing in salaries from 6% up to 10%, 10% will increase salaries with up to 5% and another 38% will not make any changes.



33% of companies in Banking, insurance & finance say that up to 80% of their employees will receive a salary increase, while 29% of companies say the salary increase will be for 1/5 of all employees. 24% of employers say that everyone will benefit from the salary increase, while 14% says that between 20% and 50% of the company's employees will feel the difference.



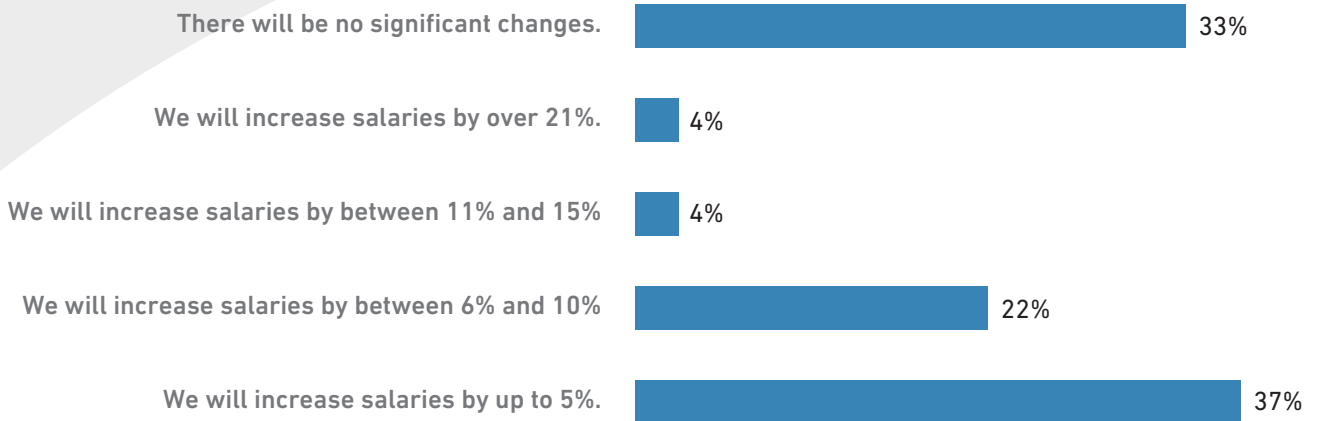
Again, as was for H1 and for the previously analyzed sectors, the changes are regarding retention of employees – 57%. For 24% of all from Banking, insurance & finance the main goal is to attract new employees.



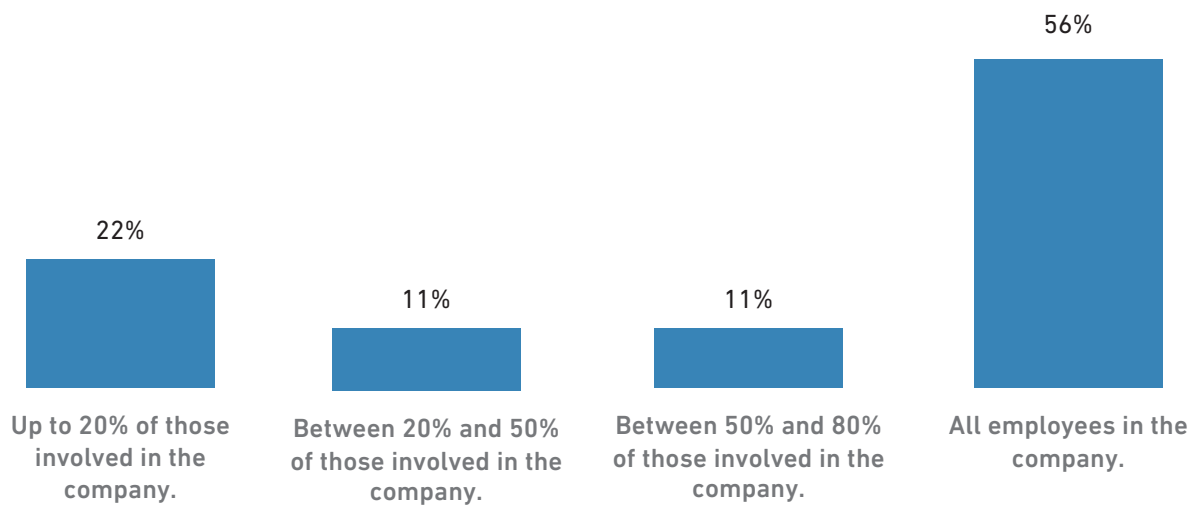
62% of employers included in the survey for the second part of 2022 say that there will be no major changes in benefits or bonuses in their company, while 33% of all companies plan to increase wages. As was for the Service sector, here 5% of respondents shared that they plan to decrease the bonuses and benefits.

AUTOMOTIVE INDUSTRY

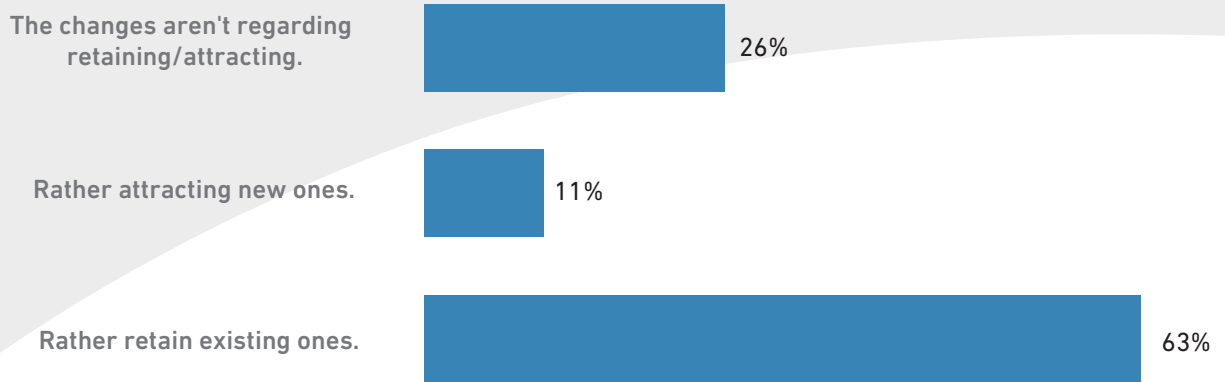
Of all the companies involved in the Automotive industry, 37% shared that the salaries of their employees will uprise to 5%..



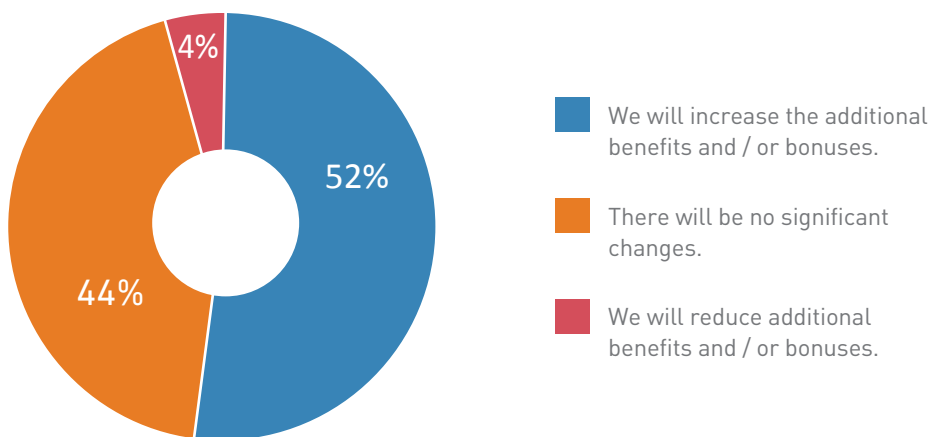
Another 33% will not make any changes in salaries for H2 in SEE, and only 22% will increase remunerations with up to 10%.



When asked what share of employees in the company will receive a salary increase, 56% of companies answered that they will include all of their employees. Around 22% of the employers in the sector will include only 1/5 of their staff. 11% will include up to 1/2 of all employees and the same number of respondents will include up to 80% with planned changes in remunerations.



Regarding the purpose of raising wages, 63% say that the increase is a measure to retain employees, 11% want to attract while 26% aren't making any changes or the main goal for any different salaries or bonuses is regarding another reason.



In the Automotive sector, 52% of the organizations say they will increase benefits and bonuses, 44% of companies wouldn't make any changes and around 4% will reduce benefits and bonuses.

ABOUT MANPOWER

With offices in more than 80 countries around the world, ManpowerGroup is a leading global company in the field of employment and human resources solutions. We help organizations transform them in a rapidly changing world of work by identifying, evaluating, developing, and managing the talent that brings them success. Manpower Slovenia offers the possibility of market research and company factors that help you turn everyday challenges into a long-term strategy for maintaining competitiveness.

The following forecast of wage trends and employee benefits

The next report on trends in wages and benefits for employees will be published in January 2023, with the forecast of trends for the first half of 2023.

Full service provider | Global know-how | Highest-quality standards | Tailor-made approach

