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Federacija Bosne i Hercegovine  
FEDERALNI ZAVOD ZA ZAPOSŁJAVANJE



**FBIH LABOUR MARKET RESEARCH 2020/2021.**

## **THEMATIC REPORT**

**LABOUR MARKET IN SARAJEVO CANTON**



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the European Union

**IMPROVING LABOUR  
MARKET RESEARCH**



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# INTRODUCTION

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# INTRODUCTION

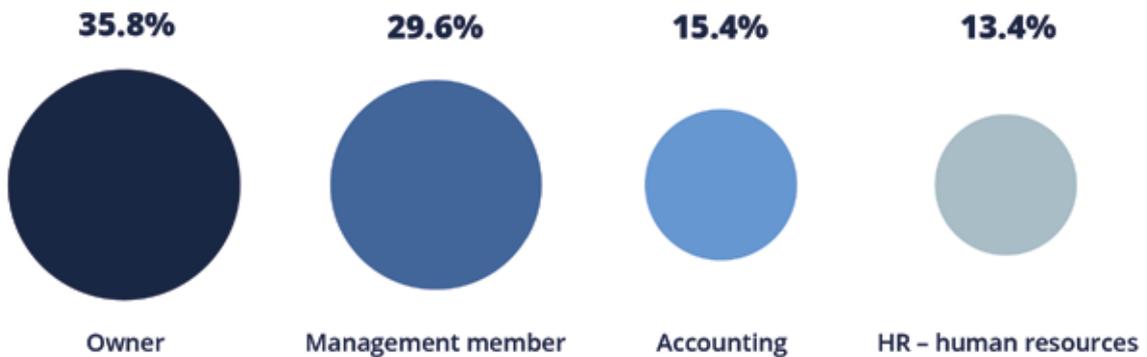
## SAMPLE



**335**

employers participated in the survey from  
11 January 2021 to 29 January 2021

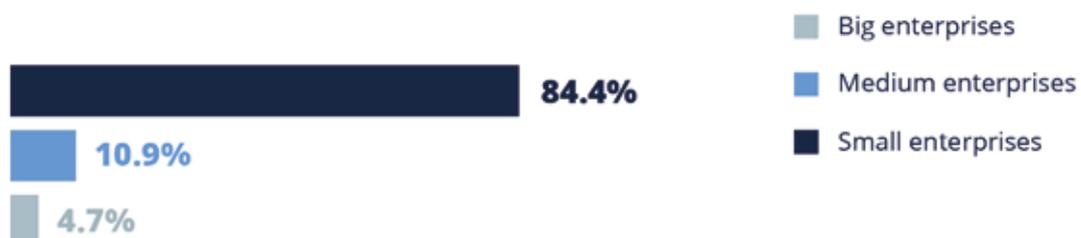
## % RESPONDENTS



## % SAMPLE BY STRUCTURE OF ORGANIZATION

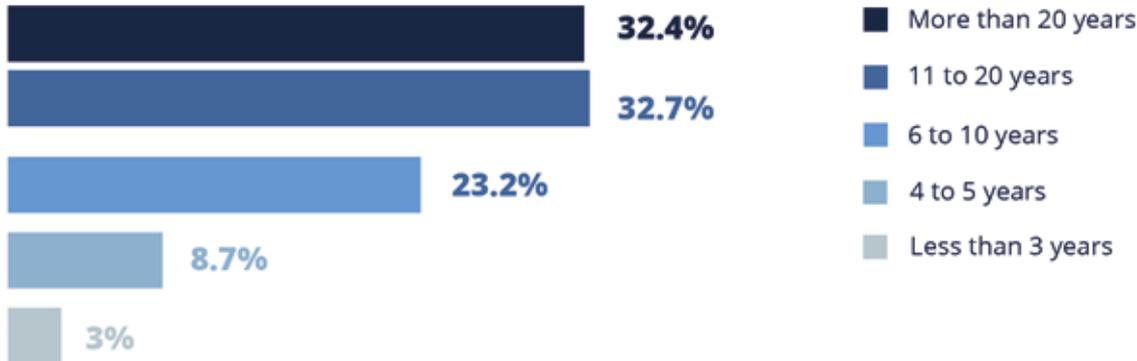


## % SAMPLE BY COMPANY SIZE

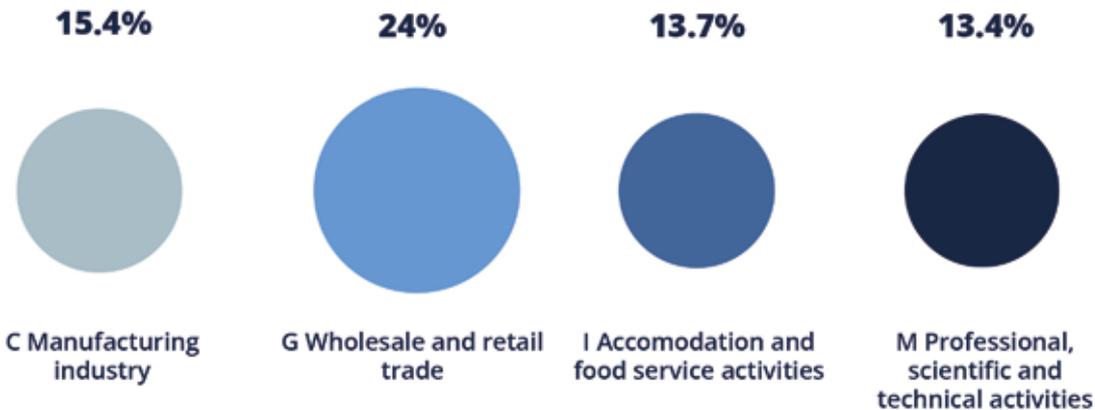


# INTRODUCTION

## % SAMPLE BY COMPANY YEARS OF OPERATION



## % SAMPLE BY COMPANY ACTIVITY



## % STRUCTURE OF EMPLOYEES BY TYPE OF CONTRACT WITH EMPLOYERS FROM SAMPLE



## INTRODUCTION

The labor market is a set of information on supply and demand for certain labor profiles that represent an important segment in the decision-making process about choosing a future career for each individual. Also, labor market dynamics research represents a way of identifying development trends and it is a very important segment of the analytical approach to reducing the unemployment rate, which is the basic purpose of such research.

In accordance with Article 8 of the Law on Mediation in Employment and Social Security of Unemployed Persons ("Official Gazette of the Federation of BiH", No. 41/01, 22/05 and 9/08), labor market research in the Federation of BiH is conducted as a joint activity Employment Service of the FBiH and cantonal employment services, in order to obtain quantitative and qualitative data necessary to provide adequate information on labor market developments.

The aim of the research is to collect information directly from employers on business and changes in employment during 2020, business estimates, needs for hiring new or laying off existing workers in 2021, as well as their structure by occupations, qualifications, education and skills. Also, the goal is to collect other relevant data needed to assess trends in the labor market: the way to find new workers and address redundancies, the reaction of employers in terms of business during the COVID-19 pandemic, the possibility of organizing vocational training for the unemployed and students, or student internships within business entities, as well as the assessment of the quality of public employment services in the Federation of BiH from the perspective of employers.

The aim of this adapted report is to single out and elaborate on the situation on the labor market in the Sarajevo Canton, in the form of a pilot project, i.e. as an example of how the findings from the main Labor Market Research Report can be used so that every cantonal employment service could get the reports on the basis of which it could tailor its services to the needs of employers.

More specifically, the aim of this adapted report is to reveal the problems that accompany employers in their respective businesses, especially in terms of labor market issues and trends, and to improve cooperation with employers and improve the services of the Public Institution 'Sarajevo Canton Employment Service' at a time when business conditions are very complex and require substantial adjustments to new circumstances due to the COVID-19 pandemic.

The research establishes continuous monitoring of the labor market for certain occupations, skills and competencies. Regular annual monitoring and collection of data from employers, based on interviews through questionnaires, as well as suggestions from employers, significantly affect the formation of objective views, drawing the necessary conclusions and making important recommendations, which confirms the credibility of the overall analysis. Also, the annual labor market survey is the most complete information on labor supply, but also on the needs of employers in the labor market.

The data from this research, due to the relevance of the sample and the precisely conducted research methodology, can be used by anyone who is interested in the labor market of the Sarajevo Canton from the social, economic and scientific aspect. The primary users of this research should be policy-makers, which can obtain the most important indicators of the situation on the labor market from these data, and use the measures that will target some of the key areas (economy, education and the general labor market) to contribute to improving the labor market situation.

Businesses and individuals can use the results of the research as a source of information in the process of making important decisions and planning activities, while researchers and the scientific community can use the conclusions from this study as a starting point for further research.

# METHODOLOGY AND SAMPLE

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## METHODOLOGY AND SAMPLE

The labor market survey was organized through a survey of employers in late 2020 and early 2021 by the Federation Employment Service and cantonal employment services. Surveys in the Sarajevo Canton were conducted by the Public Institution 'Employment Service of the Sarajevo Canton' in Sarajevo. The data collection instrument was a questionnaire. The survey was conducted using the CATI method (Computer-Assisted Telephone Interviewing), where respondents were asked questions verbally, by telephone, after which the answers were recorded in data collection software. The cantonal services decided on this type of data collection due to the pandemic and health risks posed for the interviewers, but also for the respondents, in case there came to a large number of personal contacts.

According to the conclusions from the workshop and training named 'Employers Survey' for coordinators and representatives of public employment services in the Federation of BiH, held on December 28, 2020 in Sarajevo, with regard to the Labor Market Research in 2020/2021, the Federation Employment Service, with its partners, on the basis of a master sample from the Tax Administration of the Federation of BiH, singled out a sample of about 1.288 employers registered in the Federation of BiH, with five (5) or more employees, sorted into small, medium and large employers, according to different activities, which regularly pay the payment of mandatory taxes and contributions.

According to the research plan in the Sarajevo Canton, the survey of employers started on January 11, 2021 and was completed in accordance with the survey plan on 29 January 2021, with 358 employers surveyed (out of 335 planned). Dynamics of the surveys showed that the preparation and workshops held, and coordination with the Federation Employment Agency and its partners, gave results that are reflected primarily in the fact that the deadlines for the survey were not breached and that the given research sample parameter was exceeded.

## QUESTIONNAIRE STRUCTURE

The Federation Employment Service, Employment Service of Republika Srpska and Brcko District Employment Service cooperated in designing the questionnaire, and it can be said that this is the first labor market survey conducted at the level of Bosnia and Herzegovina. A significant number of questions were harmonized, with each institute supplementing the questionnaire with a certain number of questions in accordance with its specific needs.

The following questionnaire elements were common:

- General information about the employer
- The structure of the most important indicators of the employer's business
- Recruitment, training of workers and assessment of needs and redundancies
- Expectations in 2021
- Employment plans in 2021

## SAMPLING METHOD

The sampling approach used by all institutes is the stratified sampling approach. The stratified sample is obtained by first dividing the whole basic set into subsets or strata according to some characteristic, and then a sample of a certain size is randomly selected from each strata. Its purpose is to ensure that each group formed on the basis of a particular characteristic is repre-

sented in the sample. In the case of labor market research, the key stratification variables were sector and company size. The sample did not include the following areas: Agriculture, forestry and fisheries; Public administration and defense; Health and social welfare and education, all in accordance with international practice.

When examining the labor market in the Federation of BiH 2020/2021, the Federation Employment Service, on the basis of a master sample of about 10,000 employers obtained from the Tax Administration of the Federation of BiH, produced a stratified random sample of 1,288 employers registered in the Federation of BiH with five (5) and more employees, sorted into small, medium and large employers by activities, which regularly pay mandatory taxes and contributions. This sample size, for, gives results within an error margin of 2.54%, with a 95% confidence level.

A total of 335 employers were designated for the survey in the Sarajevo Canton, which can be considered a representative sample at the cantonal level. The assessment of trends in the labor markets 2020/2021 was performed according to the established methodology in the period from 11/01/2021 to 29/01/2021.

The respondents were mostly business owners (35.8%) or management members (29.6%). These two groups of respondents filled out a questionnaire for 65.1% of the employers, which is certainly a satisfactory percentage from the point of view of the survey. In addition to the owners and managers, the interviewers received information from other persons who were competent to provide adequate answers. E.g. employees working in accounting (15.4%), human resources department (13.4%) and other functions (5.9%), such as secretaries, authorized representatives, auditors, administrators and associates.

**Table 1.** Position of the respondent in the surveyed companies

Position of the respondent in the surveyed companies	Number of employers	Percent
Owner	128	35,8%
Management member	106	29,6%
Accounting	55	15,4%
Human resources	48	13,4%
Other	21	5,9%
<b>Total</b>	<b>358</b>	<b>100,0%</b>

The largest number of business entities in the sample are limited liability companies (76.8%) and crafts (14.8%). Joint stock companies are represented by 3.4% of the total number of respondents. Employers belonging to these types of organizations make up the largest part of the sample (95%), and the sample includes a smaller percentage of citizens' associations, companies with unlimited joint and several liability, banks, limited partnerships and others.

**Table 2.** Structure of surveyed employers by type of organization

Types of organization	Number of employers	Percent
Limited Liability Company (d.o.o.)	275	76,8%
Crafts (SZR, STR, SUR, SPP)	53	14,8%
Joint stock company (d.d.)	12	3,4%
Citizen association (NGO)	6	1,7%
Company with unlimited joint and several liability	4	1,1%
Public institution (PI) - institutes, schools, health centres, social work centres	3	0,8%
Private health institution	2	0,6%
Bank	1	0,3%
Limited partnership	1	0,3%
Cooperative	1	0,3%
<b>Total</b>	<b>358</b>	<b>100,0%</b>

The surveyed companies belong mainly to the group of small companies (84.4%). Medium-sized companies are represented with 10.9%, and large 4.7%. This representation of large, small and medium-sized enterprises reflects the real situation, where the largest number of enterprises is classified in the category of small enterprises.

**Table 3.** Sample according to size of surveyed employers

Size	Number of employers	Percent
Small	302	84,4%
Medium	39	10,9%
Large	17	4,7%
Total	358	100,0%

Observed by the length of existence of the surveyed companies, the most of them are older than 20 years (32.4%) and 11 to 20 years old (32.7%). The sample also includes one company that is younger than three years (0.3%).

**Table 4.** Length of existence of the surveyed companies

Length of existence	Number of employers	Percent
Company younger than 3 years	11	3,0%
From 4 to 5 years	31	8,7%
From 6 to 10 years	83	23,2%
From 11 to 20 years	117	32,7%
A company older than 20 years	116	32,4%
Total	358	100,0%

The largest percentage of enterprises in the sample is in activity G - Wholesale and retail trade; repair of motor vehicles and motorcycles (24.0%), C - Manufacturing (15.4%), I - Accommodation and food service activities (13.7%) and M - Professional, scientific and technical activities (13, 4%). The activity of information and communication (J), as an increasingly important activity in the Sarajevo Canton, is represented by 7.3%.

**Table 5. Sample by activity**

Activity	Number of employers	Percent
B: Mining and quarrying *	1	0,3%
C: Manufacturing industry	55	15,4%
E: Water supply; wastewater disposal, waste management and remediation activities *	1	0,3%
F: Construction	35	9,8%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	86	24,0%
H: Transport and storage	10	2,8%
I: Accommodation and food service activities (hotels and restaurants)	49	13,7%
J: Information and communication	26	7,3%
K: Financial and insurance activities *	7	2,0%
L: Real estate business *	4	1,1%
M: Professional, scientific and technical activities	48	13,4%
N: Administrative and support service activities	20	5,6%
R: Arts, entertainment and recreation *	3	0,8%
S: Other service activities	13	3,6%
<b>Total</b>	<b>358</b>	<b>100,0%</b>

\* Small number of employers (the results for these activities cannot be generalized)

At the time of the survey, employers had 18,319 employees, which is 13.2% of the total number of employees in the Sarajevo Canton as of January 30, 2021<sup>1</sup>, which confirms the representativeness of the sample, and of the survey results.

According to the type of contract with employers, most employees had a permanent employment contract (65.5%) and a fixed-term employment contract (33.8%). A total of 99.2% of the employees from the sample have these two types of employment contracts.

**Table 6. Structure of employees and workers by type of contract with the surveyed employers**

Type of contract	Number of employers	Percent
Indefinite employment contract	11.992	65,5%
Fixed-term employment contract	6.183	33,8%
Probationer	37	0,2%
Person in vocational training without employment	38	0,2%
Temporary and occasional jobs	31	0,2%
Contract of work	38	0,2%
<b>Total employees and workers</b>	<b>18.319</b>	<b>100,0%</b>

Women make up 42.3% of employed workers among the surveyed companies. Women also most often have a permanent employment contract (66.0%) and a fixed-term employment contract (33.1%); the percentage is similar when it comes to the total number of workers. Of the total number of workers who have concluded a permanent employment contract, women make up 42.6%, while in the case of fixed-term employment contracts, women make up 41.5% of all employees with this type of contract. Women are especially represented in workplaces where contracts on service are concluded, as well as temporary and occasional jobs, so although this is not a significant number of employees, it is necessary to analyze the jobs they perform in more detail, because such contracts make their position on the market more precarious.

<sup>1</sup> Informatics and Statistics Institute (2021): Population, Employed and Unemployed 2021 <https://zis.ks.gov.ba/sites/zis.ks.gov.ba/files/zapisleni.pdf>

**Table 7.** Structure of employees and workers by type of contract with the surveyed employers – women

Type of employment contract	Number of workers	Percent <sup>1</sup>	Percent <sup>2</sup>
Indefinite employment contract	5113	66,0%	42,6%
Fixed-term employment contract	2567	33,1%	41,5%
Probationer	15	0,2%	40,5%
Person in vocational training without employment	14	0,2%	36,8%
Temporary and occasional jobs	22	0,3%	71,0%
Contract of work	19	0,2%	50,0%
<b>Total</b>	<b>7.750</b>	<b>100,0%</b>	<b>42,3%</b>

<sup>1</sup> Compared to total of employed women

<sup>2</sup> Compared to total of employed persons

A composite image featuring a dark blue diagonal overlay on the left side. The background is a grayscale photograph of a computer keyboard at the top, a line graph on a document in the middle, and a silver pen resting on the graph. The text 'BUSINESS TRENDS' is printed in white, bold, uppercase letters on the blue overlay, with a short white horizontal line below it.

# **BUSINESS TRENDS**

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## BUSINESS TRENDS

### BUSINESS VOLUME IN 2020

The highest percentage of employers (44.4%) stated that in 2020 they recorded a decline in business activity, which is a general trend due to difficult business conditions, in particular caused by the COVID-19 pandemic. A significant percentage of employers (28.8%) reported stagnation, while 22.3% recorded growth. Of the total number of employers which participated in the survey, 4.5% did not answer this question.

Observed by activities, we can see that most employers in the activity of accommodation and food preparation and service (hotels and restaurants), arts, entertainment and recreation, and other service activities, reported a decline in business (production, sales and services) in 2020.

**Table 8.** Assessment of the volume of business of surveyed employers (production, sales, services) in 2020

Activity	Decline	% <sup>1</sup>	Growth	% <sup>1</sup>	Stagnation	% <sup>1</sup>	No answer	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	0	1
C: Manufacturing industry	26	47,3%	15	27,3%	12	21,8%	2	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	0	0,0%	1	100,0%	0	1
F: Construction	9	25,7%	7	20,0%	18	51,4%	1	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	36	41,9%	25	29,1%	22	25,6%	3	86
H: Transport and storage	5	50,0%	1	10,0%	3	30,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	35	71,4%	0	0,0%	12	24,5%	2	49
J: Information and communication	6	23,1%	12	46,2%	7	26,9%	1	26
K: Financial and insurance activities *	3	42,9%	1	14,3%	3	42,9%	0	7
L: Real estate business *	2	50,0%	1	25,0%	1	25,0%	0	4
M: Professional, scientific and technical activities	18	37,5%	10	20,8%	16	33,3%	4	48
N: Administrative and support service activities	9	45,0%	4	20,0%	6	30,0%	1	20
R: Arts, entertainment and recreation *	2	66,7%		0,0%	1	33,3%	0	3
S: Other service activities	8	61,5%	3	23,1%	1	7,7%	1	13
<b>Total</b>	<b>159</b>	<b>44,4%</b>	<b>80</b>	<b>22,3%</b>	<b>103</b>	<b>28,8%</b>	<b>16</b>	<b>358</b>

<sup>1</sup> Compared to total of employers in the observed activity

\* Small number of employers (the results for these activities cannot be generalized)

## FINANCIAL EFFECTS OF BUSINESS IN 2020

The assessment of financial effects correlates with the assessment of the volume of business in 2020. Most employers (43.6%) reported that in 2020 they experienced a decrease in financial results (43.6%) or stagnation (31.8%). Only 20.1% of employers experienced revenue growth. The activities that reported a negative impact on the financial result correspond to the activities that experienced a decline in business volume: accommodation and food service activities (hotels and restaurants), arts, entertainment and recreation, and other service activities. It is these activities that reported a decline in the business volume (production, sales and services) in 2020. A significant percentage of employers and information and communication activities (42.3%) had an increase in financial results in 2020.

**Table 9.** Assessment of the volume of business of surveyed employers (production, sales, services) in 2020

Activity	Decline	% <sup>1</sup>	Growth	% <sup>1</sup>	Stagnation	% <sup>1</sup>	No answer	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	0	1
C: Manufacturing industry	25	45,5%	15	27,3%	13	23,6%	2	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	0	0,0%	1	100,0%	0	1
F: Construction	9	25,7%	6	17,1%	19	54,3%	1	35
G: Wholesale and retail trade; repair of motor vehicles and motor-cycles	37	43,0%	23	26,7%	23	26,7%	3	86
H: Transport and storage	5	50,0%	1	10,0%	3	30,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	35	71,4%	0	0,0%	12	24,5%	2	49
J: Information and communication	4	15,4%	11	42,3%	10	38,5%	1	26
K: Financial and insurance activities *	3	42,9%	1	14,3%	3	42,9%	0	7
L: Real estate business *	1	25,0%	1	25,0%	2	50,0%	0	4
M: Professional, scientific and technical activities	18	37,5%	7	14,6%	19	39,6%	4	48
N: Administrative and support service activities	9	45,0%	4	20,0%	6	30,0%	1	20
R: Arts, entertainment and recreation *	2	66,7%	0	0,0%	1	33,3%	0	3
S: Other service activities	8	61,5%	2	15,4%	2	15,4%	1	13
<b>Total</b>	<b>156</b>	<b>43,6%</b>	<b>72</b>	<b>20,1%</b>	<b>114</b>	<b>31,8%</b>	<b>16</b>	<b>358</b>

<sup>1</sup> Compared to total of employers in the observed activity

\* Small number of employers (the results for these activities cannot be generalized)

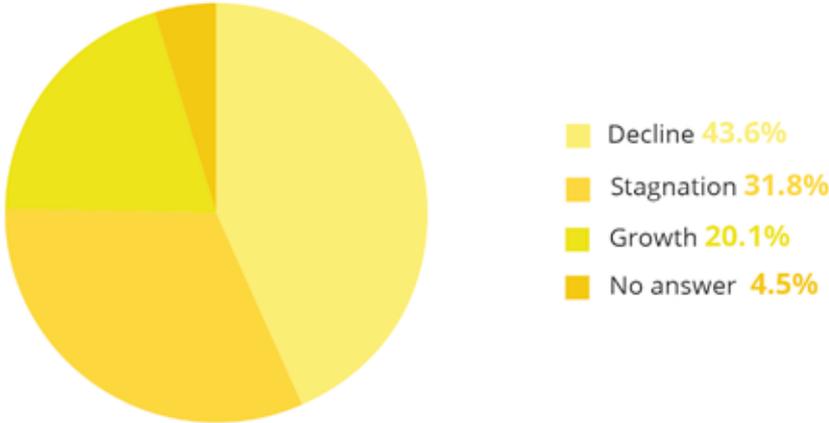
# CHANGES IN THE NUMBER OF EMPLOYEES IN 2020

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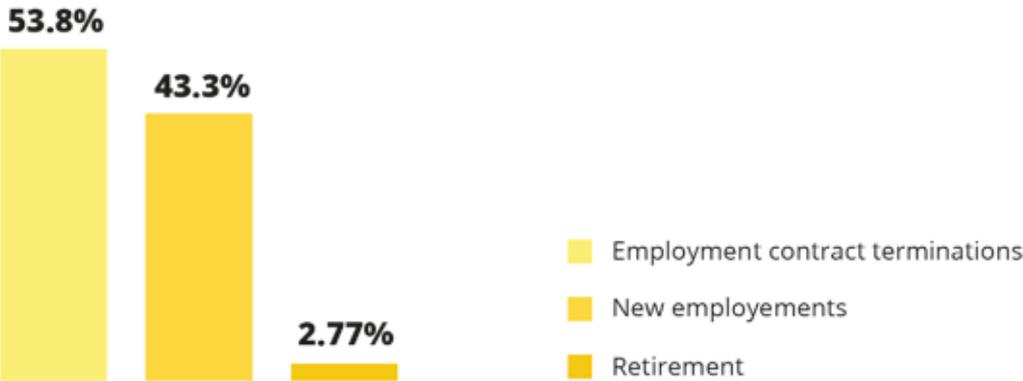


# 2020 IN RETROSPECT

## FINANCIAL PERFORMANCE 2020 (%)



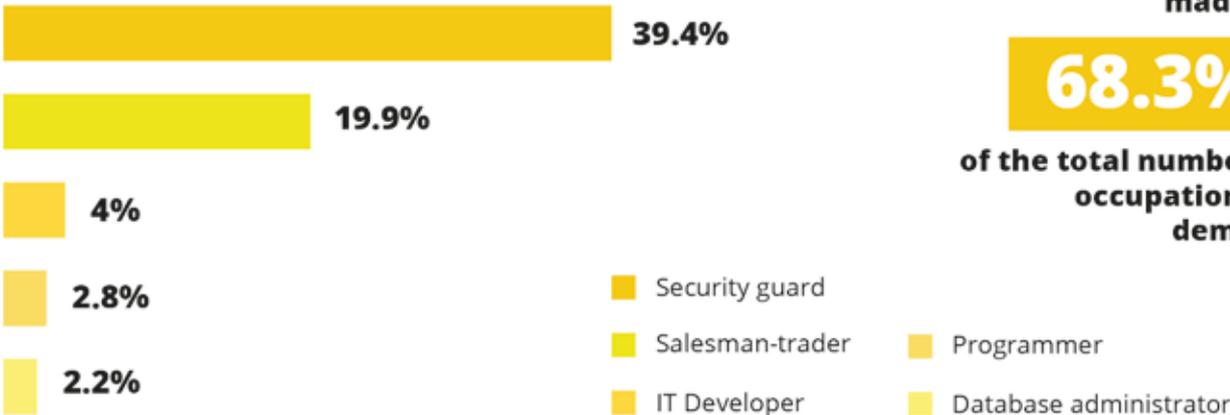
## CHANGE IN NUMBER OF EMPLOYEES IN 2020 VS. 2019 (%)



**45%**

of employers reported change in the number of employees

## OCCUPATIONS IN HIGHEST DEMAND IN 2020 (%)



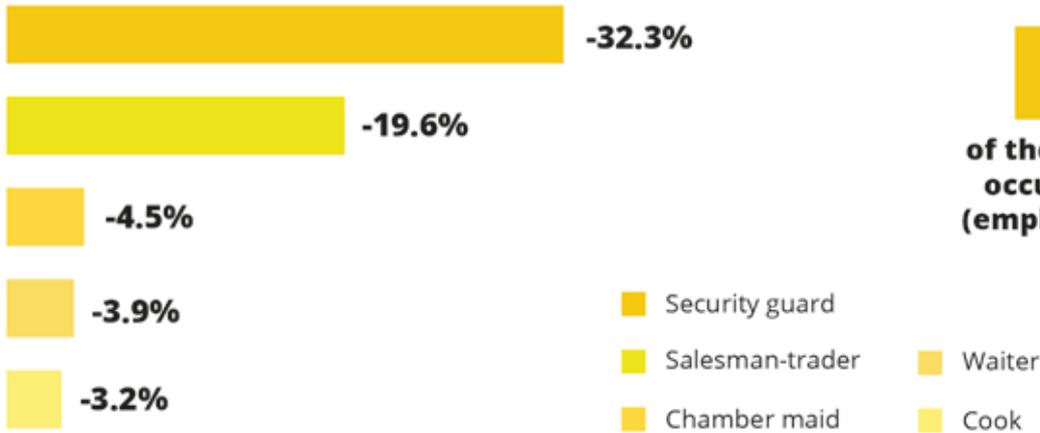
These occupations made up

**68.3%**

of the total number of occupations in demand

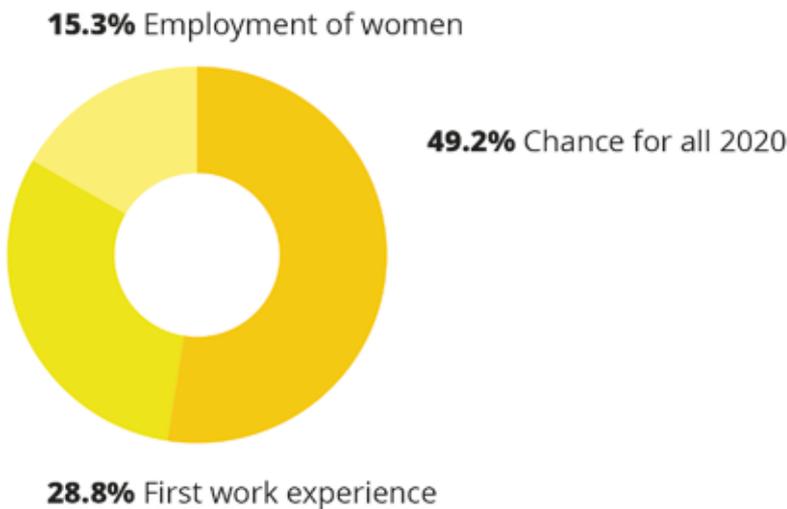
# 2020 IN RETROSPECT

## WORST AFFECTED OCCUPATIONS IN 2020 (%)



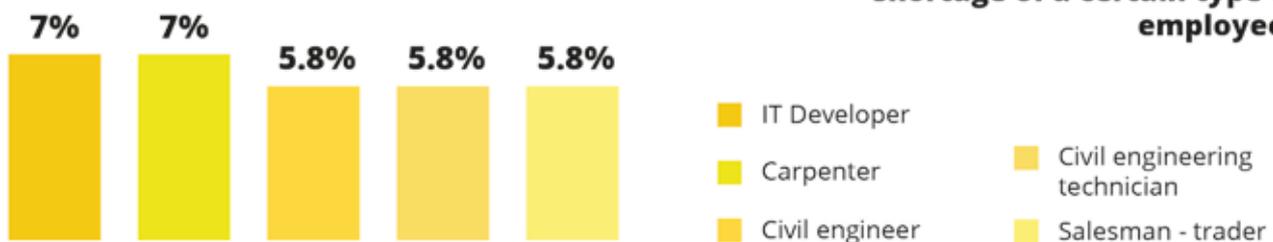
These occupations made up **63.5%** of the total number of occupations affected (employment contract termination)

## USE OF MEASURES OF ACTIVE EMPLOYMENT POLICY (%)



**16.5%** of employers used measures of active employment policy

## SHORTAGE OF CERTAIN TYPE OF EMPLOYEES (%)



**24%** of employers are experiencing shortage of a certain type of employees

## CHANGES IN THE NUMBER OF EMPLOYEES IN 2020

In 2020, 45% of employers in the sample had a change in the number of employees, whether it was new employment, dismissals or retirement, which indicates significant dynamics in the labor market that needs to be investigated in more detail.

Employers with most changes in the number of employees are those in finance and insurance (71.4% of all employers), information and communication (65.4% of all employers) and other service activities (61.5% of all employers).

**Table 10.** Change in the number of employees of surveyed employers in 2020 compared to 2019

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	1
C: Manufacturing industry	23	41,8%	30	54,5%	2	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	1
F: Construction	18	51,4%	15	42,9%	2	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	36	41,9%	44	51,2%	6	86
H: Transport and storage	4	40,0%	5	50,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	18	36,7%	29	59,2%	2	49
J: Information and communication	17	65,4%	7	26,9%	2	26
K: Financial and insurance activities *	5	71,4%	2	28,6%	0	7
L: Real estate business *	2	50,0%	2	50,0%	0	4
M: Professional, scientific and technical activities	21	43,8%	23	47,9%	4	48
N: Administrative and support service activities	9	45,0%	10	50,0%	1	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	3
S: Other service activities	8	61,5%	3	23,1%	2	13
<b>Total</b>	<b>161</b>	<b>45,0%</b>	<b>175</b>	<b>48,9%</b>	<b>22</b>	<b>358</b>

<sup>1</sup> Compared to total of employers in the observed activity

\* Small number of employers (the results for these activities cannot be generalized)

In 2020, in the area of Sarajevo Canton, a total of 3,318 changes in the number of employees (dismissals or employment) were recorded among the surveyed employers (Table 11). Of that number, the largest percentage refers to the termination of employment contracts (53.8%), while new employment accounted for 43.3% of the changes. In the total number of new employees, women make up 42.4% of all new employees, 38.8% in the total number of laid-off workers, and 28.3% in the total number of retired workers. Such data indicate that women are not evenly represented in employment, but also that they are less represented among laid-off workers.

**Table 11.** Changes in the number of employees in the surveyed employers, number of employees

Change	Total	Women	Women % <sup>1</sup>
New employees	1438	610	42,4%
Termination of employment contract / dismissed (by agreement, dismissal etc.)	1785	692	38,8%
Retired	92	26	28,3%
Other	3	0	0,0%
<b>Total changes</b>	<b>3.318</b>	<b>1.328</b>	<b>40,0%</b>

<sup>1</sup> In relation to the total number of employees in the category (newly employed, dismissed, retired)

Table 12 provides an overview of the percentage of newly employed, dismissed and retired workers by activities. Out of the total number of new employees (1,438), most employees are in the activity of administrative and support service activities (42.2%).

Also, the activity of administrative and support service activities is the activity in which the most workers were dismissed (out of the total number of laid-off workers, 36.0% were dismissed in this activity), followed by wholesale and retail trade with 21.4%, and hotel industry and catering with 15.7% of laid-off workers. Compared to these three activities, layoffs in other sectors were significantly lower.

Most retired workers are in the wholesale and retail trade, repair of motor vehicles and motorcycles, as much as 42.4%, followed by administrative and support service activities, and manufacturing.

**Table 12.** Changes in the number of employees in the surveyed employers by industries, represented by percentages

Activity	Percentage of new employees <sup>1</sup>	Percentage of workers dismissed through termination of employment contracts (agreement, dismissal, etc.) <sup>2</sup>	Percentage of retired workers <sup>3</sup>
B: Mining and quarrying *	0,0%	0,0%	0,0%
C: Manufacturing industry	4,6%	8,7%	17,4%
E: Water supply; wastewater disposal, waste management and remediation activities *	0,0%	0,0%	0,0%
F: Construction	14,1%	6,9%	7,6%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	22,1%	21,4%	42,4%
H: Transport and storage	0,9%	0,4%	0,0%
I: Accommodation and food service activities (hotels and restaurants)	0,3%	15,7%	8,7%
J: Information and communication	12,8%	4,0%	1,1%
K: Financial and insurance activities *	0,0%	1,7%	0,0%
L: Real estate business *	0,0%	0,9%	0,0%
M: Professional, scientific and technical activities	2,2%	3,2%	4,3%
N: Administrative and support service activities	42,2%	36,0%	18,5%
R: Arts, entertainment and recreation *	0,0%	0,0%	0,0%
S: Other service activities	0,8%	1,0%	0,0%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

<sup>1</sup> Compared to the total number of new employees

<sup>2</sup> Compared to the total number of dismissed workers

<sup>3</sup> Compared to the total number of retired workers

\* Small number of employers (the results for these activities cannot be generalized)

Most new employees (67.8%) were employed by large companies, however in large companies there was also the largest number of terminations of employment contracts (69.1%), and retirement (72.8%). This confirms the hypothesis that small and medium-sized enterprises are significantly more flexible to the effects of crises, and that they are very important for the stability of the economy as a whole.

**Table 13.** Changes in the number of employees of the surveyed employers by size of enterprise, number of employees and representation by percentage

Company size	New employees		Workers dismissed through termination of employment contracts (agreement, dismissal, etc.)		Retired workers	
Small	303	21,1%	317	17,8%	15	16,3%
Medium	160	11,1%	235	13,2%	10	10,9%
Large	975	67,8%	1233	69,1%	67	72,8%
<b>Total</b>	<b>1438</b>	<b>100,0%</b>	<b>1785</b>	<b>100,0%</b>	<b>92</b>	<b>100,0%</b>

## MOST WANTED OCCUPATIONS (NEW EMPLOYMENTS)

Of particular interest is the analysis of occupations that were in demand in difficult business conditions, such as those recorded during 2020. Two occupations that were especially in demand (new jobs) in 2020 are those of a security guard and of a sales person, which together make up 59.3% of new employees. However, IT programmers and developers represent occupations that make up 6.8% of new employees, which is a continuation of the positive trend in this area, which does not seem to have been significantly affected by the crisis.

**Table 14.** Occupations in highest demand among surveyed employers, number and percentage of newly employed workers

Occupation	Newly employed (total)	Percent	Cummulative
Security guard	567	39,4%	39,4%
Sales person	286	19,9%	59,3%
IT programmer	57	4,0%	63,3%
Developer	40	2,8%	66,1%
Database administrator	32	2,2%	68,3%
Food technician	20	1,4%	69,7%
Tailor	13	0,9%	70,6%
Carpenter	9	0,6%	71,2%
Administrative worker	8	0,6%	71,8%
Warehouse worker	8	0,6%	72,3%
Other occupations	398	27,6%	100%
Total	1.438	100%	-

## MOST AFFECTED OCCUPATIONS (TERMINATION OF EMPLOYMENT CONTRACT)

The occupations that were most affected by the termination of employment contracts with the surveyed companies were security guards and sales persons, who made up 51.9% of the dismissed workers, and these were, interestingly, the occupations in which there were the most layoffs. The occupations of a maid, waiter, cook, receptionist and confectioner make up 16.5% of the laid-off workers. As the hospitality and hotel sector was most directly affected by the crisis, such indicators were to some extent to be expected.

**Table 15.** Occupations most affected by termination of employment contracts among surveyed employers, number and percentage of laid-off workers

Occupation	Workers dismissed through termination of employment contracts (agreement, dismissal, etc.)x	Percent	Cummulative
Security guard	577	32,3%	32,3%
Sales person	349	19,6%	51,9%
Maid	81	4,5%	56,4%
Waiter	70	3,9%	60,3%
Cook	57	3,2%	63,5%
Receptionist	43	2,4%	65,9%
Confectioner	43	2,4%	68,3%
Auxiliary worker in production	40	2,2%	70,6%
Developer	40	2,2%	72,8%
Database administrator	35	2,0%	74,8%
Other occupations	450	25,2%	100%
Total	1.785	100,0%	-

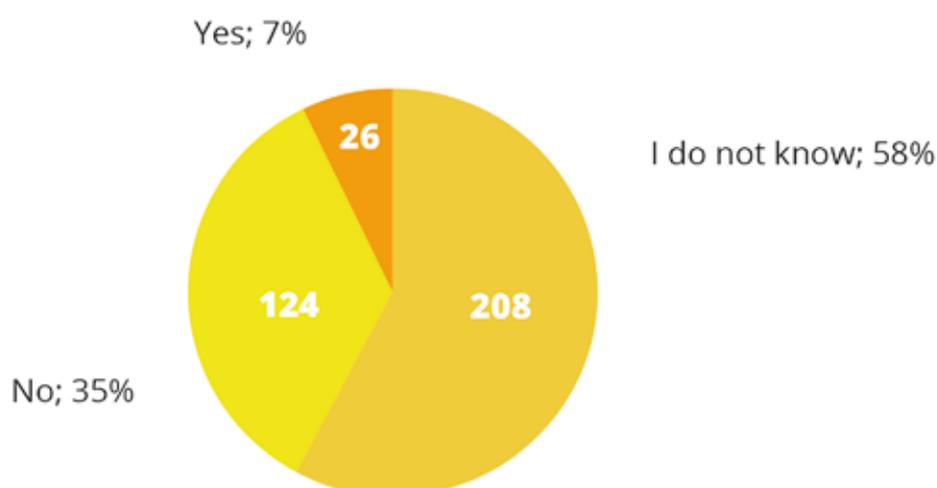
The trend from the previous table was also present among retired workers, i.e. the occupations of retired workers correspond to a certain extent to the occupations of dismissed workers. Namely, among the surveyed companies, sales person, economist and security guard were three occupations that accounted for 52.2% of retired workers.

**Table 16.** Number and percentage of retired workers by activity with surveyed employers

Occupation	Retired workers	Percent	Cummulative
Sales person	26	28,3%	28,3%
Economist	12	13,0%	41,3%
Security guard	10	10,9%	52,2%
Pharmaceutical technician	7	7,6%	59,8%
Food technician	6	6,5%	66,3%
Other occupations	31	33,7%	100,0%
Total	92	100,0%	-

## LEAVING BOSNIA AND HERZEGOVINA

In case the employee terminated the employment contract, it was important to examine whether the employers were aware of the reasons for such termination, i.e. whether they knew whether the employee left Bosnia and Herzegovina. These data were difficult to obtain because the largest number of employers, as many as 58% of the total number of surveyed companies, did not have any data on what happened to their workers after leaving the company. Of those who knew the details about the continuation of workers' careers, 7% of employers out of the total number of respondents in the Sarajevo Canton had information that these people had left Bosnia and Herzegovina, while 35% believe that workers have not left the country. According to the surveyed employers, the total number of people who left BiH is 76.



**Graph 1.** In case of termination of the employment contract, do you have any information whether these persons left Bosnia and Herzegovina?

## USE OF ACTIVE EMPLOYMENT POLICY MEASURES / PROGRAMS IN 2020

There are a number of active employment policy measures that encourage employment, training, vocational training, on-the-job training, seasonal employment, job preservation for employers in difficulty and inclusion of specific target groups in public works programs. Table 19 provides an overview of the measures implemented in the Sarajevo Canton, with an overview of the beneficiaries of active measures (employers) and employees through these programs. The specificity of the Sarajevo Canton is that the 'Employment Service of the Sarajevo Canton' Public Institution is the only service in the Federation of BiH which, in addition to active employment policy measures financed by the Federation Employment Service, also implements its own active employment measures.

The results show that the percentage of employers using active employment policy measures / programs during new employment in the Sarajevo Canton is only 16.5%.

**Table 17.** Number and percentage of employers using active employment policy measures / programs in 2020 in case of new employment

Response	Number of employers	Percent
Yes	59	16,5%
No	279	77,9%
No response	20	5,6%
<b>Total</b>	<b>358</b>	<b>100,0%</b>

Data source: Employers survey 2020/2021

Of the total number of employers using active employment policy programs / measures (59), a significant percentage of employers (49.2%) use the program "Opportunity for All 2020", followed by "First work experience 2020" (28.8%), and employment of women 2020 (15.3%). Observed by the number of workers, most workers are employed under these programs: under the program "First work experience 2020" (37.5%) and "Opportunity for all 2020" (25.7%). Specific programs of the Employment Service of Sarajevo Canton are not included in the questionnaire, given that the methodology was used at the level of the entire Federation of Bosnia and Herzegovina. An overview of the measures implemented in the Sarajevo Canton, as well as their beneficiaries is shown in Table 18.

**Table 18.** Programs / measures of active employment policy used by surveyed employers

Program/measure	Number of employers	Percent <sup>1</sup>	Number of workers	Percent <sup>2</sup>
First work experience 2020	17	28,8%	51	37,5%
Opportunity for all 2020	29	49,2%	35	25,7%
Periodic employment 2020	0	0,0%	0	0,0%
Contribution 500 - 2020	1	1,7%	1	0,7%
Public works 2020	1	1,7%	8	5,9%
Employment of women 2020	9	15,3%	16	11,8%
New opportunity 2020	2	3,4%	4	2,9%
Looking for an employer 2020	4	6,8%	5	3,7%
Employment of demobilized veterans 2020	0	0,0%	0	0,0%
Service in cooperation with employers 2020	3	5,1%	6	4,4%
Training and work 2020	0	0,0%	0	0,0%
Other	10	16,9%	10	7,4%

<sup>1</sup> In relation to the number of employers who used active employment policy measures / programs in 2020 (59)

<sup>2</sup> In relation to the total number of employees employed by programs among the surveyed companies (126 employees)

It is interesting to analyze the number of employers using the measures in total population, where the measure "Service in cooperation with employers" dominates. A total of 117 employers participated, 242 people were employed; the measure of the same name, which included only trainings and included 13 employers organizing training for 256 people, should also be added to this.

Of the total number of employers which did not use active employment policy programs / measures (279), one of the most common reasons is that employers did not consider using active employment policy measures / programs (35.5%), while 18.3% did not have any information on measures / programs, and 16.5% failed to apply due to technical reasons.

**Table 19.** Reason for which the surveyed employers did not use active employment policy programs / measures

Razlog nekorištenja programa/mjera aktivne politike zapošljavanja	Broj odgovora	Procenat <sup>1</sup>
Nismo imali informaciju o mjerama /programima aktivne politike zapošljavanja	51	18,3%
Nismo razmišljali o korištenju mjera /programa aktivne politike zapošljavanja	99	35,5%
Nismo uspjeli da apliciramo iz tehničkih razloga	46	16,5%
Ostalo	95	34,1%

Note: Employers could choose more than one answer.

<sup>1</sup> In relation to the total number of employers who did not use the programs / measures (279)

## SATISFACTION WITH THE QUALIFICATIONS, EXPERTISE AND SKILLS OF WORKERS WITH WHOM EMPLOYERS HAD THE OPPORTUNITY TO WORK

Interesting data were obtained by analyzing the satisfaction of employers with the qualifications, expertise and skills of workers with whom they had the opportunity to work. Namely, the largest percentage of employers (77.4%) are satisfied with the qualifications, professional knowledge and skills of workers.

**Table 20.** Satisfaction with qualifications, professional knowledge and skills of workers with whom the surveyed employers had the opportunity to cooperate, number and percentage of employers

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	1	100,0%	0	0,0%	0	0,0%	1
C: Manufacturing industry	40	72,7%	12	21,8%	3	5,5%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	1	100,0%	0	0,0%	0	0,0%	1
F: Construction	28	80,0%	6	17,1%	1	2,9%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	64	74,4%	19	22,1%	3	3,5%	86
H: Transport and storage	8	80,0%	1	10,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	43	87,8%	4	8,2%	2	4,1%	49
J: Information and communication	17	65,4%	8	30,8%	1	3,8%	26
K: Financial and insurance activities *	5	71,4%	0	0,0%	2	28,6%	7
L: Real estate business *	4	100,0%	0	0,0%	0	0,0%	4
M: Professional, scientific and technical activities	38	79,2%	6	12,5%	4	8,3%	48
N: Administrative and support service activities	14	70,0%	5	25,0%	1	5,0%	20
R: Arts, entertainment and recreation *	3	100,0%	0	0,0%	0	0,0%	3
S: Other service activities	11	84,6%	1	7,7%	1	7,7%	13
<b>Total</b>	<b>277</b>	<b>77,4%</b>	<b>62</b>	<b>17,3%</b>	<b>19</b>	<b>5,3%</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers (results cannot be generalized for these activities)

Out of the total number of surveyed employers, 62 employers (17.3%) are dissatisfied with the qualifications, professional knowledge and skills of the workers with whom they had the opportunity to cooperate. Among the dissatisfied employers, the main reason is that workers lack practical (professional) work during education (58.1% of dissatisfied employers), and that the acquired qualifications of candidates do not correspond to the real needs of the labor market. A significant percentage of employers (45.2% of the dissatisfied employers) cite other reasons, most often the lack of interest of candidates and lack of motivation.

**Table 21.** Reasons for dissatisfaction of employers with the qualifications, professional knowledge and skills of workers with whom the surveyed employers had the opportunity to cooperate

Reason for dissatisfaction	Number of employers	Percent <sup>1</sup>
The acquired qualifications of the candidates do not correspond to the real needs of the labor market	32	51,6%
Candidates lack practical (professional) work during education	36	58,1%
Candidates lack a sufficient level of general knowledge	10	16,1%
Candidates lack IT skills - computer skills	3	4,8%
Candidates lack foreign language skills	3	4,8%
Candidates lack organizational skills	7	11,3%
Candidates lack social skills (communication, teamwork, etc.)	12	19,4%
Other	28	45,2%

Note: Employers could choose more than one answer.

<sup>1</sup> In relation to the total number of employers which are dissatisfied with the qualifications, professional knowledge and skills of workers (62)

## RESPONSE TO THE CRISIS CAUSED BY THE COVID-19 PANDEMIC

In response to the crisis caused by the COVID-19 pandemic, through the possibility of multiple choice of options offered, employers stated that they used various measures to overcome the problems caused by the crisis. Employers especially used the transition to work from home (29.3%), shortening working hours (27.7%) and introducing shift work (25.3%). A temporary suspension of business was undertaken by 17.0% of employers, and 10.3% of employers proceeded to lay off workers. The percentage of employers who have not taken and do not plan to take any measures is only 16.8%.

**Table 22.** Measures taken by the surveyed employers in response to the COVID-19 pandemic

Measure	Number of employers	Percent <sup>1</sup>
Reduction of working hours	99	27,7%
Switching to work from home	105	29,3%
Introduction of shift work	92	25,7%
Salary reduction	25	7,0%
Dismissal of workers	37	10,3%
Improving online sales	20	5,6%
Deferment of debt repayment	8	2,2%
Temporary business suspension	61	17,0%
Complete cessation of business - closure of company	4	1,1%
We have not taken and do not plan to take any action	60	16,8%

Note: Employers could choose more than one answer.

<sup>1</sup> In relation to the total number of employers in the sample (358)

Observed by activities, the reduction of working hours was particularly pronounced in the following activities:

G: Wholesale and retail trade; repair of motor vehicles and motorcycles, within which 41% of employers in the industry took the said measure.

The transition to work from home was particularly pronounced in the industry

J: Information and communication - 73% of employers have taken this measure in response to the pandemic crisis.

The introduction of shift work was particularly pronounced among employers in the industry

H: Transport and storage, in which 50% of employers introduced shift work. As many as 27% of employers were laid off in activity

I: Accommodation and food service activities (hotels and restaurants).

Temporary suspension of business was most pronounced among employers who belonged to the following activities:

N: Administrative and support service activities and S: Other service activities.

A more detailed overview of measures taken by activities is shown in Table 23.

**Table 23.** Percentage of surveyed employers in the industry that took certain measures in response to the crisis sampled by the pandemic

Activity	O1	O2	O3	O4	O5	O6	O7	O8	O9	O10	Number of employers
B*	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1
C	27%	16%	38%	7%	4%	5%	4%	9%	0%	22%	55
E*	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1
F	14%	6%	29%	0%	0%	0%	0%	14%	0%	34%	35
G	41%	30%	27%	1%	9%	9%	1%	20%	2%	13%	86
H	20%	40%	50%	10%	10%	0%	10%	10%	0%	10%	10
I	33%	0%	10%	12%	27%	4%	2%	35%	4%	14%	49
J	12%	73%	23%	19%	8%	12%	4%	4%	0%	12%	26
K*	29%	43%	0%	0%	14%	0%	0%	0%	0%	0%	7
L*	25%	50%	50%	25%	0%	0%	0%	25%	0%	0%	4
M	21%	24%	25%	8%	8%	2%	2%	4%	0%	17%	48
N	25%	45%	10%	15%	20%	10%	5%	30%	0%	20%	20
R*	33%	33%	33%	0%	0%	0%	0%	33%	0%	0%	3
S	31%	31%	38%	0%	15%	8%	0%	38%	0%	8%	13
All activities	28%	29%	26%	7%	10%	6%	2%	17%	1%	17%	358

\* Small number of employers in the activity

Measures taken:

O1: Reducing working hours

O2: Switching to work from home

O3: Introduction of shift work

O4: Salary reduction

O5: Dismissal of workers

O6: Improving online sales

O7: Deferral of debt repayment

O8: Temporary business interruption

O9: Complete closure

O10: We have not taken and do not plan to take any measures

## CURRENT SHORTAGE OF WORKERS AND TRAINING NEEDS

Among the surveyed companies, 86 employers (24% of the respondents) stated that at the time of the survey there was a shortage of workers of a certain profile, i.e. problems in hiring workers. Observed by activities, the problem is particularly pronounced in the activities of transport and storage (50% of respondents in the industry), information and communication (46% of respondents in the industry) and administrative and support service activities (45%).

**Table 24.** Number of surveyed employers with expressed needs for hiring new workers at the time of the survey

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0%	1	100,0%	0	0,0%	1
C: Manufacturing industry	14	25%	39	70,9%	2	3,6%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0%	1	100,0%	0	0,0%	1
F: Construction	12	34%	22	62,9%	1	2,9%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	16	19%	66	76,7%	4	4,7%	86
H: Transport and storage	5	50%	4	40,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	4	8%	43	87,8%	2	4,1%	49
J: Information and communication	12	46%	13	50,0%	1	3,8%	26
K: Financial and insurance activities *	0	0%	5	71,4%	2	28,6%	7
L: Real estate business *	2	50%	2	50,0%	0	0,0%	4
M: Professional, scientific and technical activities	8	17%	36	75,0%	4	8,3%	48
N: Administrative and support service activities	9	45%	10	50,0%	1	5,0%	20
R: Arts, entertainment and recreation *	1	33%	2	66,7%	0	0,0%	3
S: Other service activities	3	23%	9	69,2%	1	7,7%	13
<b>Total</b>	<b>86</b>	<b>24%</b>	<b>253</b>	<b>70,7%</b>	<b>19</b>	<b>5,3%</b>	<b>358</b>

\* Small number of employers (results cannot be generalized for these activities)

<sup>1</sup> In relation to the total number of employers in the observed activity

The occupations which employers stated that they currently have difficulties in hiring, are the following: IT developer, carpenter, civil engineer, construction technician, sales person, economist, cook, butcher, truck driver and welder.

**Table 25.** Current shortage of workers of a certain profile among surveyed employers

Occupation	Number of employers who reported having a shortage of workers of a particular occupation	Percent of employers <sup>1</sup>
IT Developer	6	7,0%
Carpenter	6	7,0%
Civil Engineer	5	5,8%
Construction technician	5	5,8%
Sales person	5	5,8%
Economist	4	4,7%
Cook	4	4,7%
Butcher	4	4,7%
Truck driver	4	4,7%
Welder	4	4,7%

<sup>1</sup> In relation to the total number of employers which have a current shortage of workers (86)

In relation to the total number of employers which stated that they currently have a need for hiring new workers (86), employers most often lack qualified / highly-skilled workers (82.6% of employers), workers with secondary education (34.9%) and higher education (45.3%).

**Table 26.** Necessary level of education of employees in demand among the surveyed employers

Education level	Number of employers	Percent of employers <sup>1</sup>
Basic	6	7,0%
Medium qualified	2	2,3%
Qualified and highly qualified	71	82,6%
Secondary education	30	34,9%
University degree	39	45,3%
Post-secondary education	3	3,5%
Master's degree	1	1,2%

<sup>1</sup> In relation to the total number of employers with a current shortage of workers (86)

Of the total number of employers which have a shortage of workers of a certain profile (86), more than 50% agree that the lack of staff for the required occupation and lack of staff with knowledge and skills needed for the job are significant reasons for lack of workers of a certain profile.

**Table 27.** Reasons for lack of workers of a certain profile among surveyed employers

Reasons for lack of workers of a certain profile	Responses totally	Fully (1) or partly (2) disagree	Neither agree or disagree (3)	Partly (4) or fully agree (5)	No response
Lack of staff with the required occupation	86	10%	29%	52%	8%
Lack of staff with the knowledge and skills needed for the job	86	6%	29%	57%	8%
Lack of staff with adequate work experience	86	6%	38%	48%	8%
Lack of interest of individuals in working in a specific workplace	86	19%	34%	35%	13%
Dissatisfaction of the candidate with the offered salary	86	31%	35%	20%	14%
Candidate dissatisfaction with working hours and working conditions	86	34%	29%	19%	19%
Distance of the job from the place of residence of the candidate	86	38%	28%	12%	22%
Lack of incentives for training and employment	86	23%	22%	21%	34%
Tax policy (high allocations for taxes, contributions)	86	16%	16%	35%	33%
General economic conditions	86	15%	14%	38%	33%
Insufficient labor force information	86	19%	27%	9%	45%

A significant percentage of employers (40.7%) believe that to a large extent candidates lack or severely lack technical/professional knowledge and skills (40.7%). Initiative and creativity are the second most important factors that candidates lack, according to 25.6% of employers. There is also a lack of IT knowledge and skills, organizational analytical and planning skills, and social skills, which was recognized as missing by slightly more than 20% of surveyed employers.

**Table 28.** Knowledge and skills that candidates lack in the opinion of the surveyed employers

Knowledge and skills	Responses totally	Not or only slightly lacking	Lacking to a moderate degree	Lacking to a great degree or extremely	No response
Technical/professional knowledge and skills	86	9,3%	34,9%	40,7%	15,1%
Computer knowledge and skills	86	29,1%	29,1%	24,4%	17,4%
Knowledge of foreign languages	86	43,0%	26,7%	11,6%	18,6%
Project management	86	36,0%	19,8%	16,3%	27,9%
Organizational, analytical and planning skills	86	33,7%	17,4%	20,9%	27,9%
Social skills (communication, teamwork, negotiation, empathy)	86	32,6%	23,3%	20,9%	23,3%
Initiative and creativity	86	29,1%	18,6%	25,6%	26,7%

## SALARIES IN 2020

About 22% of employers said that they increased salaries in 2020. Observed by individual activities, most employers which increased salaries were from information and communication (34.6% of employers), and construction (31.4% of employers).

**Table 29.** Salary increase in 2020 among surveyed employers, number and percentage of employers

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	1
C: Manufacturing industry	14	25,5%	39	70,9%	2	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	1
F: Construction	11	31,4%	23	65,7%	1	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	21	24,4%	61	70,9%	4	86
H: Transport and storage	3	30,0%	6	60,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	1	2,0%	43	87,8%	5	49
J: Information and communication	9	34,6%	16	61,5%	1	26
K: Financial and insurance activities *	0	0,0%	5	71,4%	2	7
L: Real estate business *	1	25,0%	3	75,0%	0	4
M: Professional, scientific and technical activities	12	25,0%	32	66,7%	4	48
N: Administrative and support service activities	3	15,0%	16	80,0%	1	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	3
S: Other service activities	3	23,1%	9	69,2%	1	13
<b>Total</b>	<b>78</b>	<b>21,8%</b>	<b>258</b>	<b>72,1%</b>	<b>22</b>	<b>358</b>

\* Small number of employers

<sup>1</sup> In relation to the total number of employers in the observed activity

The questionnaire sought to identify activities in which there was an increase in wages. The questionnaire does not contain questions about the reduction of salaries, which does not mean that in 2020 there was no reduction of salaries. The survey showed that of the total number of employers planning to increase wages (78), the largest percentage of employers (79.5%) increased wages in 2020 up to 10%, while 16.7% of employers made an increase in wages up to 20%. Only 1.3% of employers increased salaries by more than 20%.

**Tabela 30.** Percentage of salary increase in 2020 among the surveyed employers

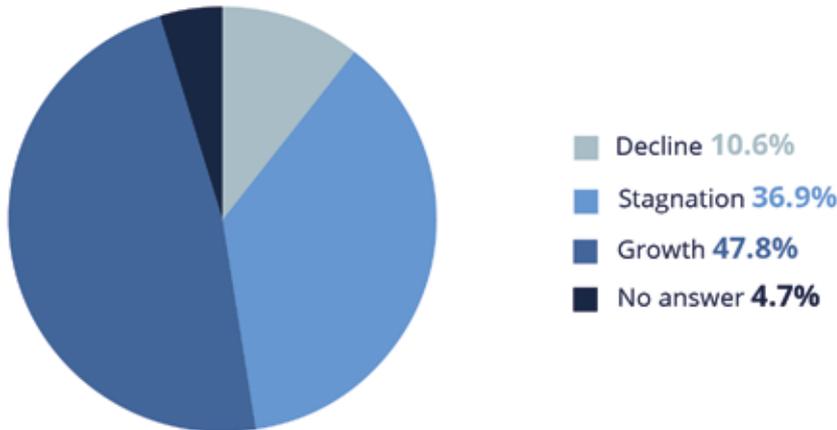
Salary increase	Number of employers	Percent
Up to 10%	62	79,5%
Up to 20%	13	16,7%
More than 20%	1	1,3%
No response	2	2,6%
<b>Total</b>	<b>78</b>	<b>100,0%</b>

# 2021 BUSINESS ASSESSMENT

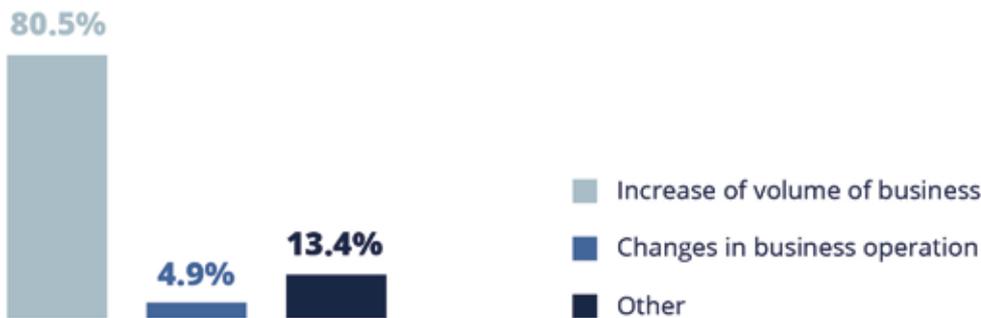


# 2021 PROJECTIONS

## EXPECTED FINANCIAL PERFORMANCE 2021 (%)



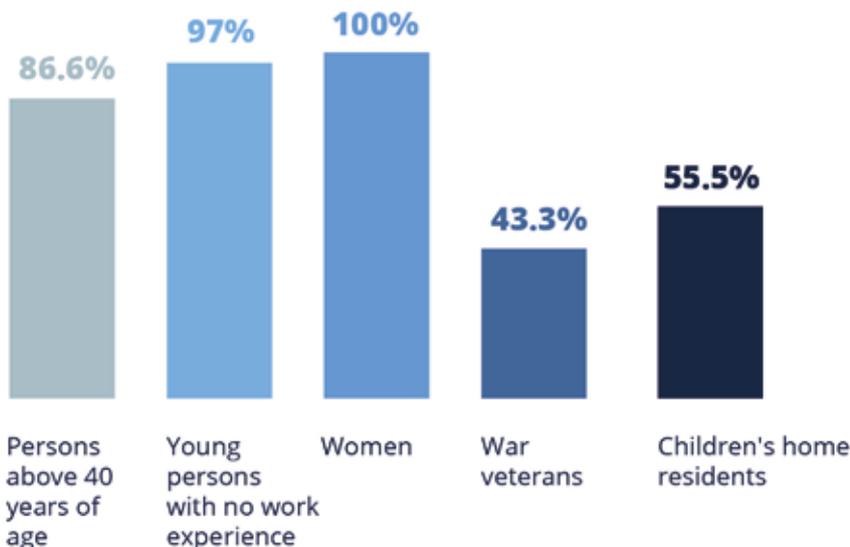
## EMPLOYMENT PLANS IN 2021 (%)



**46%**

of employers plan new employments in 2021

## EMPLOYERS' READINESS TO HIRE SOME OF POORLY EMPLOYABLE CATEGORIES OF EMPLOYEES (%)

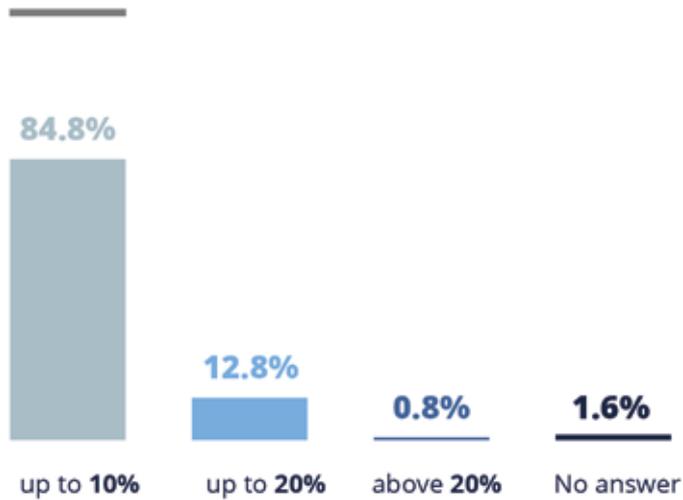


**100%**

of employers who plan new employments are ready to employ women

## 2021 PROJECTIONS

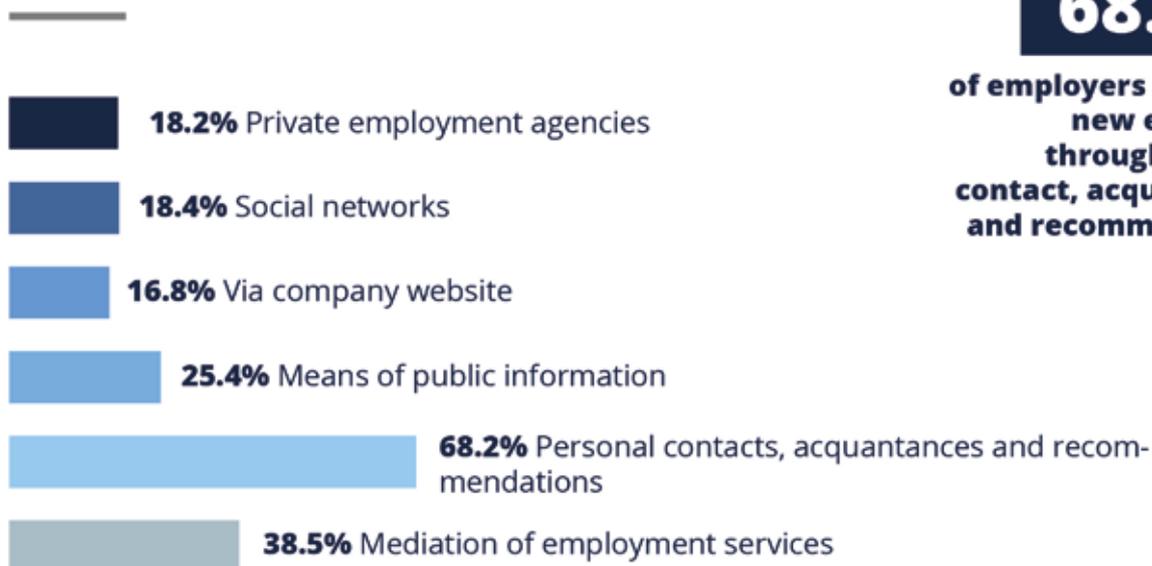
### SALARIES IN 2021 (%)



**34.9%**

of employers plan salary increases in 2021

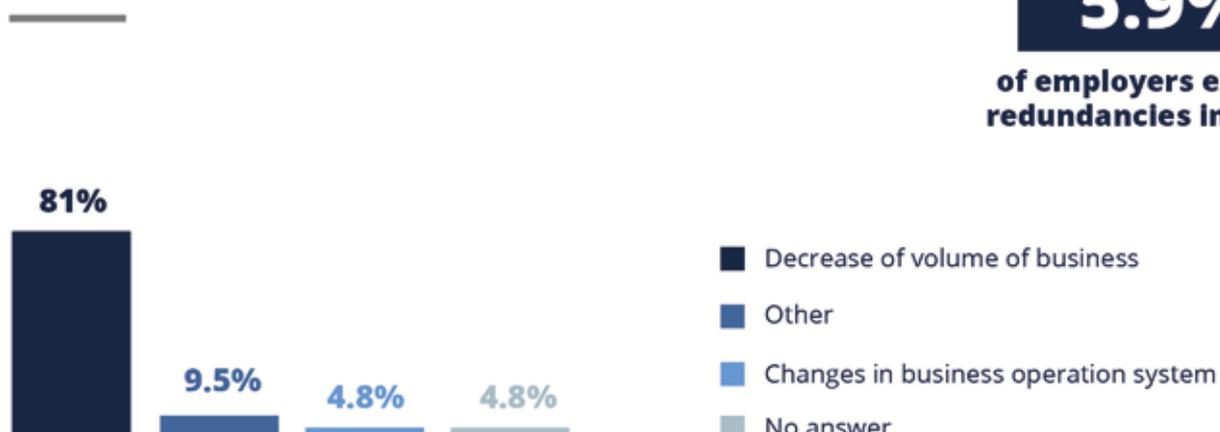
### MEANS OF SEARCH FOR NEW EMPLOYEES (%)



**68.2%**

of employers search for new employees through personal contact, acquaintances and recommendations

### EXPECTED REDUNDANCIES IN 2021 (%)



**5.9%**

of employers expect redundancies in 2021

## 2021 BUSINESS ASSESSMENT

### BUSINESS VOLUME IN 2021

In terms of expectations in 2021, the largest percentage of employers (48.6%) expect growth in business volume (production, sales, services). However, a significant number of employers (36.6%) still reported that they expected stagnation in 2021, and 9.8% of employers expected decline. Of the total number of employers which participated in the survey, 5% did not answer this question. Observed by activities, we can see that most employers in the field of information and communication (65.4% of the total number of employers in the field) and wholesale and retail trade; repair of motor vehicles and motorcycles (54.7%) expect an increase in business volume.

**Table 31.** Assessment of business volume in 2021 (production, sales, services) by surveyed employers

Activity	Decline	% <sup>1</sup>	Growth	% <sup>1</sup>	Stagnation	% <sup>1</sup>	No response	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	0	1
C: Manufacturing industry	8	14,5%	27	49,1%	18	32,7%	2	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	0	0,0%	1	100,0%	0	1
F: Construction	3	8,6%	16	45,7%	14	40,0%	2	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	6	7,0%	47	54,7%	29	33,7%	4	86
H: Transport and storage	1	10,0%	4	40,0%	4	40,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	5	10,2%	18	36,7%	24	49,0%	2	49
J: Information and communication	1	3,8%	17	65,4%	7	26,9%	1	26
K: Financial and insurance activities *	2	28,6%	3	42,9%	2	28,6%	0	7
L: Real estate business *	1	25,0%	3	75,0%	0	0,0%	0	4
M: Professional, scientific and technical activities	3	6,3%	23	47,9%	18	37,5%	4	48
N: Administrative and support service activities	3	15,0%	8	40,0%	8	40,0%	1	20
R: Arts, entertainment and recreation *	0	0,0%	1	33,3%	2	66,7%	0	3
S: Other service activities	2	15,4%	6	46,2%	4	30,8%	1	13
<b>Total</b>	<b>35</b>	<b>9,8%</b>	<b>174</b>	<b>48,6%</b>	<b>131</b>	<b>36,6%</b>	<b>18</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers (results cannot be generalized for these activities)

## FINANCIAL EFFECTS OF BUSINESS IN 2021

The negative effects of the crisis were reflected in the decline in company activity, reduction in the number of employees, reduction in effective demand, liquidity problems expressed by low collection of payments and inability to pay short-term liabilities, as well as solvency problems. Nevertheless, an analysis of expectations regarding financial effects shows that companies are more optimistic than pessimistic when it comes to 2021. In other words, the largest percentage of employers (47.8%) in 2021 expect an increase in financial results, and the activities of information and communication (65.4% of employers in the industry), and wholesale and retail trade are particularly pronounced; repair of motor vehicles and motorcycles (53.5%).

**Table 32.** Assessment of business volume in 2021 (production, sales, services) of surveyed employers

Activity	Decline	% <sup>1</sup>	Growth	% <sup>1</sup>	Stagnation	% <sup>1</sup>	No response	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	0	1
C: Manufacturing industry	9	16,4%	27	49,1%	17	30,9%	2	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	0	0,0%	1	100,0%	0	1
F: Construction	3	8,6%	16	45,7%	15	42,9%	1	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	6	7,0%	46	53,5%	30	34,9%	4	86
H: Transport and storage	2	20,0%	4	40,0%	3	30,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	5	10,2%	18	36,7%	24	49,0%	2	49
J: Information and communication	1	3,8%	17	65,4%	7	26,9%	1	26
K: Financial and insurance activities *	2	28,6%	3	42,9%	2	28,6%	0	7
L: Real estate business *	1	25,0%	3	75,0%	0	0,0%	0	4
M: Professional, scientific and technical activities	4	8,3%	21	43,8%	19	39,6%	4	48
N: Administrative and support service activities	3	15,0%	8	40,0%	8	40,0%	1	20
R: Arts, entertainment and recreation *	0	0,0%	1	33,3%	2	66,7%	0	3
S: Other service activities	2	15,4%	6	46,2%	4	30,8%	1	13
<b>Total</b>	<b>38</b>	<b>10,6%</b>	<b>171</b>	<b>47,8%</b>	<b>132</b>	<b>36,9%</b>	<b>17</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers (results cannot be generalized for these activities)

## REPORTED EMPLOYMENT NEEDS IN 2021

Human resources are the only renewable factor of production and service provision that can ensure multiple creation of new added values by a combination of other factors, such as means of labor, objects of labor, land, knowledge. Human resources management involves hiring, training, developing and motivating this most valuable resource. The need to engage additional human resources shows characteristics of development and is a very important indicator of the state of the economy. The survey showed that about 46% of employers plan to hire new workers in 2021. A significant percentage of employers in the following activities are planning new employments: 80% of employers in transport and storage, 70% in employers in administrative and support service activities, 69.2% in employers in information and communication, and 68.6% of employers in construction.

**Table 33.** Employment plans of surveyed employers in 2021, number and percentage of employers by activities

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	1
C: Manufacturing industry	20	36,4%	29	52,7%	6	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	1
F: Construction	24	68,6%	10	28,6%	1	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	37	43,0%	45	52,3%	4	86
H: Transport and storage	8	80,0%	1	10,0%	1	10
I: Accommodation and food service activities (hotels and restaurants)	18	36,7%	28	57,1%	3	49
J: Information and communication	18	69,2%	7	26,9%	1	26
K: Financial and insurance activities *	1	14,3%	4	57,1%	2	7
L: Real estate business *	2	50,0%	2	50,0%	0	4
M: Professional, scientific and technical activities	17	35,4%	26	54,2%	5	48
N: Administrative and support service activities	14	70,0%	5	25,0%	1	20
R: Arts, entertainment and recreation *	1	33,3%	2	66,7%	0	3
S: Other service activities	4	30,8%	8	61,5%	1	13
<b>Total</b>	<b>164</b>	<b>45,8%</b>	<b>169</b>	<b>47,2%</b>	<b>25</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers (results cannot be generalized for these activities)

One of the main reasons is the expected increase in business volume (80.5% of the total number of employers planning new employments).

**Table 34.** Reasons for new employment in 2021 stated by the surveyed employers, number and percentage of employers by activities

Reasons for new employment	Number of employers	Percent
Increasing the volume of business	132	80,5%
Changes in the business system	8	4,9%
Other	22	13,4%
No answer	2	1,2%
<b>Total</b>	<b>164</b>	<b>100,0%</b>

When looking at the industries in which employers plan to increase the volume of business (132 employers), it mostly refers to the following activities: wholesale and retail trade; repair of motor vehicles and motorcycles (22%), construction (16%) and information and communications (12%).

**Table 35.** Number and percentage of surveyed employers expecting an increase in business volume, by activities

Activity	Business volume increase	Procentat
B: Mining and quarrying *	0	0%
C: Manufacturing industry	16	12%
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0%
F: Construction	21	16%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	29	22%
H: Transport and storage	8	6%
I: Accommodation and food service activities (hotels and restaurants)	12	9%
J: Information and communication	16	12%
K: Financial and insurance activities *	0	0%
L: Real estate business *	2	2%
M: Professional, scientific and technical activities	14	11%
N: Administrative and support service activities	11	8%
R: Arts, entertainment and recreation *	0	0%
S: Other service activities	3	2%
<b>Total</b>	<b>132</b>	<b>100%</b>

\* Small number of employers

Out of a total of 358 surveyed employers, 164 or 45.8% estimated that they needed to employ 1,136 workers in 2021, 660 of which refer to new jobs (58.1%), and 476 to vacant positions (41.9%).

**Table 36.** Number of required workers according to the assessment of surveyed employers in 2021 by activities

Activity	New jobs	Vacant positions	Totally required workers	Percent
B: Mining and quarrying *	0	0	0	0,0%
C: Manufacturing industry	74	72	146	12,9%
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0	0	0,0%
F: Construction	90	5	95	8,4%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	141	65	206	18,1%
H: Transport and storage	12	12	24	2,1%
I: Accommodation and food service activities (hotels and restaurants)	31	17	48	4,2%
J: Information and communication	148	130	278	24,5%
K: Financial and insurance activities *	20	20	40	3,5%
L: Real estate business *	20	20	40	3,5%
M: Professional, scientific and technical activities	33	40	73	6,4%
N: Administrative and support service activities	84	88	172	15,1%
R: Arts, entertainment and recreation *	0	0	0	0,0%
S: Other service activities	7	7	14	1,2%
<b>Total</b>	<b>660</b>	<b>476</b>	<b>1136</b>	<b>100,0%</b>

\* Small number of employers (results for these activities cannot be generalised)

The five occupations in highest demand, in terms of planned newly created jobs and vacant positions, are the following: sales person (15.5% of all planned employment needs), security guard (3.5%), butcher (3.1%), telephone operator - call center operator (3.1%) and waiter (3.0%). These five occupations make up 28.2% of all expressed needs for new workers in 2021.

**Table 37.** Occupations in demand for new employment in 2021 among surveyed employers

Occupation	New jobs	Vacant positions	Totally required workers		Cummulative
Sales person	106	70	176	15,5%	15,5%
Security guard	20	20	40	3,5%	19,0%
Butcher	20	15	35	3,1%	22,1%
Telephone operator - call center operator	15	20	35	3,1%	25,2%
Waiter	18	16	34	3,0%	28,2%
Simple worker	17	17	34	3,0%	31,2%
Carpenter	28	5	33	2,9%	34,1%
IT Developer	24	7	31	2,7%	36,8%
Civil engineer	19	11	30	2,6%	39,4%
Computer scientist	17	11	28	2,5%	41,9%
Servicer of electrical appliances and equipment	14	12	26	2,3%	44,2%
Truck driver	13	10	23	2,0%	46,2%
Freight vehicle driver	19	4	23	2,0%	48,2%
Electrical technician	10	10	20	1,8%	50,0%
Maintenance worker	10	10	20	1,8%	51,8%
Carpenter	9	10	19	1,7%	53,4%
Architect	10	8	18	1,6%	55,0%
Economist	8	5	13	1,1%	56,2%
Electronic equipment installer	6	6	12	1,1%	57,2%
Warehouse worker	6	6	12	1,1%	58,3%
Construction technician	6	5	11	1,0%	59,2%
Cook	9	2	11	1,0%	60,2%
Other occupations	256	196	452	39,8%	100%
Total	660	476	1136	100%	-



According to education, the surveyed employers expressed the greatest needs for skilled and highly skilled workers (39.7%). This is followed by the demand for workers with a university degree, 36.9%, and secondary education, 16.8%.

**Table 38.** Number of required workers according to the assessment of surveyed employers in 2021, by education

Activity	New jobs	Vacant positions	Totally required workers	Percent
Basic	30	35	65	5,7%
Medium qualified	0	2	2	0,2%
Qualified and highly qualified	279	172	451	39,7%
Secondary education	114	77	191	16,8%
University degree	231	188	419	36,9%
Post-secondary education	3	1	4	0,4%
Master's degree	3	1	4	0,4%
<b>Total</b>	<b>660</b>	<b>476</b>	<b>1136</b>	<b>100,0%</b>

## WILLINGNESS OF EMPLOYERS TO HIRE SOME OF THE HARD-TO-EMPLOY CATEGORIES OF WORKERS

Regarding the willingness of employers to employ some of the hard-to-employ or specific categories, all employers expressed a willingness to hire women (100%). Almost all employers (97.0%) have the opportunity to hire young people without work experience, which is a positive trend, and 86.6% of employers can hire people older than 40 years. A total of 55.5% of employers are willing to hire residents of orphanages. Other categories of hard-to-employ or specific categories (persons with disabilities, victims of violence, Roma, demobilized veterans and unskilled workers) have a lower employability rate, from 37.2% to 43.3%. The category for which the readiness for employment is lowest are immigrants, expressed by only 10.4% of employers.

**Table 39.** Willingness of surveyed employers to employ some of the hard-to-employ categories of workers

Category	Number of employers	Percent <sup>1</sup>
People with disabilities	61	37,2%
Victims of violence	64	39,0%
Residents of orphanages	91	55,5%
Roma	66	40,2%
Demobilized fighters	71	43,3%
Women	164	100,0%
Young people without work experience	159	97,0%
Older than 40 years	142	86,6%
Unskilled workers	68	41,5%
Immigrants (in accordance with legal regulations)	17	10,4%

<sup>1</sup> In relation to the total number of employers planning employment in 2021 (164); the other respondents did not answer this question

## SALARIES IN 2021

An important aspect of recovery is also the movement of employees' salaries. At the moment, it would be fair to say that, although there is optimism among employers, it is moderate and is mostly not reflected on plans to increase wages. The largest percentage of employers (55.9%) do not plan to increase salaries in 2021. The number of companies planning to increase is 125 (34.9%), while 9.2% of the surveyed employers did not answer this question. The activities that will increase wages include primarily trade and manufacturing.

**Table 40.** Plans of surveyed employers to increase salaries in 2021

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	1
C: Manufacturing industry	22	40,0%	30	54,5%	3	5,5%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	0,0%	1
F: Construction	14	40,0%	18	51,4%	3	8,6%	35
G: Wholesale and retail trade; repair of motor vehicles and motor-cycles	33	38,4%	43	50,0%	10	11,6%	86
H: Transport and storage	5	50,0%	4	40,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	14	28,6%	29	59,2%	6	12,2%	49
J: Information and communication	12	46,2%	13	50,0%	1	3,8%	26
K: Financial and insurance activities *	1	14,3%	4	57,1%	2	28,6%	7
L: Real estate business *	1	25,0%	3	75,0%	0	0,0%	4
M: Professional, scientific and technical activities	13	27,1%	30	62,5%	5	10,4%	48
N: Administrative and support service activities	6	30,0%	13	65,0%	1	5,0%	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	0,0%	3
S: Other service activities	4	30,8%	8	61,5%	1	7,7%	13
<b>Total</b>	<b>125</b>	<b>34,9%</b>	<b>200</b>	<b>55,9%</b>	<b>33</b>	<b>9,2%</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the activity

\* Small number of employers

Of the total number of employers planning a salary increase (125), the largest percentage of employers (85%) plan a salary increase of up to 10%, while 12.8% of employers plan a salary increase of up to 20%. Only one company (0.8%) plans to increase salaries by more than 20%. Questions about planned wage cuts are not included in the questionnaire, which does not mean that companies do not plan wage cuts in 2021.

**Table 41.** Plans of salary increases by surveyed employers in 2021

Salary increase	Number of employers	Percent
Up to 10%	106	84,8%
Up to 20%	16	12,8%
Over 20%	1	0,8%
No response	2	1,6%
Total	125	100,0%

## MANNERS OF LOOKING FOR NEW WORKERS

When it comes to the modality - the way of looking for new workers and employment mediation, the surveyed employers, given the possibility of multiple choice of offered options, answered that they most often looked for workers through personal contacts (68% of surveyed employers), while 38.5% use employment services. In addition to the above, 25.4% of the total surveyed employers state that they are looking for new workers through the media.

**Table 42.** Manner of looking for new workers among surveyed employers

Manner of looking for employees	Number of employers	Percent
Through the mediation of the employment service	138	38,5%
Personal contacts, acquaintances and recommendations	244	68,2%
Through the media	91	25,4%
Through the company's website	60	16,8%
Using social networks	66	18,4%
Through private employment agencies	65	18,2%
Through educational institutions	5	1,4%
Using your own database	24	6,7%
Other	14	3,9%

## INTRODUCTION OF NEW TECHNOLOGIES IN WORK PROCESSES AND TRAINING NEEDS

When asked whether they planned to introduce new technologies in the work process in 2021, which will lead to the need for additional training and qualification of employees, 22.3% of the surveyed employers answered positively.

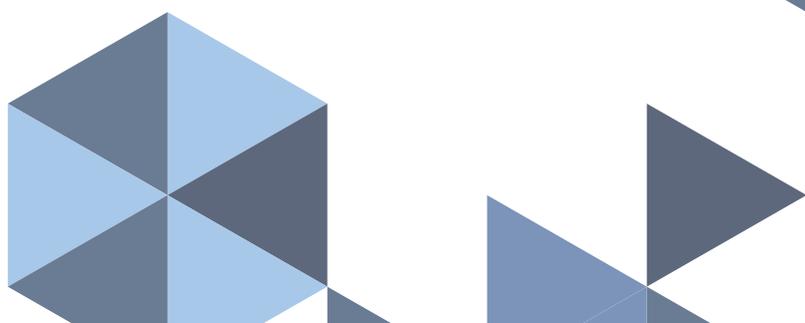
**Tabela 43.** Plans for the introduction of new technologies in the work processes of the surveyed employers

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	1
C: Manufacturing industry	12	21,8%	39	70,9%	4	7,3%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	0,0%	1
F: Construction	10	28,6%	24	68,6%	1	2,9%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	15	17,4%	67	77,9%	4	4,7%	86
H: Transport and storage	3	30,0%	6	60,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	2	4,1%	44	89,8%	3	6,1%	49
J: Information and communication	12	46,2%	13	50,0%	1	3,8%	26
K: Financial and insurance activities *	2	28,6%	3	42,9%	2	28,6%	7
L: Real estate business *	0	0,0%	4	100,0%	0	0,0%	4
M: Professional, scientific and technical activities	13	27,1%	31	64,6%	4	8,3%	48
N: Administrative and support service activities	5	25,0%	14	70,0%	1	5,0%	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	0,0%	3
S: Other service activities	6	46,2%	6	46,2%	1	7,7%	13
<b>Total</b>	<b>80</b>	<b>22,3%</b>	<b>256</b>	<b>71,5%</b>	<b>22</b>	<b>6,1%</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers

In relation to the total number of employers planning to introduce new technologies in the work process in 2021, which will lead to the need for additional training and additional qualification of employees (80), the largest percentage of employers (75%) plan to conduct training for specific jobs, to be carried out within the workplace with the employer.



**Table 44.** Type of training with surveyed employers

Kind of training	Number of employers	Procent <sup>1</sup>
Acquisition of special skills in a verified institution for computer work or other IT training	23	28,8%
Acquisition of special skills in a verified institution - foreign language	9	11,3%
Acquisition of special skills in a verified institution - project management	17	21,3%
Training for specific jobs that would be conducted within the workplace with the employer	60	75,0%
Retraining and additional training in a verified institution	27	33,8%

<sup>1</sup> In relation to the total number of employers planning to introduce new technologies in the work process in 2021, which will lead to the need for additional training and qualification of employees (80)

## PRACTICAL TRAINING FOR SECONDARY SCHOOL AND UNIVERSITY STUDENTS

In the context of the possibility of providing support for the organization of practical classes, 132 employers or 36.9% of the total respondents stated that they had the possibilities (mentor, equipment, space and materials) and that they were ready to accept secondary school and university students for practical classes.

**Table 45.** Possibilities of providing support to the organization of practical classes with surveyed employers, number and percentage of employers, by activities

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	1
C: Manufacturing industry	24	43,6%	26	47,3%	5	9,1%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	0,0%	1
F: Construction	17	48,6%	17	48,6%	1	2,9%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	23	26,7%	59	68,6%	4	4,7%	86
H: Transport and storage	4	40,0%	5	50,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	13	26,5%	33	67,3%	3	6,1%	49
J: Information and communication	14	53,8%	11	42,3%	1	3,8%	26
K: Financial and insurance activities *	2	28,6%	3	42,9%	2	28,6%	7
L: Real estate business *	2	50,0%	2	50,0%	0	0,0%	4
M: Professional, scientific and technical activities	17	35,4%	27	56,3%	4	8,3%	48
N: Administrative and support service activities	8	40,0%	11	55,0%	1	5,0%	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	0,0%	3
S: Other service activities	8	61,5%	4	30,8%	1	7,7%	13
<b>Total</b>	<b>132</b>	<b>36,9%</b>	<b>203</b>	<b>56,7%</b>	<b>23</b>	<b>6,4%</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers (results cannot be generalized for these activities)

The surveyed companies have possibilities (mentor, equipment, space and materials) and have expressed their readiness to accept secondary school and university students for practical classes mostly for the following professions: economist, cook, waiter, baker, administrative worker, IT programmer, master of pharmacy, sales person, locksmith, electrician, hairdresser, civil engineer, construction technician, graphic designer, IT developer and carpenter.

**Table 46.** Occupations for which five or more surveyed employers indicated that they had the ability and willingness to organize practical classes or training

Occupation	Number of employers	Percent <sup>1</sup>
Economist	13	10,8%
Cook	10	8,3%
Waiter	9	7,5%
Baker	8	6,7%
Administrative worker	6	5,0%
IT programmer	6	5,0%
Master of pharmacy	6	5,0%
Sales person	6	5,0%
Locksmith	5	4,2%
Electrical technician	5	4,2%
Hairdresser	5	4,2%
Civil Engineer	5	4,2%
Construction technician	5	4,2%
Graphic designer	5	4,2%
IT Developer	5	4,2%
Carpenter	5	4,2%

<sup>1</sup> In relation to the number of employers who stated that they had the possibilities for providing support for the organization of practical classes (132)

For the needs of practical classes for secondary school and university students, 17.4% of employers who have the opportunity to organize practical classes are not ready to set aside money. However, for the needs of practical training, 14.4% of employers are ready to offer up to 100 KM, 31.8% between 101 and 200 KM, 18.9% between 201 and 300 KM, while 11.4% are ready to offer something else (such as food and insurance benefits).

**Table 47.** The amount of compensation that the surveyed employers are willing to offer to students in practical classes

Amount of reimbursement	Number of employers	Percent
0 KM	23	17,4%
Up to 100 KM	19	14,4%
Between 101 and 200 KM	42	31,8%
Between 201 and 300 KM	25	18,9%
Something else	15	11,4%
No response	8	6,1%
Total	132	100,0%

Also, in the context of adult training, 76 employers or 21.2% of the total respondents stated that they had the opportunities and were ready to organize training, vocational training and development of unemployed persons.

**Table 48.** Number and percentage of surveyed employers which are ready to provide training for unemployed persons (mentor, equipment) in 2021

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	1
C: Manufacturing industry	9	16,4%	39	70,9%	7	12,7%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	0,0%	1
F: Construction	9	25,7%	22	62,9%	4	11,4%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	16	18,6%	62	72,1%	8	9,3%	86
H: Transport and storage	4	40,0%	5	50,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	6	12,2%	38	77,6%	5	10,2%	49
J: Information and communication	8	30,8%	17	65,4%	1	3,8%	26
K: Financial and insurance activities *	2	28,6%	3	42,9%	2	28,6%	7
L: Real estate business *	1	25,0%	3	75,0%	0	0,0%	4
M: Professional, scientific and technical activities	12	25,0%	30	62,5%	6	12,5%	48
N: Administrative and support service activities	3	15,0%	16	80,0%	1	5,0%	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	0,0%	3
S: Other service activities	6	46,2%	6	46,2%	1	7,7%	13
<b>Total</b>	<b>76</b>	<b>21,2%</b>	<b>246</b>	<b>68,7%</b>	<b>36</b>	<b>10,1%</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the observed activity

\* Small number of employers (results cannot be generalized for these activities)

The employers have mostly highlighted the possibility of providing training to the unemployed for the following occupations: economist, civil engineer, cook, hairdresser, IT programmer, traffic engineer, electrical engineer, lawyer, civil technician, beautician, mechanical engineer, carpenter and veterinarian.

**Table 49.** Occupations for which three or more surveyed employers are willing to provide training for unemployed persons, by cantons

Occupation	Number of employers	Percent of employers <sup>1</sup>
Economist	9	11,8%
Civil Engineer	6	7,9%
Cook	6	7,9%
Hairdresser	5	6,6%
Computer scientist	5	6,6%
Road traffic engineer	4	5,3%
Electrical engineer	4	5,3%
Lawyer	4	5,3%
Construction technician	3	3,9%
Beautician	3	3,9%
Mechanical engineer	3	3,9%
Carpenter	3	3,9%
Veterinarian	3	3,9%

<sup>1</sup> In relation to the total number of employers who are willing to provide training for the unemployed (mentor, equipment) in 2021

Out of 76 employers, who have stated that they are ready to provide training to unemployed persons, 30.3% are ready to allocate compensation of up to 101 to 200 KM per person, and 28.9% are ready to allocate compensation of 201 to 300 KM. The percentage of employers who are not ready to pay compensation is 10.5%.

**Table 50.** The amount of compensation that the surveyed employers are willing to offer to unemployed persons during the training

Amount of reimbursement	Number of employers	Percent
0 KM	8	10,5%
Up to 100 KM	7	9,2%
Between 101 and 200 KM	23	30,3%
Between 201 and 300 KM	22	28,9%
Something else	12	15,8%
No response	4	5,3%
Total	76	100,0%

## EXPECTED REDUNDANCIES IN 2021

A very small percentage of employers expect redundancies (5.9%) in 2021, while the majority (87.7%) do not expect such a situation. This question was not answered by 6.4% of employers in the sample.

**Table 51.** Number and percentage of surveyed employers expecting redundancies in 2021

Activity	Yes	% <sup>1</sup>	Ne	% <sup>1</sup>	No answer	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0,0%	1	100,0%	0	0,0%	1
C: Manufacturing industry	5	9,1%	47	85,5%	3	5,5%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0,0%	1	100,0%	0	0,0%	1
F: Construction	1	2,9%	33	94,3%	1	2,9%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	5	5,8%	76	88,4%	5	5,8%	86
H: Transport and storage	1	10,0%	8	80,0%	1	10,0%	10
I: Accommodation and food service activities (hotels and restaurants)	3	6,1%	42	85,7%	4	8,2%	49
J: Information and communication	2	7,7%	23	88,5%	1	3,8%	26
K: Financial and insurance activities *	2	28,6%	3	42,9%	2	28,6%	7
L: Real estate business *	0	0,0%	4	100,0%	0	0,0%	4
M: Professional, scientific and technical activities	0	0,0%	44	91,7%	4	8,3%	48
N: Administrative and support service activities	1	5,0%	18	90,0%	1	5,0%	20
R: Arts, entertainment and recreation *	0	0,0%	3	100,0%	0	0,0%	3
S: Other service activities	1	7,7%	11	84,6%	1	7,7%	13
<b>Total</b>	<b>21</b>	<b>5,9%</b>	<b>314</b>	<b>87,7%</b>	<b>23</b>	<b>6,4%</b>	<b>358</b>

<sup>1</sup> In relation to the total number of employers in the activity

Of the total number of employers who expect redundancies (21), the largest percentage of employers (81.0%) state that the reason is a decrease in business volume.

**Table 52.** Reasons for expected redundancies among surveyed employers

Reason	Number of employers	Percent <sup>1</sup>
Changes in the business system	1	4,8%
Reducing the volume of business	17	81,0%
Other	2	9,5%
No answer	1	4,8%
<b>Total</b>	<b>21</b>	<b>100,0%</b>

<sup>1</sup> In relation to the total number of employers expecting redundancies (21)

Of the total number of employers who expect to have redundancies in 2021, 71.4% use termination of employment contracts as the way to address redundancies.

**Table 53.** Manner of resolving redundancies among surveyed employers

Manner of resolving redundancies	Number of employers	Percent
Assigning to another job	1	4,8%
Assigning to another organizational unit	2	9,5%
Training, additional training, retraining	0	0,0%
Shortening of working hours	0	0,0%
Cooperation with the employment service (taking care of workers in the process of bankruptcy, liquidation, etc.)	0	0,0%
Termination of employment contract	15	71,4%

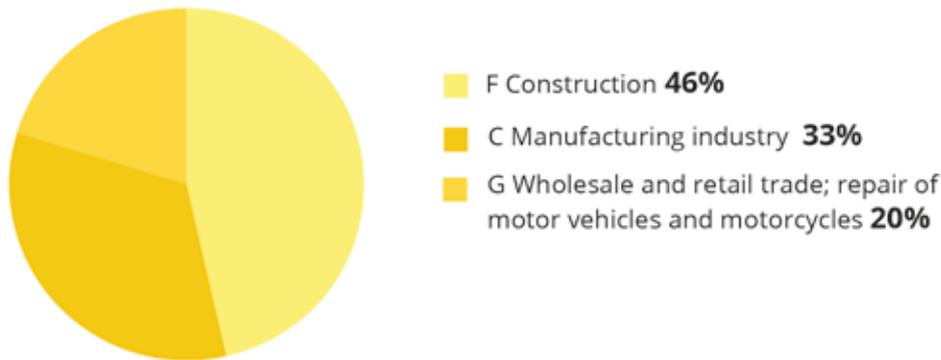


**COOPERATION OF  
EMPLOYERS WITH THE  
EMPLOYMENT SERVICE**

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## COOPERATION WITH THE KS/FBIH PES

### COOPERATION IMPLEMENTED WITH KS/FBIH EMPLOYMENT SERVICES (%)



**23%**

**of employers implemented cooperation with Sarajevo Canton Employment Service**

### AREA OF COOPERATION WITH KS/FBIH EMPLOYMENT SERVICES (%)

Advertising vacancies

**40.50%**

Information on available workforce

**22.60%**

Mediation in employment

**32.10%**

Selection of workforce for known employers

**2.40%**

Participation in employment co-financing projects

**75.00%**

Participation in training, upskilling and reskilling projects

**1.20%**

Job fair participation

**4.80%**

Legal aid

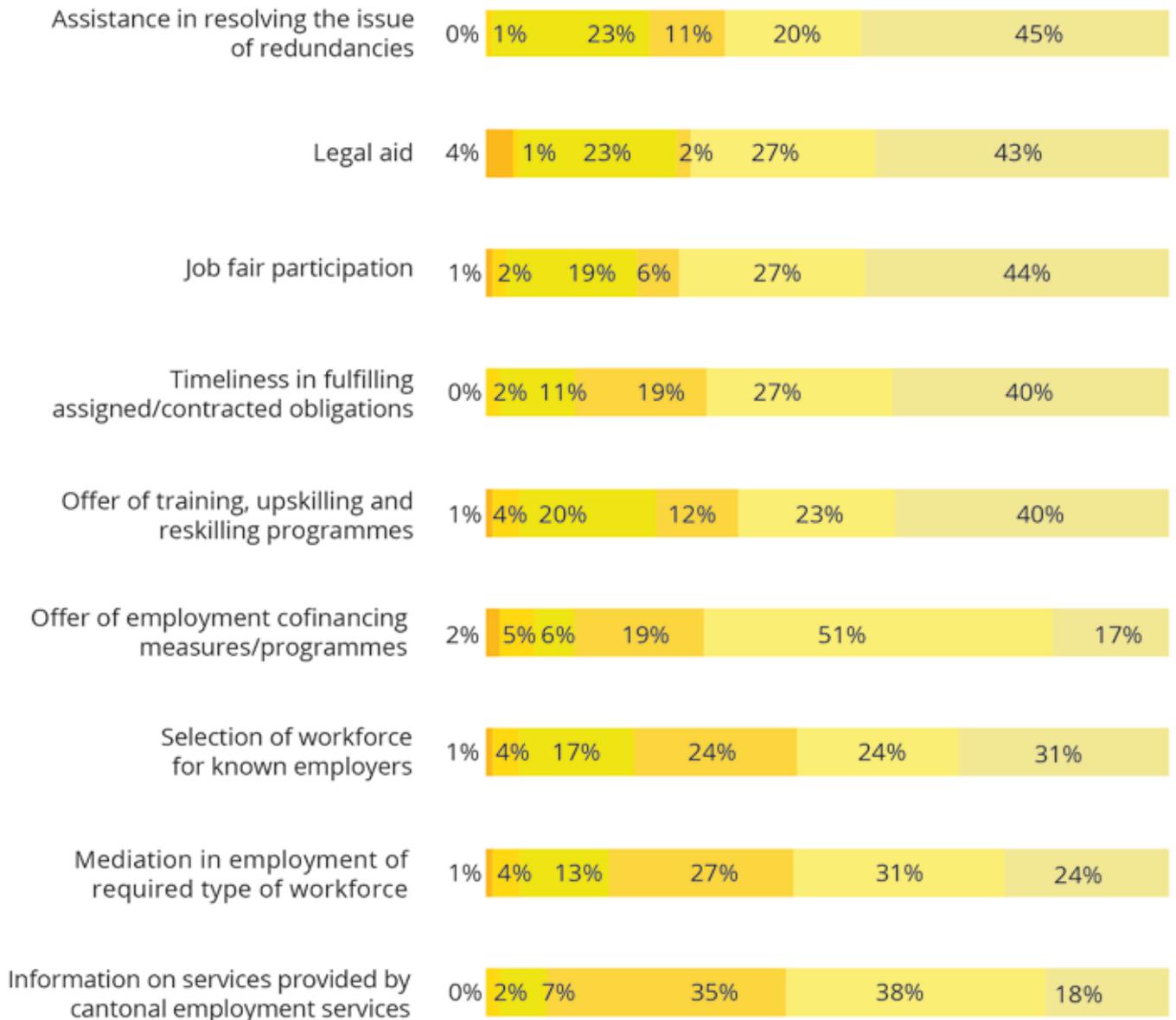
**2.40%**

Other

**4.80%**

## COOPERATION WITH THE KS/FBIH PES

### AREA OF COOPERATION WITH KS/FBIH EMPLOYMENT SERVICES (%)



■ Completely dissatisfied

■ Partly dissatisfied

■ Neither satisfied nor dissatisfied

■ Partly satisfied

■ Completely satisfied

■ No answer

## COOPERATION OF EMPLOYERS WITH THE EMPLOYMENT SERVICE

Tasks in the field of employment in the Sarajevo Canton and the Federation of BiH are divided between the Federation Employment Service, which, among other things, manages funds to ensure material security during unemployment, monitors, harmonizes and coordinates the work of employment services in implementing employment policies and measures and social security of unemployed persons within the competence of the Federation, and the Public Institution 'Employment Service of Sarajevo Canton', which, among other things, provides legally defined rights to unemployed persons, implements active employment measures, and mediates between employers and job seekers. In 2020, about 23% of the surveyed employers cooperated with the Public Institution 'Employment Service of Sarajevo Canton' and the Federation Employment Service.

Observed by activities, 46% of employers in the field of construction cooperated with the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton', 40% in the field of transport and storage and 33% in the manufacturing industry.

**Tabela 53.** Cooperation of the surveyed employers with the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton' Sarajevo

Activity	Yes	% <sup>1</sup>	No	% <sup>1</sup>	No response	% <sup>1</sup>	Total
B: Mining and quarrying *	0	0%	1	100%	0	0%	1
C: Manufacturing industry	18	33%	35	64%	2	4%	55
E: Water supply; wastewater disposal, waste management and remediation activities *	0	0%	1	100%	0	0%	1
F: Construction	16	46%	18	51%	1	3%	35
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	17	20%	66	77%	3	3%	86
H: Transport and storage	4	40%	5	50%	1	10%	10
I: Accommodation and food service activities (hotels and restaurants)	5	10%	42	86%	2	4%	49
J: Information and communication	7	27%	18	69%	1	4%	26
K: Financial and insurance activities *	0	0%	5	71%	2	29%	7
L: Real estate business *	2	50%	2	50%	0	0%	4
M: Professional, scientific and technical activities	8	17%	36	75%	4	8%	48
N: Administrative and support service activities	5	25%	14	70%	1	5%	20
R: Arts, entertainment and recreation *	1	33%	2	67%	0	0%	3
S: Other service activities	1	8%	11	85%	1	8%	13
<b>Total</b>	<b>84</b>	<b>23%</b>	<b>256</b>	<b>72%</b>	<b>18</b>	<b>5%</b>	<b>358</b>

\* In relation to the total number of employers in the observed activity

<sup>1</sup> Small number of employers (results cannot be generalized for these activities)

The employers from the sample which cooperated with the Federation Employment Service and the Employment Service of Sarajevo Canton mostly participated in employment co-financing programs (75%).

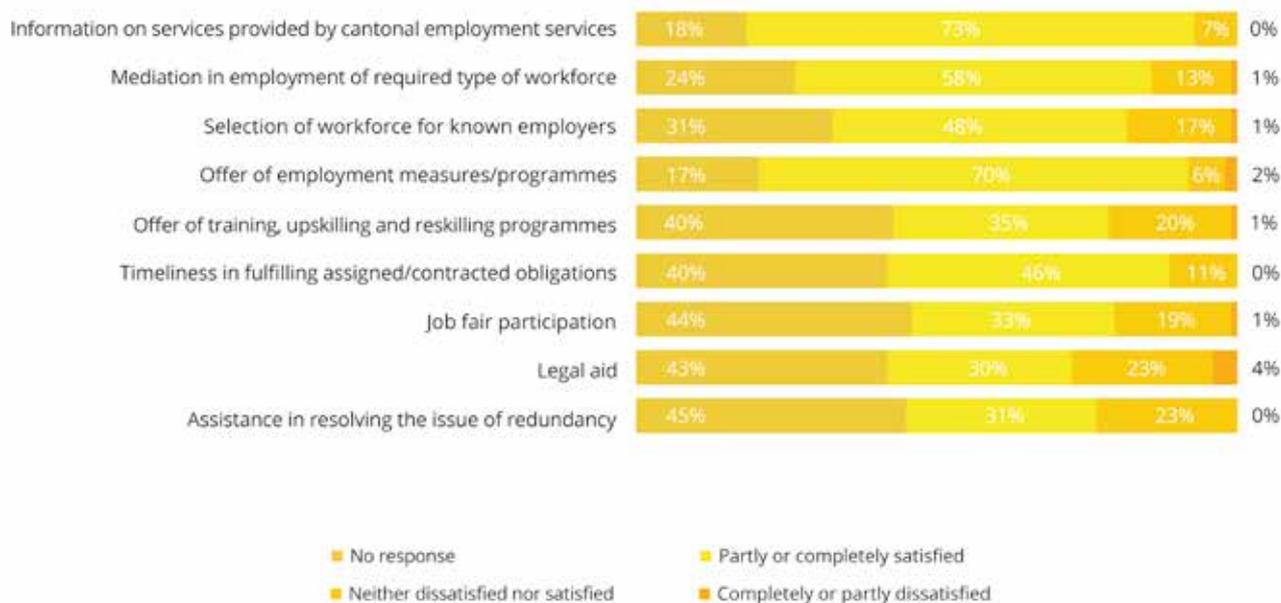
**Table 54.** Area of cooperation of the surveyed employers with the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton'

Area of cooperation with the Federation and Cantonal Employment Services	Number of employers	Percent
	34	40,5%
Advertising vacancies	19	22,6%
Informing about labor supply	27	32,1%
Mediation in hiring the required workforce profile	2	2,4%
Selection of labor for the needs of a known employer	63	75,0%
Participation in employment co-financing programs	1	1,2%
Participation in training programs, additional training, re-training	4	4,8%
Participation in the employment fair	2	2,4%
Legal aid	0	0,0%
Solving redundancy problems	4	4,8%
Other		

It is important to examine the level of employer satisfaction by individual segments of services provided to them. Informing about the services of the Public Institution 'Employment Service of Sarajevo Canton', and the offer of measures / programs for co-financing employment are services that are particularly highly rated by employers (70% and more satisfied). In all other categories, very few employers negatively assessed the services of the Sarajevo Canton Employment Service and there are more employers who are satisfied than dissatisfied.

**Table 55.** Satisfaction with the services provided by the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton'

Services	Total	Completely dissatisfied	Partly dissatisfied	Neither dissatisfied nor satisfied	Partly satisfied	Completely satisfied	No response
Informing about the services of cantonal employment services	84	0%	2%	7%	35%	38%	18%
Mediation in hiring the required workforce profile	84	1%	4%	13%	27%	31%	24%
Selection of labor for the needs of a known employer	84	1%	4%	17%	24%	24%	31%
Offer of measures / programs for co-financing employment	84	2%	5%	6%	19%	51%	17%
Offer of training programs, additional training, retraining	84	1%	4%	20%	12%	23%	40%
Promptness in fulfilling the assumed / contracted obligations	84	0%	2%	11%	19%	27%	40%
Participation in the employment fair	84	1%	2%	19%	6%	27%	44%
Legal aid	84	4%	1%	23%	2%	27%	43%
Support in solving the problem of redundancy	84	0%	1%	23%	11%	20%	45%



**Graph 2.** Satisfaction with the services provided by the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton'

It is especially indicative that a large number of employers did not answer a significant number of questions from this group of questions, i.e. that there is a large number of missing answers (over 40% in many categories), so it is not possible to fully create an idea about their satisfaction / dissatisfaction with the services. For example, further research is needed as to why employers did not answer the questions about participation in job fairs, the use of legal aid, the offer of retraining and training programs, support in resolving legal issues, or timeliness in fulfilling contractual obligations. It is very important to understand whether employers did not use these services and therefore could not even evaluate them, or there are some other reasons for not filling in the answers.

# CONCLUSIONS

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# CONCLUSION

## SAMPLE

**335**  
employers  
surveyed

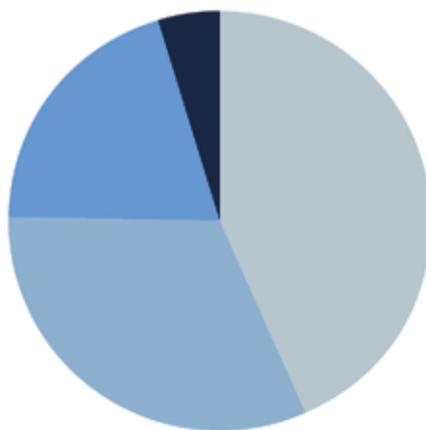


**84.4%** Small enterprises  
**10.9%** Medium enterprises  
**4.7%** Big enterprises



**24%** Wholesale and retail sale  
**15.4%** Manufacturing industry  
**13.7%** Accommodation and food service activities

## FINANCIAL PERFORMANCE IN 2020 (%)



Decline **43.6%**  
Stagnation **31.8%**  
Growth **20.1%**  
No answer **4.5%**

## OCCUPATIONS IN HIGHEST DEMAND AND THE MOST AFFECTED OCCUPATIONS IN 2020 (%)

**5 occupations**

**68.3%**

of the total number of employees in demand

SECURITY GUARD **39,4%**  
SALESMAN - TRADER **19,9%**  
IT DEVELOPER **4%**  
PROGRAMMER **2,8%**  
DATABASE ADMINISTRATOR **2,2%**

**5 occupations**

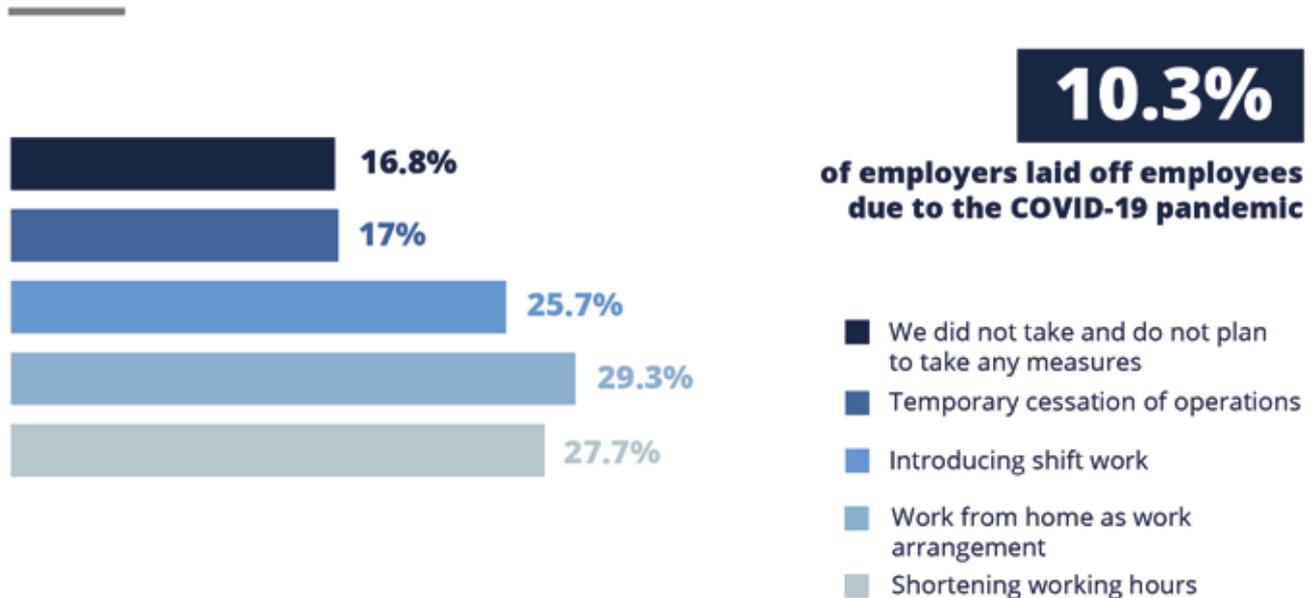
**63.5%**

of employment contract terminations

SECURITY GUARD **32,3%**  
SALESMAN - TRADER **19,6%**  
CHAMBER MAID **4,5%**  
WAITER **3,9%**  
COOK **3,2%**

## CONCLUSION

### REACTION TO CRISIS CAUSED BY THE COVID-19 PANDEMIC (%)



### EMPLOYMENT PLANS IN 2021



### MEANS OF SEARCH FOR NEW EMPLOYEES (%)



## CONCLUSIONS

This research reveals the problems that employers face in their businesses, especially in terms of human resources, indicates the possibility of improving cooperation between employers and the labor market in general, and ways to improve services at a time when business conditions are very complex and require substantial adaptation to the circumstances of the COVID-19 pandemic. The labor market survey was organized through a survey of employers in late 2020 and early 2021 by the Federation Employment Service and cantonal employment services. Below is an overview of the most important results by key titles.

### Sample

- The sampling approach used by all institutes is the stratified sampling approach, with key stratification variables being the sector and size of the company;
- The largest number of entities in the sample are limited liability companies (76.8%) and crafts (14.8%);
- The surveyed companies belong mainly to the group of small companies (84.4%);
- The largest percentage of enterprises in the sample is in the following activities:
  - G - Wholesale and retail trade; repair of motor vehicles and motorcycles (24.0%),
  - C - Manufacturing (15.4%),
  - I - Accommodation and food service activities (13.7%) and
  - M - Professional, scientific and technical activities (13.4%).The activity of information and communication (J), as an increasingly important activity in the Sarajevo Canton, is represented by 7.3%;
- According to the type of contract with the employers, most employees had a permanent employment contract (65.5%) and a fixed-term employment contract (33.8%). These two types of employment contracts were concluded by 99.2% of the workers in the sample.

### Business trends in 2020

- The largest percentage of employers (44.4%) stated that in 2020 they recorded a decline in business activity;
- The assessment of financial effects correlates with the assessment of the volume of business in 2020, and the largest number of employers (43.6%) reported that in 2020 they experienced a decrease in financial results or stagnation (31.8%).

### Changes in the number of workers in 2020

- In 2020, 45% of employers in the sample recorded a change in the number of employees, whether they were new hires, layoffs or retirements. Observed through the number of employees, there were a total of 3,318 changes in the number of employees. Of that number, the largest percentage refers to the termination of employment contracts (53.8%), while new employment is 43.3%;
- Out of the total number of new employees (1,438), most were employed in administrative and support service activities (42.2%);
- Two occupations that were especially in demand (new jobs) in 2020 are security guard and sales person, which together make up 59.3% of new employees. However, IT developers and programmers represent occupations that make up 6.8% of new hires;
- The occupations most affected by the termination of employment contracts were security guard and sales person, who accounted for 51.9% of the laid-off workers. Maid, waiter, cook, receptionist and confectioner make up 16.5% of the laid-off workers;
- Percentage of employers which use active employment policy measures / programs in the area

of Sarajevo Canton during new employments is 16.5%;

- Out of the total number of employers which used active employment policy programs / measures (59), a significant percentage of employers (49.2%) use the program "Opportunity for All 2020", followed by "First work experience 2020 (28.8%)", and employment of women 2020 (15.3%). Observed by the number of workers, most workers were employed under the program "First work experience 2020" (37.5%) and "Opportunity for all 2020" (25.7%);
- Of the total number of employers which did not use active employment policy programs / measures (279), one of the most common reasons is that employers did not consider using active employment policy measures / programs (35.5%), while 18.3% did not have any information on the measures / programs, and 16.5% failed to apply due to technical reasons;
- The largest percentage of employers (77.4%) are satisfied with the qualifications, expertise and skills of workers with whom they had the opportunity to work;
- Among the dissatisfied employers, the main reason of dissatisfaction is that workers lack practical (professional) work during education (58.1%), and that the acquired qualifications of candidates do not correspond to the real needs of the labor market;
- In response to the crisis caused by the COVID-19 pandemic, employers specifically used the transition to work from home (29.3%), shortening working hours (27.7%) and introducing shift work (25.3%). A temporary suspension of business was undertaken by 17.0% of employers, and 10.3% of employers proceeded to lay off workers. The percentage of employers which have not taken and do not plan to take any measures is 16.8%;
- Among the surveyed companies, 86 employers (24% of respondents) stated that at the time of the survey they had a shortage of workers of a certain profile, i.e. problems in hiring workers. Observed by activities, the problem is particularly pronounced in the activities of transport and storage (50% of respondents in the industry), information and communication (46% of respondents in the industry) and administrative and support service activities (45%);
- Occupations for which employers stated that they had difficulties hiring at the moment were the following: IT developer, carpenter, civil engineer, construction technician, sales person, economist, cook, butcher, truck driver and welder;
- In relation to the total number of employers which stated that they had needs for hiring new workers (86), most often there is a lack of qualified / highly qualified workers (82.6% of employers), workers with secondary education (34.9%) and higher education (45.3%);
- Of the total number of employers which have a shortage of workers of a certain profile (86), more than 50% agree that the lack of staff for the required occupation and lack of staff with knowledge and skills needed for the job are significant reasons for lack of workers of a certain profile. A significant percentage of employers (40.7%) believe that candidates largely or severely lack technical - professional knowledge and skills (40.7%);
- About 22% of employers stated that they had increased their salaries in 2020. Observed by individual activities, most employers which had an increase in salaries were from the activities of information and communication (34.6% of employers from the activity), and construction (31.4% of employers from the activity).

### **Business assessment in 2021**

- In terms of expectations in 2021, the largest percentage of employers (48.6%) expect growth in business volume (production, sales, services);
- Expectations regarding financial effects are also more optimistic than pessimistic for 2021. In other words, the largest percentage of employers (47.8%) expect an increase in financial results in 2021;
- About 46% of employers plan to hire in 2021. A significant percentage of employers in the following activities are planning new employments: 80% of employers in transport and storage, 70% in employers in administrative and support service activities, 69.2% in employers in informa-

tion and communication, and 68.6% in employers in construction;

- When looking at the industries in which employers plan to increase the volume of business (132 employers), most of them are in the wholesale and retail trade; repair of motor vehicles and motorcycles (22%), followed by construction (16%) and information and communication (12%);
- The five occupations for which there is the greatest demand, in terms of planned newly created and vacant jobs are the following: sales person (15.5% of all planned needs for workers), security guard (3.5%), butcher (3.1%), telephone operator - call center operator (3.1%) and waiter (3.0%). These five occupations account for 28.2% of all expressed needs for new workers in 2021;
- According to education, the surveyed employers expressed the greatest needs for skilled workers (39.7%). This is followed by the demand for workers with a university degree (VSS), 36.9%, and secondary education (SSS) - 16.8%;
- Regarding the readiness of employers to employ some of the hard-to-employ or specific categories, all employers expressed readiness to employ women (100%). Almost all employers (97.0%) have the opportunity to hire young people without work experience, which is a positive trend, and 86.6% of employers can hire people older than 40 years. A total of 55.5% of employers are willing to hire residents of orphanages. Other categories of hard-to-employ or specific categories (persons with disabilities, victims of violence, Roma, demobilized veterans and unskilled workers) have a lower employability rate, from 37.2% to 43.3%. The category for which there is the lowest readiness for employment are immigrants, only 10.4% of employers.
- The largest percentage of employers (55.9%) do not plan to increase wages in 2021.
- When it comes to the modality - the way of looking for new workers and employment mediation, the surveyed employers, with the possibility of multiple choice of offered options, answered that most often they looked for workers through personal contacts (68% of surveyed employers), while 38.5% used public services of the Sarajevo Canton Employment Service;
- When asked whether they planned to introduce new technologies in the work process in 2021, which would lead to the need for additional training and education of employees, 22.3% of surveyed employers answered in the affirmative;
- In relation to the total number of employers planning to introduce new technologies in the work process in 2021, which will lead to the need for additional training and qualification of employees (80), the largest percentage of employers (75%) plan to conduct training for specific jobs. would be carried out within the workplace with the employer;
- In the context of the possibility of providing support for the organization of practical classes, 132 employers or 36.9% of the total respondents stated that they had such opportunities (mentor, equipment, space and materials) and that they were ready to accept students for practical classes;
- The surveyed companies have opportunities (mentor, equipment, space and materials) and willingness to accept secondary school and university students for practical classes, mostly for the following occupations: economist, cook, waiter, baker, administrative worker, IT programmer, master of pharmacy, sales person, locksmith, electrician, hairdresser, civil engineer, construction technician, graphic designer, IT developer and carpenter;
- For the needs of practical classes for secondary school and university students, 17.4% of employers which have the opportunity to organize practical classes are not ready to set aside money. However, for the needs of practical training, 14.4% of employers are ready to offer up to 100 KM, 31.8% between 101 and 200 KM, 18.9% between 201 and 300 KM, while 11.4% are ready to offer something else (such as food and insurance benefits);
- Also, in the context of adult training, 76 employers or 21.2% of the total respondents stated that they had the opportunities and were ready to organize training, vocational training and development of unemployed persons;
- Employers have highlighted the possibility of providing training to the unemployed for the fol-

lowing occupations: economist, civil engineer, cook, hairdresser, IT programmer, traffic engineer, electrical engineer, lawyer, civil technician, beautician, mechanical engineer, carpenter and veterinarian;

- Of the 76 employers which stated that they were willing to provide training to unemployed persons, 30.3% were willing to allocate compensation of up to 101 to 200 KM per person, and 28.9% compensation of 201 to 300 KM. The percentage of employers which are not willing to pay compensation is 10.5%;
- A very small percentage of employers expect redundancies (5.9%) in 2021, while the majority (87.7%) do not expect them. As the main reason for redundancies, employers cite the reduction in business volume.
- Termination of employment contracts is the most common way to deal with redundancies.

### **Cooperation of employers with the employment service**

- About 23% of the surveyed employers in 2020 had cooperation with the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton'
- Employers which cooperated with the Federation Employment Service and the Public Institution 'Employment Service of Sarajevo Canton' mostly participated in employment co-financing programs (75%), while other services were neglected
- There is a need to further promote the services provided by the employment services to employers, especially due to a very wide range of active employment measures in which employers are interested, but the differences and ways of implementing the measures are not clear enough.
- Information on the services of the employment services, and offers of measures / programs for co-financing employment are services that were particularly highly rated by employers (70% and more satisfied). In all other categories, very few employers rated employment services negatively, there are more employers who are satisfied than dissatisfied. However, due to the large number of missing responses (over 40% in many categories), it is not possible to fully create an idea of the level of satisfaction / dissatisfaction with other services.

This research was conducted for the first time in cooperation with all competent employment services, and represents a comprehensive approach to labor market research in Bosnia and Herzegovina. Due to the need for information on the scope, structure and dynamics of employment in the past and next business year, and based on the companies' views, the survey provides comprehensive data on the analyzed issues, and the collected data and analyses are made available to all stakeholders for further analysis, with a mandatory citation of sources.

