

**Macroeconomics**

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**EVALUATION OF INTERCONNECTIVITY  
BETWEEN HIGHER  
EDUCATION AND BUSINESS –  
BULGARIAN CASE**

**Abstract**

This article is dedicated to the problems identified by the Bulgarian business in terms of staff with higher education. In practice, businesses believe that research and educational institutions must provide an educational service that corresponds to their requirements for the level of competencies. The paper investigates the industries and sub-industries where the need for staff is most urgent. The model of more general education is embedded in the new global realities, which largely means that universities offer educational services of a more general nature. In this situation, it is difficult to overcome the divide between knowledge and skills of graduates and business requirements. This fact shows the objective gap between students' preparation for workforce and business ex-

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pectations. The authors also study the provision of educational services in the real sector, in particular the opinion of employers regarding the strength of young professionals outside the educational environment. Thus, there is a need to determine connections in the different areas of the labour market, e.g., business, services and production, to higher education. Analysis of the trends and conditions in the selection of specialists with higher education is an important aspect here. The authors believe that a flexible and adaptive economic environment is needed, which is focused on the global and regional peculiarities of territorial development and available human capital.

### **Key words:**

education; staff with higher education; human capital; business; development.

**JEL:** I23, I25, M5, P46, R23.

7 figures, 30 references.

### **Problem Statement**

In today's world, crises or global changes often point in the direction of education reform. Thus, in the 21st century, an important stimulus for reforming education often comes from the introduction of innovations and technologies that can be used to rationally achieve educational goals. This highlights the need for evaluation and analysis of higher education in Bulgaria, especially in the context of the changed work and business environment and the new requirements of the labour market. Moreover, the pandemic environment has created a unique opportunity to intensify the practical implementation of Concept 4.0 (Economics 4.0 and Education 4.0) beyond any prejudices and unfounded fears of failure, as it accelerated the application and adoption of digital technologies in all areas of work and strengthened the role of research and methods of scientific analysis in support of health, medicine and human well-being.

In practice, most educational surveys conducted within the European area have a general focus as well as particular territorial and regional focus, which embodies the culture of local regional communities. The disadvantage of these studies is that they outline very specific educational needs, which are defined by the national economy or the emerging economic profile of the region. Therefore, it is important to study how our higher educational system is changing in relation to the labour market and its opportunities to be competitive in an international environment.

In Bulgaria, the focus on education is traditional, but in the last 30 years it has shifted to adapting to new international educational trends, and the potential for its change is moving in the direction of adapting to European conditions and realities. In this context, higher education is accepted as a public system that should play a leading role in improving the quality of human capital in Bulgarian conditions. In practice, the state has built an educational framework not based solely on higher education, which has a practical nature with high quality of competencies of those holding the three degrees – bachelor, master and doctor. This sets a range of additional conditions and determines the need to seek rational solutions for higher education (Vutsova & Arabajieva, 2016).

In addition, the COVID-19 pandemic has challenged our national economy to adapt to a new change, further aggravated by the urgent reforms caused by the Green Deal. Thus, in order to be able to make rational decisions, we need to check the extent to which the views of employers coincide with the educational services offered by higher education institutions and the quality of the trained staff. We must clarify that the needs for staff with higher education, which are brought both by the labour market and by new trends in the development of the world and national economy, are met. That is why it is important to anticipate and work to build a certain structure of the economy by region, taking into account the emergence and development of new industries (especially high-tech). Hence, new professions are emerging, which is associated with the readjustment of the higher education system. The process of creating specialists for the future starts even before some of the professions actually exist.

## Literature Review

Research and changes in education on a global scale have become a reality since the 1990s. However, two important processes have been identified in this direction. The first is related to the globalization of education and the training of common specialists for the labour market. The second is related to the regionalization of higher education and emergence of educational regions. In the 21st century, these educational regions have a significant impact on the quality of education, learning time, and opportunities for a more functioning institutional en-

vironment. This process has its fundamental focus and brings to the fore a number of problems facing higher education. The role of universities is significant in the context of economic and spatial development of regions. We can see the influence of higher education institutions on the society, economy, education, innovation, culture, and so on. This is why the relationship of higher schools – business – economic development has to be investigated.

The literature review shows that there are many scientific research papers studying the interconnectivity of universities and business environment. For example, Christopher J. Hahn and Jeanine E. Gangeness (2019) studied the current and future educational and leadership needs of workforce in the USA. According to them there are great changes in the labour market and universities have to strengthen the connection between business and higher education institutions. Some authors observed a big gap between graduates' preparation for workforce and business needs. The development of the curriculum in the higher schools is significant for students (Casner-Lotto & Barrington, 2006). Universities' main responsibility is preparation of students so that they can meet stakeholders' needs and requirements. Since this connection is important, it must have its application in the curriculums. Usually though, there is no direct input from stakeholders in the course design (Tracy et al., 2014).

According to Weeks et al. (2014), the universities are not just developers of curriculum but also «knowledge brokers», as they facilitate the stakeholders' relationship to students. Basken (2017) surveyed the partnership of business and higher education in terms of meeting labour market's needs.

The aims and role of higher education are the object of many scientific discussions, which is why the philosophical debate is continuing in that field. The literature review shows two competing concepts regarding higher education regulation (Kromydas, 2017). Letizia (2013) argued that the higher education system must operate according to the principles of the free market as a social institution. Hyslop-Margison (2000) investigated how free market economy impacts higher education in Canada through interference of international organizations and Canadian business. Meanwhile, higher schools seen as social institutions may influence specific structures of society. In this sense, Mountford-Zimdars and Sabagh (2013) analysed massification of higher education for creation of social equity and cohesion.

The partnership between higher education and business is important for the creation of adequate business environment. Effective partnerships are prerequisites for economic development. This requires good management based on common vision, shared values and similar purposes (Stăiculescu et al., 2015).

According to Lehmann et al. (2020), universities play a role of anchor organizations in an entrepreneurial ecosystem. In this sense some authors see universities as a key actor in the process of economic growth and stimulation of innovative activities (Guerrero et al., 2015; Nabi et al., 2018). The universities are

innovative centres for knowledge creation as they participate in regional innovative systems (Civera et al., 2020; Hassan, 2020). Lee and Muller (2019) investigated graduates' wages in engineering fields in Germany and Korea and their implications on institutional diversification. Schenkenhofer and Wilhelm (2020) explained the need for hybrid human capital in Germany. They examined the role of dual education in the German state. In the future, it will also be important to explore the connection of higher schools – dual education – regional development.

Recently, most higher education systems have been fostering competition between providers to create quasi-markets. At the same time, those systems moved from elite to mass participation. However, the student's choice of university remained constrained by resources, geography, and information (KPMG, 2020). In conclusion, we can argue that universities must react to great socio-economic changes, including in the labour market. These circumstances make higher schools start transformation to meet new challenges in the digital era and new dimensions of workforce.

### **Methodological Framework**

In Bulgaria, the focus of higher education is on the new conditions. It is designed to generate staff that will facilitate increased productivity and better quality of work, that will contribute to the establishment of sustainable human capital. Notably, much attention is paid to inclusive education in Bulgarian conditions. The authorities plan for revision of the model of education system' financing aimed at increasing the quality of education and training. It is assumed that this model will ensure a positive change in higher education, and will have an impact on individual well-being.

In order to justify the existence of higher education institutions by profile orientation in regions, it is necessary to study and establish their role and significance for the respective regions. The connection between regional higher education and regional development is undeniable. Nevertheless, in this study the authors attempt to prove the strong correlation between higher education and regional economy. A necessary condition that we must set is that higher education institutions can be divided into small and large, of national and regional importance, broad-spectrum and narrowly profiled.

In methodological terms, the study can be divided into two main parts. The first section studies the functioning of higher education institutions. This includes the assessment of the quality of educational services, learning process, student achievements, research, etc. The second section examines the external environment, mainly the labour market. Here, a sociological study has been con-

ducted. It investigates companies by analysing the relationship between higher education and business. The authors use wide range of methods such as sociological research, statistics, description and prescription, case study, analysis and synthesis, and comparison.

The first direction of research aimed at the internal environment of universities will be the focus of another survey in the future revolving around benchmarking as a tool for improving the quality of education and training of specialists with higher education.

The second direction is related to the development of methodological tools for analysis and evaluation of the labour market and the higher education market in Bulgaria. The goal here is the outline of development in this area at least in the medium term.

Methodologically, it is good to choose a rational approach to structuring higher education at the level of regional planning. The latter, in turn, should depend on the number and structure of the region's population, with an emphasis on the age composition of the population at the district level. However, the sectoral structure of the economy at the district level is also important, as it also shapes the levels of employment and unemployment at the level of regional planning (including the public-real sector ratio). In practice, this data should be supplemented by a more general characteristic of the size of cities (in Bulgaria cities can be put into several groups: cities over 75 thousand people; cities from 30 to 75 thousand people; cities from 10 to 30 000 people; cities from 4 to 10 thousand people). Additionally, the population should be analysed to determine the share of people with secondary and higher education. Such outline of the urbanization level of Bulgarian cities will allow us to more accurately analyse the profile of existing universities, accredited professional fields and their potential in the medium and long term. Given that we need to determine the capacity of higher education institutions in the country, at the regional level we must look for comparability of existing or future higher education institutions with the structure and condition of the school network for secondary education.

This capacity must be consistent with the demographic characteristics and regional development of the country. This requires higher education institutions to also be grouped according to student enrolment. Here, there are four groups. The first has an annual admission of 1,100 to 3,000 students per year, i.e., large higher education institutions. The group of medium-sized HEIs has an annual admission of 700 to 1,100 students. The third and fourth group of small HEIs have annual admission of 350 to 700 and 175 to 350 students respectively. Thus, it will be possible to create preconditions for the development of teaching and research activities at the university level, and from there to transfer it to the regional level. Creating opportunities for the development of various higher education institutions will help the state, as well as the private sector, to strengthen the HEI's connection to the labour market.

Regionalization of educational services is one the key needs and, at the same time, problems of higher education. It requires a more comprehensive study of labour markets and the output of higher education. The purpose of the research approach is to establish the existence and nature of the links between higher education and business, higher education and state. This should lead to optimization of the profile and territorial differentiation of higher education institutions.

### **Evaluation and Analysis / of the National Supply and Demand of Specialists with Higher Education**

In order to establish basic assumptions about the quality of the provided educational services and frame the need for staff, it is necessary to outline the relevant findings and patterns, which should be analysed to take appropriate measures towards increasing the competitiveness of the national economy. Thus, in order to differentiate relevant groups, we conducted an empirical study, involving over 600 companies from all over the country. The focus of the study is the demand and supply of specialists with higher education in the labour market. The largest number of companies in the survey is from the tertiary sector. The evaluation of research results has its own research patterns, which confirmed the view that academic education is increasingly playing a significant role in the labour market (Vutsova & Arabajieva, 2016). The quality of educational services is quite significant in this regard. It is important to note that the Bulgarian business states certain expectations, and at the same time is looking for staff with lower education but more experience. This is an important conclusion from Figure 1.

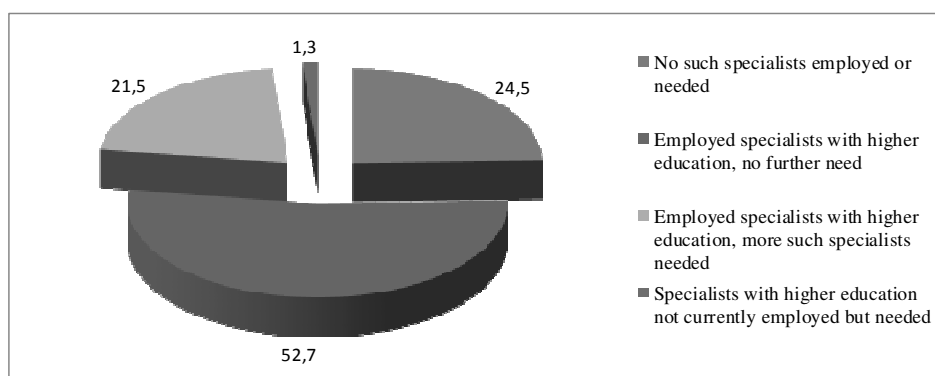
The survey shows that Bulgarian business does not have a sustainable vision and is rather looking for conjunctural solutions. Its long-term strategic plans do not include the preservation and development of the available human capital in companies. This is a commonality that shows that the major part of the business sector in Bulgaria is dominated by trade, services, pharmacy, transport, and tourism.

There is a very weak but positive trend of increasing business in small enterprises of up to 50 employees. This means that nationally the development of production has large reserves and with a certain qualitative analysis can double its share in the Bulgarian economy, making the added value of the primary sector triple. This circumstance presumes that the Bulgarian economy currently needs better qualified staff in 49 municipalities with a population of more than 40,000. In other settlements the required highly qualified staff does not exceed 15% of the labour force, but the need for staff with vocational education or lower qualification

prevails (Iliev, 2009). Of course, the change in the Bulgarian economy and the increased share of graduates with economic and administrative education has motivated some experts to say that there is market saturation, but this can be disputed. The data in Figure 1 shows that businesses need young people, but nearly 24% of employers do not hire people with higher education. In addition, nearly 53% of employers are not actively looking for people with higher education. Nevertheless, it is important to note that nearly 23% of all surveyed companies need people with higher education. Thus, graduates of HEIs comprise not more than 25% of the respective set, which suggests that in a normally profiled economy industries would need such labour.

Figure 1

**Need for specialists with higher education in the business sector, %**



Moreover, population aging exacerbates the needs of the labour force, usually in transforming industries. New investors need mainly staff with knowledge and skills in professional fields like computer science, economics, administration and management, and information technology (Iliev, 2009). This has led to an increase in the rating of universities specializing in economics and management over 2003-2015 in Bulgaria. After this, the Bulgarian state began to introduce restrictions and reduction of admission to these HEIs to the advantage of technical and technological universities. This can be considered a hasty policy because the technological universities, reaching the lowest levels of admission in 2006-2015, implemented their own reforms, which allowed them to highlight their strengths and continue to provide educational services. This has led to the fact that the Bulgarian state can still claim to have a population with medium higher



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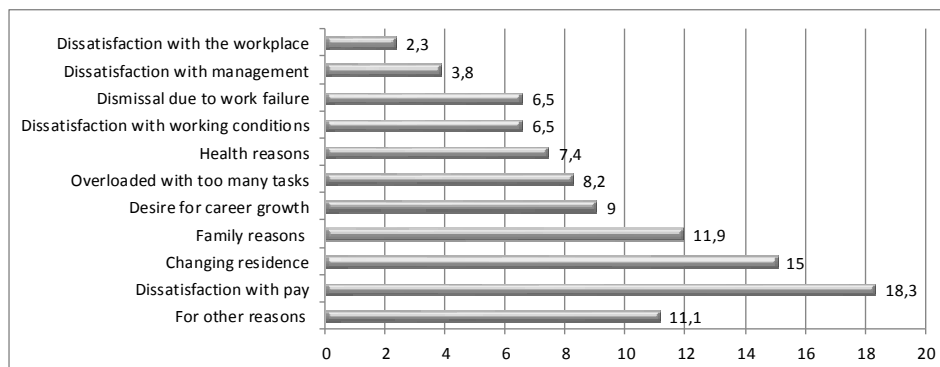
educational and qualification potential (Council of the European Union, 2011). The effect of the measures taken during 2015-2021 will certainly worsen this situation, and the probable continuation of this policy will lead to a further reduction of the state's ability to train students in all professional fields. The data from the employers outline the needs of the business for staff with higher education, but the state does not properly account for the demand from the business sector. The common field of interest between business and higher education can be seen in human capital needs. On the one hand, this means that we should consider the business need for new employees, on the other, it is very important to consider the desire of young people to work and their job expectations.

Only 8% of the surveyed companies rated their turnover as high. High turnover is expensive because it involves direct financial costs. In the conditions of turnover (especially within the first year after the hiring of employees), companies cannot reimburse even their direct costs related to the organization of competitions for recruitment and selection, hiring, training and adaptation of new hires. For 37% of the surveyed companies the turnover is normal or as high as in other companies. It is believed that staff turnover is mainly caused by internal factors related to how a company is managed, and not so much the external ones. That is why the reasons the staff has for leaving, indicated by the employees themselves, are also studied.

The conclusions we can draw on the basis of Figure 2 is that in the private sector most staff leave their position due to dissatisfaction with pay (18.3%). If employees feel that they are not getting a decent salary for the work they do, they naturally start looking for other opportunities. And according to an article by Cameron et al. (1996), if you stay in a company for more than 2 years, it is very likely that at the end of this period you will receive less than new employees in the same position, and people who leave periodically succeed in gradually raising their incomes, while those who remain usually have to be satisfied with small increases in their salaries.

Next reasons by popularity are changing residence and family reasons, 15% and 11.9%, respectively. Migration processes in Bulgaria in recent years have intensified, especially among people of working age. Although the National Statistical Institute of Bulgaria no longer tracks data on the causes of internal migration, education and permanent or temporary work have always been in the lead. The labour market has a high degree of mobility by region. This implies high dynamics and change in workplace. On the other hand, a change of job due to financial claims or a change of residence is related to a search for favourable living conditions for a family. This is evidenced by the results, where the family is the third reason (Kirova, 2012).

Figure 2

**Main motive for loss of specialists in the private sector, %**

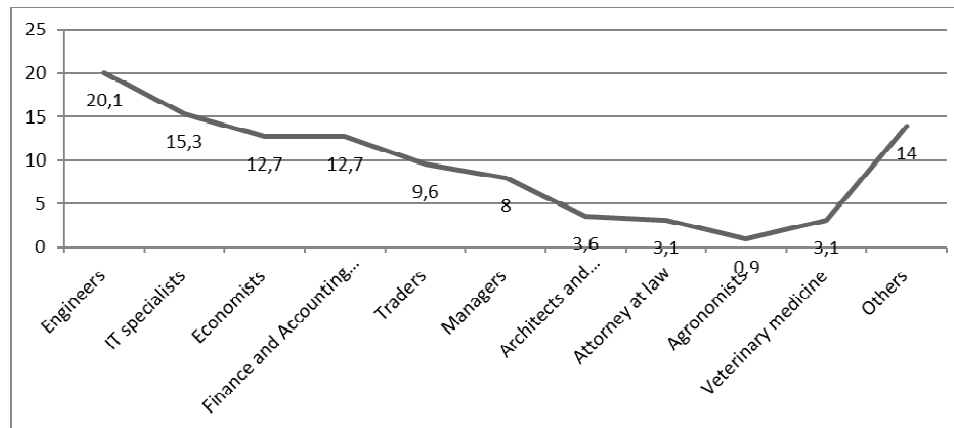
The change of residence is directly related to the search for development prospects. Significant influence, again, come from the degree of completed education. The education degree of a person is related to the possibility for self-education and a desire to change residence aiming at professional realization. In this regard, the desire for career growth is also a leading factor, which in our study has a share of 9%. Employees are constantly looking for new ways to improve their knowledge and skills, which is also a way to develop the workplace, but if employees do not see an opportunity for career at their current workplace, they will look for a new employer. The emphasis should be on ensuring the basic skills of all and on better integration of professional growth alongside lifelong learning. This assessment leads to the alarming conclusion that despite the efforts, lifelong learning has not become a reality for most people in Bulgaria (National Statistical Institute, 2021). Another reason is the overload of tasks (8.2%) or, in recent years, the so-called burnout. People strive for a balance between personal and professional life and when they do not find it, they tend to look for other options. We often talk about the need for interaction between business and education, and there is usually unanimity on the issue from both sides. In the survey we studied exactly what specialists the Bulgarian business needs in order to function normally.

Figure 3 shows that most vacancies are for engineers, who make up 1/5 of all specialists needed by business. Computer specialists are the second leading group of trained personnel needed by the private sector, with 15.3% of total demand. The percentage of the demand for economists and financial and accounting staff is 12.7%. The lowest percentage of 0.9% is for sought-after agronomists, probably due to a decrease in the number of agricultural firms mentioned

by the National statistical institute (NSI). According to preliminary data from the 2020 census, the number of agricultural firms is 132,400, which is 64% less than their number reported during the census conducted in 2010 (Ministry of Agriculture, 2021). Lawyers and veterinarians also take up a low percentage (3.1%) of demand, but we can still highlight them among the responses of companies. Architects and civil engineers are slightly more in demand with 3.6%. The needs of the business are highlighted by traders as sought-after specialists with higher education. According to Todorova et al. (2018), they account for nearly 1/10 of all necessary specialists with higher education.

Figure 3

**Major specialists in demand in the private sector, %**



The next group we need to outline is that of the highly educated staff, as managers are the most needed by business. The required managers of various natures are 8% of the total demand. In the study, 14% are identified as others who cannot form a sufficient percentage of specialists. From Figure 3, we can conclude that the most sought after employees are the graduates of universities with economic and administrative profiles in terms of aggregate demand from these professional fields, i.e., economists, financiers, accountants, traders, managers. These are followed by university graduates with a technical profile (engineers and computer specialists), followed by architects and civil engineers, and finally specialists in veterinary medicine and agronomy.

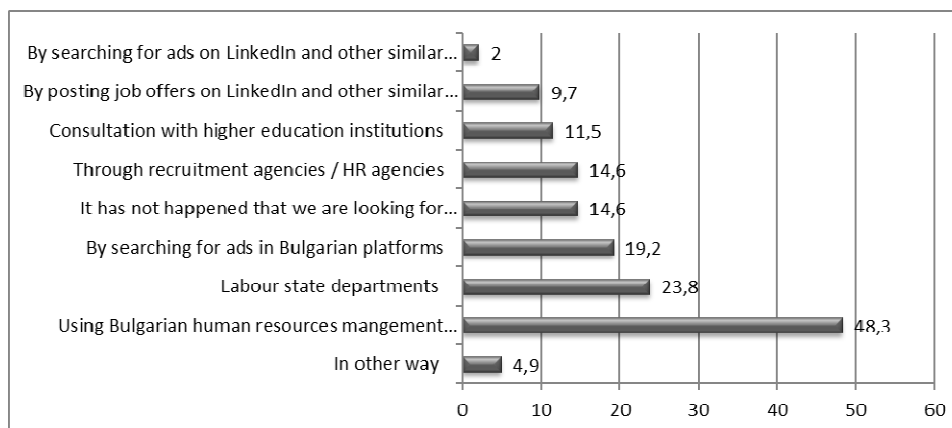
There is a frequent discrepancy between the attitudes of workers and employers in terms of the working conditions, which in our survey is defined as a motive with 6.5% significance among the total number. The feeling of dissatisfaction with the staff (2.3%) or the management (3.8%) are also among the reasons given by the surveyed companies for their employee turnover, but they occupy the last places. Only 6.5% of enterprises said their workers had not completed a specific task and so had been laid off. Therefore, the need for new staff with higher education had to be identified. Over 75% of employers indicate that they have an urgent need for people with higher education qualifications. This approach gives us sufficient grounds to look for the real needs by sectors and industries in order to be able to derive the real needs of the Bulgarian economy (National Statistical Institute, n.d.).

### **Search for Specialists with Higher Education**

Every national economy needs a workforce with appropriate qualifications that meet the needs of the labour market. On the other hand, the market is associated with levels of employment, and when the latter increases with the development trends, the economic activity slows down. For example, this is valid for young people. The young people unemployment is decreasing slowly in this case. Many higher education specialists work in jobs that require higher education. It is important to clarify that the professional education system does not produce suitable staff. This shows that technologically the Bulgarian economy is lagging behind other countries, but it still needs manpower. In this direction, the study of the distribution of job positions in electronic databases for supply and demand for labour shows that the demand and supply of labour is not only dynamic but also chaotic. In the survey, 70% of employers did not have preferences for their employees as to where they had completed their education, and over  $\frac{1}{4}$  preferred those who had received their degree in Bulgaria. Only 4% favoured the graduates of foreign universities. Based on these data, we can conclude that in 96% of cases, the employees may have graduated domestically, which proves the important role of higher education in the Bulgarian state (National Statistical Institute, n.d.).

The ways in which employers look for their staff is also important. Figure 4 shows some of the main reasons for recruiting. Given the development of information technologies and the Internet, cyberspace is practically the center of job fairs and job forums.

Figure 4

**Major ways of recruitment in the private sector**

As expected, job vacancies are filled mainly through electronic platforms for job search and supply – a total of 67.5% of surveyed employers use this method. This implies enhanced training of graduates to work with electronic platforms, skills for preparing documents for participation in competitions and presentation skills. The percentage of companies working with the career centers of higher education institutions for recruitment with higher education is extremely small – only 11%. This fact reveals another need for institutionalization of these contacts and the creation of networks of employers and universities, including joint initiatives and active feedback.

At the same time, the pressure to pay salaries is due to the constant increase in the administratively determined minimum wage and minimum insurance monthly payment. Artificial increase of incomes limits the opportunities for labour market inclusion, especially for young people and workers with lower or no qualification which is related to the great number of unemployed and weak economic activity. In this sense, deepened problems in labour and lack of opportunity for solutions to them in the short- and long-term constrain economic growth of the state inevitably (Hristov & Hristova, 2012).

Thus, in the study we analyzed requirements for experience on the part of employers through a group of questions. In this regard, it is clear that only 10% of ads do not require professional experience. The results show that in 78% of the advertisements no specific specialty is indicated, but higher education is. Nearly 1/5 of the advertisements specify a requirement for the acquired Bachelor's degree. A very small number of advertisements, almost 2%, specifically indicated

training at the level of the Master's degree. The data shows that, in general, employers determine the need for «higher education», while the additional qualification of «in the professional field» means that it must correspond to the specialty for which the employer offers the position. One third of the ads are looking for specialists with up to 3 years of experience. This means that employers are more likely to hire less experienced professionals in order to train adaptable professionals (Todorova et al., 2018).

At the same time, the analysis shows that a large part of the surveyed respondents, nearly 400 of them or 72%, indicate frequent shortages of staff. Again, the biggest problem is the lack of specialized staff, which are mainly concentrated in the industry. Also, nearly 77% of employers cannot find suitable workers with professional qualifications. This means that almost every new hired worker needs to be trained according to the specifics of the job. However, if there is more experience, the employer assumes that not much money will be invested in the newly hired specialists. This is a motive that shows that investing in human capital is a must if you want to make the most of this evolving economic opportunity. In our opinion, it is important to look for more skilled workers on the labor market in relation to the labour market and the experience.

Higher education must provide skills that are increasingly important in labour markets: improved cognitive skills such as complex problem solving and socio-behavioral skills; teamwork; and combinations of skills that imply adaptability (Todorova & Gergova, 2017). The presence of these skills can significantly mitigate the requirement of seeking long-term experience in the profession. In this regard, we welcome the view of an indicator on «Employment of people aged 20-34», including recent graduates. The envisaged indicator for monitoring the employment of young people who have recently graduated provides a link between the education and training system and the labour market. The indicator makes it possible to measure and analyse the suitability and employment opportunities of recently graduated students in the labour market and creates an opportunity for comparisons with the employment of young people in this age group in other EU countries. At the economic level, human capital is positively related to the general level of introduction of advanced technologies. Companies with a higher share of educated workers are better at innovations.

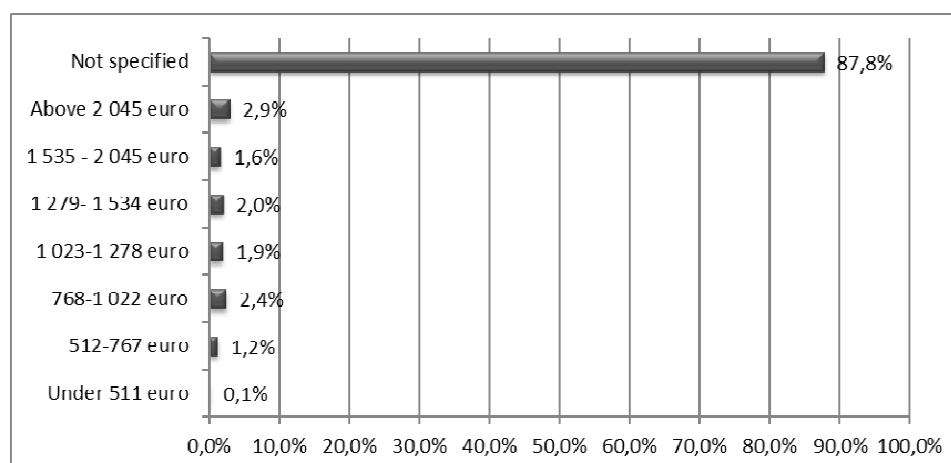
In recent years, the demand and supply of labour in the Internet space has become increasingly important. This is in practice an expansion of the institutionalized labour market. In this regard, in recent years more and more young people have been looking for their professional realization through the platforms on the Internet. For the full development of the profile of the searches of specialists with higher education, it was important for us to follow their needs in the Internet as well. This prompted us to examine more than 850 digital advertisements on the Internet to analyse the labour demand and evaluate the jobs offered. Analysing the labour market and its virtual dimensions, the goal is to determine the offered basic remuneration. More and more young people are starting work in the spe-

cially they have graduated from, but with lower salaries according to Bulgarian statistics. However, this is not a problem per se, as the cost of labour must vary based on the level of competence.

The assessment and analysis of the distribution of the offered salary in the advertisements shows that almost 87.8% of them do not indicate the remuneration offered for the respective position, as shown in Figure 5. This suggests that remuneration for the advertised position may depend on the competencies of the job applicant. On the other hand, it could be assumed that the proposed starting salary would not satisfy the job seeker at all. Figure 5 shows that starting salaries vary from 511 euro to 2 045 euro, which shows a very wide salary range. In practice this depends on the respective profession, competencies and training of young staff (Todorova et al., 2018).

Figure 5

#### Distribution of job offers according to remuneration



The other major problem is staff shortages. It is mainly caused by the growing divergence between labour demand and available resources, due to which businesses «import» labour, and some companies are even considering expanding abroad due to the inability to find the right professionals. At the same time, some reports claim that there is no shortage of staff in Bulgaria, the workforce is fully sufficient for the needs of the labour market, and the widely publicized crisis with staffing is exaggerated. The labour market in Bulgaria is suffo-

cating due to the growing gap between the skills and capabilities of the workforce and the needs of the economy. And although there are policies that are partially trying to change this situation, the problem of labour quality is escalating without being adequately addressed (Hristov & Hristova, 2012).

### **Demand for Higher Education Graduates by Specialty**

Demand and supply of labour is the expression of the need for specialists in various fields of socio-economic activity of society. Thus, the issue of the hiring rate of specialists with higher education is related to their professional training, which occupies a key place in modern society. The requirements for higher education are attracting considerable attention due to the existing contradiction between the demand for highly qualified specialists with adequate professional competences, entrepreneurial and managerial skills and the real supply on the labour market (Council of Ministers, n.d.).

According to national statistics, nearly 50% of first-year students leave higher education because they fail to complete it. In 2020, 46,355 students graduated in total, of which 1,712 students received the Junior Bachelor's degree, 23,151 students received the Bachelor's degree, 20,395 obtained the Master's degree and 1,097 we awarded the Doctoral degree (National Statistical Institute, n.d.). This capacity of more than 5,000 people with higher education implies higher starting salaries, which the business is reluctant to give. Thus, such low assessment of the specialists leaving the universities is related to the low level of salaries. Moreover, in Bulgaria the lag in the field of non-formal learning and in the application of the lifelong learning concept is an additional argument for the search for a complex mechanism for coordinating efforts in this direction.

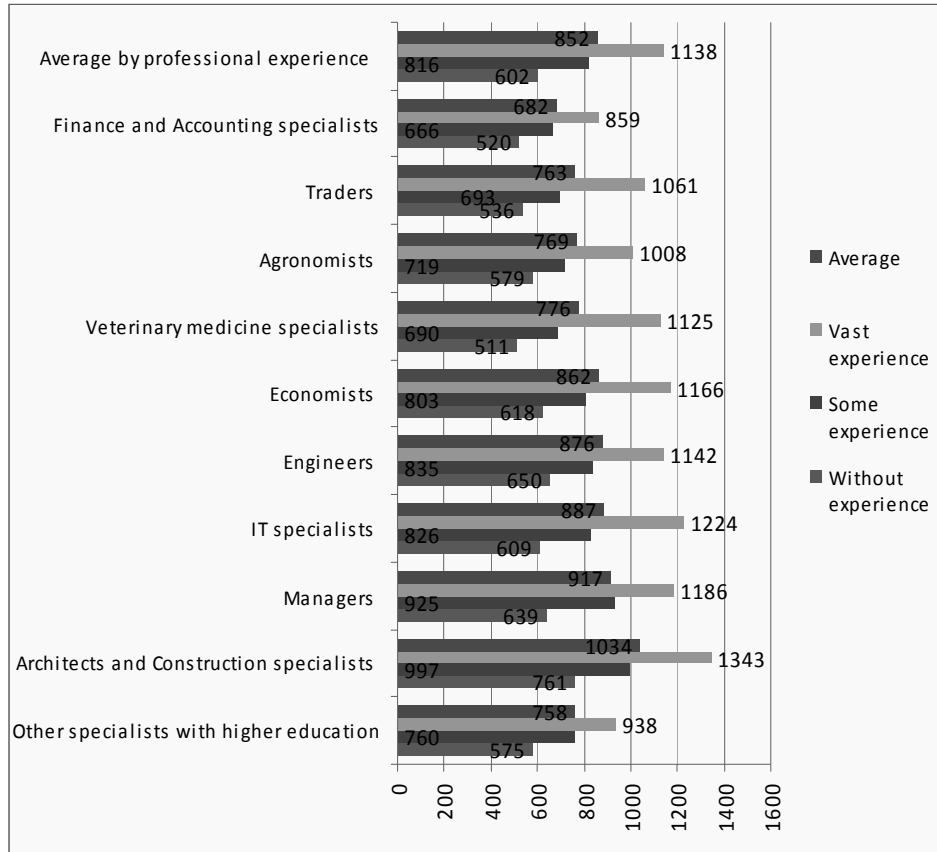
It is clear from the data that attraction of young professionals is not a business priority, as it is shown in Figure 6. The starting salaries that employers are willing to give to specialists with higher education fall within a small range: from 761 euro for engineers to 520 euro on average for financiers and accountants. Low levels of starting salaries are also the reason for the low motivation to receive higher education.

This is supported by the fact that for secondary education specialists an average salary of 852 euro is expected, and even for the most expensive paid position of civil engineers it is only 1 034 euro. We could conclude that the remuneration and preparation of staff, from the standpoint of theory and analysis of practical activity, exists precisely for this purpose – to give meaning to human existence (Council of Ministers, n.d.).



Figure 6

**Salaries of higher education specialists in private sector  
(in euro per month)**

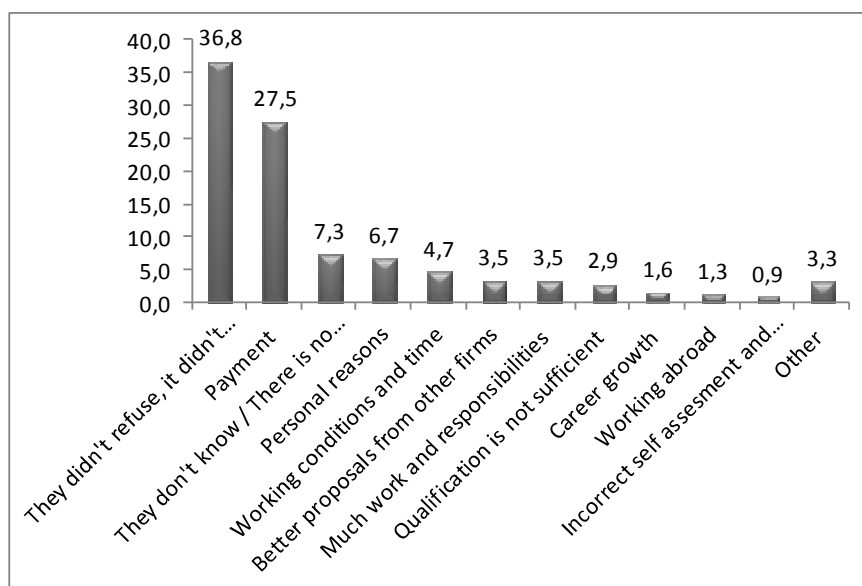


It is important to help the individual in cases of hesitation and difficulty in choosing a university, specialty, profession and place for the realization of work and professional opportunities. Here, we must emphasize that Bulgarian citizens have opportunities for seeking work on the labour market of the European Union, including by completing higher education abroad. It is rather discouraging for young people with higher education that they have to work for many years and gain a lot of experience to achieve salary levels of an average of 1 138 euro per month (National Statistical Institute, n.d.). In practice, without qualified staff and

working institutions, it will be difficult to maintain high economic growth in the long run. Increasingly, the employer is willing to provide incentives as long as the new employee demonstrates the necessary competence. In practice, the demand and supply of labour is linked to the quality of work performed and competencies, as well as their contribution to increasing the capacity of the worker. This directly corresponds to the experience and qualifications of specialists graduating from higher education (Hristov & Hristova, 2012). We believe that the profession, as an objective fact and economic category, contains a wide range of mental features in the modern nature of work. It forms the mental profile of the person, which, in turn, unites their psychological requirements, as well as public opinion about them. That is why we considered it necessary to explore the reasons for refusing a job offer.

Figure 7

**Distribution of the main reasons why people with higher education refuse a position in the private sector (%)**



The main reason for giving up a position in the private sector (see Figure 7) is the amount of salary, which is the case in 27.5% of the surveyed companies. The essence of the salary is directly related to its main functions – compensatory, stabilizing and motivating. It is one of the important factors determining the behaviour of the labour force in the labour market, and in the present study it is the leading reason for leaving work and refusing to take a job offer. Nearly 37% of the companies that took part in the survey indicated that candidates never refused to take the position, and over 7% did not provide an answer. In 6.7% of the cases the job applicants refuse for personal reasons, and 4.7% cite the working conditions or working hours that do not suit them. Almost 5% of the candidates refuse a position under the pretext that they have learned of a better offer in another organization, but only 1.3% of them are received from abroad. Those who initially wanted to work refuse the position because of the presence of a lot of work and responsibility in 3.5% of cases or because they do not see career development (1.6%). People who admit to incorrect self-estimation account for only 0.9% of refusals, while those who admit they do not have the necessary qualifications are 3 times more common.

Motivation and satisfaction are concepts that are talked about often in the organizational structure. They are important tools in the hands of management to achieve the goals of the organization. The absence of both leads to staff turnover. The problem of employees leaving has been very relevant for Bulgarian companies in recent years, especially before the deepening economic crisis. This is due to the fact that the relatively rapid economic growth and negative demographic trends in the country have led to a shortage of human resources, both quantitatively and qualitatively (Todorova & Gergova, 2017). It has become increasingly difficult for companies to find the employees they need, especially ones with the necessary knowledge and qualifications. Under normal business conditions, every company should have a certain turnover of staff. However, in order to benefit, the company should maintain it within some optimal limits. According to Peycheva (2005), this limit is in the range of 5-10%, although logically it will be different for each organization depending on its goals, strategy, field of operation, etc.

Thus, after emphasizing the expectations of job seekers and job offers, we should present both parties with the challenges of education, training and professional training of young graduates for their career development. All this in itself is a problem for business and employers, exacerbated by the uncertainty and lack of clarity on how to invest in people and qualifications. This has a strong impact on the interest of employers and motivates them to look for schools and universities that offer them graduates trained in specific specialties and specializations (Todorova et al., 2018).

## Conclusions

The increased requirements for higher education in Bulgaria presuppose the requirement for a very high quality of the work of the higher schools, as well as a close connection between the business with the education. Wide interaction between the private sector and higher education will lead to the emergence of human capital with the best possible characteristics. Thus, the public should be encouraged to participate in the planning of the educational process at the highest level and weigh in on the changes to the regulations for admission to higher education which also increase the quality of higher education.

Prestigious professions are changing, new ones are emerging, which highlights the fact that the best solution at the moment is to change the ways of thinking about students in the process of professional realization and especially their training with regards to solving the challenges of professional and personal life. In Bulgaria, a model of concentration is observed, which is accompanied by the institutional strategy for the education in several main centres. Today, on the one hand, governments have a greater interest than ever in ensuring that educational institutions help meet economic and social needs, given their importance in knowledge-oriented societies. On the other hand, they accept that such central planning of knowledge creation, teaching and learning is often ineffective, which in turn requires the authorities to pursue policies for the development of a sustainable society and a strong regional economy. This means that institutions create a public environment that encourages market mechanisms and investment, that regulations and rules for economically active people are sustainable over time and do not change often.

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