SKILL NEEDS ANALYSES 2014

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With the invaluable contribution in the implementation of the SNA 2014 of the NES and Regional Employment Offices staff.

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EXECUTIVE SUMMARY

Background

Albania marked a sustainable growth over the period between 1998 and 2008, but between 2009 and 2013, the growth rate fell to an average of 2.4%, reaching a minimum of 0.4% by 2013. There are various factors that have been affecting this slowdown of the country's economic performance. They are mainly related to a prolonged use of monetary and fiscal instruments to fuel economic growth, while neglecting, on the other hand, structural reforms in the economy. Not be left aside is also to be underlined the global financial crisis after 2008. Currently, Albania is faced with the need to identify new resources that will feed in the economic growth and build the economic profile for the decades to come. Foreign Direct Investments remain potentially important for the economic growth, not only as a financing source but, also as a unique factor of modernization by transferring know-how, boosting productivity and broadening the production base. In spite of the last period indicating an increase of the FDIs, their future state will depend on the macroeconomic, political and institutional stability, along with the structural reforms and investments in the human capital. The GDP has doubled in less than a decade, nevertheless, the unemployment rate has risen yearly with a very significant deviation related to the not consideration of the unemployed job seekers in the rural areas.

The Vocational Education and Training system in Albania incorporates both Vocational Schools and Vocational Training Centres. Although governments have constantly been concerned over the matching of knowledge and skills offered by the Vocational Education and Training system with the labour market demands, achievements have been quite meagre in this respect. In order to efficiently realize this harmonisation, a Skills Needs Analysis is periodically conducted starting as of 2008 providing the necessary information to improve skills according to the labour market needs.

SNA 2014

The main objectives of the SNA 2014[1] are the identification of the skills and employee profile shortages' in the labour market, occupations for which current employees lack necessary skill or profile, occupations for which recruitment of new employees are found to be difficult, the nature of training needs by occupation, as well as the extent of proper relations between enterprises and the relevant state institutions. This survey is carried out with a largely improved methodology, representing the following main advantages: (i) A sample of 2,056 businesses selected instead of 988 businesses; (ii) new sampling methodology: the geographically representative sample by branches of economic activity; (iii) three standard regions (areas) used as reporting domains as defined by INSTAT; (iv) the sample size designed on the basis of explicit stratification by region, by branch of economic activity and by size of enterprise; (v) the "Occupation" used as a key variable to identify the skills needs instead of "professional categories" used in previous surveys; (vi) results available for the sample and the whole economy; (vii) the gender dimension included in the analysis, through the use of a new variable "Female owned/managed companies"; and (viii) the formal cooperation between NES and INSTAT and the relevant implications in the reliability of the data / usage of the Business Registry.

The fieldwork has been conducted by the trained staff of the National Employment Services and the Local Employment Offices. Data entry process was carried out by trained operators from the NES with an insignificant error level. NACE and ISCO coding was initially performed by INSTAT staff, based on a common Agreement, and a second round of check-and-repair procedure was performed by the ILO local experts. The sampling weights permitted the extrapolation of national and regional estimates based on the sample results. The calculation of the sampling weights procedure was based on the

[1] The SNA 2014 assisted by IPA 2010 Human Resources Development project, funded by the European Union and implemented by ILO.

design weights, Adjustment of non-response, and Calibration stages. The data processing and analysis was realised considering all specific objectives of the survey benefiting from all possibilities offered by data collection according to the drafted questionnaire.

Main Conclusions

While there has been a general increase in the number of private businesses in Albania during the period 1991-2013, the economy continues to be prevailed by micro and small size businesses. The major part of the employment in the Albanian economy is in the *Manufacturing* and *Wholesale, Retail Trade and Repairing* sectors followed by *Construction*, *Accommodation* and *Food* sectors. About 60% of the Albanian employment is concentrated in the Central Region, while the lowest employment share is located in the Southern Region. *Manufacturing, Administrative Support and Support Services* sectors are the biggest employer in the large – size businesses. The *Garment and Footwear* industry and *Call Center* services are the biggest employers within the large businesses group. *Wholesale and Retail Trade* is the biggest employer in the micro –size businesses.

Most of the businesses did not have changes in turnover, employment and investments during the time span 2013-June 2014. However, about ½ of the total businesses, plan to have new products and/or services in the next 12 months. The sectors which have the highest percentages of companies that plan to introduce new products and new technologies are the following: *Information and Communication* and *Water Supply, Sewerage, Waste…* and *Electricity, Gas, Stream sectors.* However, they need to improve their performance in terms of the quality of services.

In Albania, the female employees comprise about 40% of the total number of the employees, but only four economic sectors led by *Manufacturing* are characterized by a majority of women. About ¼ of the total businesses which cover almost 17% of the total employment, have women presidents. The number of businesses with men dominant employment is more than 2 times bigger compared to those with female dominant employment. In addition, only 10% of businesses report to have hired at least 1 people with disabilities. The major number of businesses that employed people with disabilities belongs to manufacturing, water supply, sewage, waste and the medium and large size businesses. In addition, the businesses operating in the Central region are the main employers of people with disabilities, while both other regions employ only 1/3rd of the total altogether.

In general, *Work Culture* and *Unsuitable Qualification* are the major concerns of the businesses vis-à-vis their employees. The concern regarding the *Work Culture* occurs at a higher rate in the businesses in the Central and Southern Regions and at a lower rate in the Northern Region. Unsuitable qualification level of labor force is a particularly stronger concern for the sectors of *Mining*, *Electricity, Gas etc.* as well as the *Real Estate*. Also, this concern is present in the medium and large size companies.

Small size businesses declare to have lack of skills for their employees and this relates more to the waiters & bartenders. In terms of Regions, the Southern Region has the highest rate of businesses not satisfied with the skills of their employees. The Northern Region deficiencies are more related to the professions in production, mining and construction industries. The Central Region deficiencies are more related to the service sector, while Southern Region is more related to the sectors of services and construction. In terms of sectors, lack of relevant skills to the current employees seems relatively very high for the sectors of *Water Supply, Sewerage, Waste* and *Mining and Quarrying* representing 41.9% and 40.2% respectively of the companies in the sector. The waiters, bartenders, cooks, and hostesses in most cases lack the communication skills while sales workers lack the ability to work in team. The Building and Related Trades Workers (excluding Electricians) do not have sufficient work experience.

Almost all companies address skills 'shortage of the existing employees. While staff replacement is the most used action for the Micro size group, increased training is the most utilized action for the large size group. However, contracting vocational schools or centers for trainings is very rarely considered by businesses. The private businesses themselves resulted to be the main funders of the training for all groups of professions. The major part of Medium and Large size companies has their own training structure and about one third of them have a separate training budget item.

The total estimated number of the new recruitments for the next 12 months in the Frame[2] is about 42,121 or 12.5% of the current working force. Sewing machine operators and the Call Center operators are the two professions currently leading the employment market in Albania, with about 4,000 anticipated new recruitments for each of them in the incoming year. Waiters' rate in the third place with 1,864 new recruitments forecasted, due to the relatively large number of bar-restaurants in Albania and because of being the most problematic profession in terms of lacking the right skills as was shown above. It is interesting to highlight that there are four professions in the Top-15 ones related to the bar-restaurants: waiter, bartender, cook and cook-assistant. Security guards continue to be a solid profession with high demand in the employment market.

In the current economic environment of Albania, the Small size business (having 5-19 employees) seems the most prospecting format in terms of employment. It has the largest number of anticipated new recruitments, the highest new recruitments rate and the lowest score regarding the level of difficulty to hire. The Small size subgroup is led by the *Waiters and bartenders* followed by *Building frame and related trades workers*. In terms of Regions, all three regions have similar ratios regarding new recruitments and similar level of difficulties to find the appropriate person for the respective professions. The professions' preferences are similar in each of them, except for the Call Center operators that are mostly settled in the Central Region (almost all inside Tirana) followed by a small share in the Northern Region (mostly inside Durres) and almost inexistent in the Southern Region.

Professional skills and *Work experience* are the skills/requirements most often considered as difficult. On the other side of the spectrum "Reading and writing skills", "Outer appearance", "Gender", "Insufficient salary at the company" and " Uninteresting working conditions" are very rarely a difficulty or a significant barrier for hiring people in the required profession.

Acquaintances, relatives and friends and *Announcements in newspaper, job portals, Company's Websites* are the most used recruitment method by the companies. While *Acquaintances, relatives and friends* is the dominant method for all Regions, there are differences between Regions regarding the relative share of the used methods. This method is typically used more in the Southern Region and Northern Region, and considerably less in the Central Region. In the Central Region, the relative share of using *Announcements in newspaper, Job portals, Websites* and *Promoting existing workers* is twice or more times higher than the respective percentages in the two other Regions.

General Recommendations

Work culture and attitudes result to be the major concern for the majority of businesses in Albania. An immediate action plan should be decided and undertaken by the education and training institutions to address this concern. Unsuitable qualification being another important concern for all sectors of the economy, especially for the sectors of mining, electricity and gas, needs to be urgently addressed.

Small size businesses (5-19 employees) have more difficulties regarding Human Resources in terms of recruitments, trainings etc. In such an instance the role of intermediary institutions as the NES employment offices or private recruitment companies might have a specific role to assist the recruitment/training needs of small size businesses.

The Southern Region should have a focused action plan due to the fact that many aspects of this study seem to have resulted worse compared to other regions such as for e.g.: the problematic situation declared in terms of economic indicators (employment, turnover, investments), work culture of the employees, employment fiscal burden, the effect of the low salaries to the performance of the employees etc.

[2] Businesses in the *Frame* are entire population of active businesses in Albania from where the *Sample* is drawn. Sectors of Agriculture, Health and Education are not in the Frame of this survey. For more details refer to the *Annex 1: Methodological Note*

Training courses should be organized to address the skills' related problems for some specific profiles such as waiters, bartenders, building workers and shop salespersons. Particular focus should be given to the South region in this respect. Courses on communication skills should be provided for the waiters, bartenders, cookers and hostess. In the touristic areas the provision of such courses should be a priority. In addition courses to increase the ability of team-work should be provided also, with the focus on sales persons.

It is very important to improve the VET system's performance and image and its communication with the businesses, in order to develop routine cooperation with them in terms of service provision by NES. For this purpose additional public financing is needed.

Methodological Recommendations

SNA 2014 provides valuable information with respect to the sample design on the quality of the sampling frame as well as it addresses the difficulty in reaching all sample enterprises drawn from the Business Register. It would be important in future surveys to document the types of attempts made for reaching the sample enterprises and in each case to explain the reasons for the failure. This information would be crucial to potentially develop appropriate procedures to minimize the number of enterprises with no information in the sample.

The distinction between employed persons and employees is another area for future improvement. The scope of the survey focuses on employees of enterprises but neither the sampling frame, nor the questionnaire clearly defines the concept. It is recommended that employees should in principle include all permanent and temporary employees, and exclude owner-managers and the self-employed persons.

Regarding the fieldwork, it would be helpful that it is worked very particularly with the interviewers to make a clear distinction between blanks and zeros when filling up the questionnaire, since those are data which are processed differently. The same applies also for the data-entry operators. Some specific measures should be considered regarding the NACE and ISCO codification processes performed by INSTAT staff as well as the check-and-repair by the ILO-IPA 2010 local experts. The quality of NACE and ISCO coding affects significantly the quality of the statistics. In particular NACE impacts directly the weighted (extrapolated) results and the rate of statistical error calculated. As a result, ISCO and NACE coding processes can continue to be undertaken by INSTAT's specialized staff, but qualitative coding should be guaranteed. Double-checking is recommended to be carried out by NES experts before starting the data processing.

The methodological issues are well settled in the framework of SNA 2014 and the quality of the questionnaire is considered very well. The next step regarding NES could be skills' development for implementing additional tools with regards to labor market information such as sectorial SNAs or other approaches.

The cooperation between NES and INSTAT resulted to be very good, however, a long-term Cooperation Agreement would be an ameliorating step ahead, between NES and INSTAT. Such an agreement could specify the role of each institution regarding SNA and the cooperation modalities. In addition, it is important to establish a good cooperation with the General Taxation Directorate and its regional subsidiary offices regarding the identification of contacting information for detached businesses. A signed Collaboration Agreement is necessary for the institutionalization of such cooperation.

ACRONYMS

AG	Albanian Government
AP	Action Plan
BEEP	Business Environment and Enterprise Performance
BR	Businesses Register
CoM	Council of Ministers
EC	European Commission
ETF	European Training Foundation
EU	European Union
FDI	Foreign Direct Investments
FTE	Full-Time Employees
GDP	Gross Domestic Product
HR	Human Resources
ICS	Investment Climate Survey
LEO	Local Employment Offices
LFS	Labour Force Survey
LM	Labour Market
LSMS	Living Standard Measurement Survey
MoES	Ministry of Education and Sports
MoSWY	Ministry of Social Welfare and Youth
NAVETQ	National Agency for Vocational Education, Training and Qualification
NES	National Employment Service
NUTS	Nomenclature of Territorial Units for Statistics
PC	Population Census
PTE	Part-Time Employees
RED	Regional Employment Department
SME	Small and Medium-size Enterprise
SNA	Skill Needs Analyses
VET	Vocational Education and Training
VS	Vocational Schools
VTC	Vocational Training Centres

1 BACKGROUND INFORMATION

European Integration

Albania aims to be integrated into European Union (EU) and the global markets. In June 2014, the European Council granted Albania the candidate status, but there are yet many challenges along the way in order for the membership's negotiation to start and the EU membership bid, to be advanced.

Thus, the European Commission (EC) Progress Report 2014 has clearly emphasized that, despite significant improvements over the last decade, Albania has still considerable gaps to close in terms of issues which regard the non functional democracy, fight against corruption, reforming of the justice system etc. In what regards Human Resources (HR) capacities, in order to cope with the competitive pressure as well as market forces within the EU, the Progress Report suggests the need to improve education outcomes, meet labour market demands and attract private investments, in particular foreign direct investment, by improving the overall investment climate.

Economic developments

Albania marked a sustainable growth over the period between 1998 and 2008, but between 2009 and 2013, the growth rate fell to an average of 2.4%, reaching a minimum of 0.4%[3] by 2013 (see Chart 1.1). There are various factors that have been affecting this slowdown of the country's economic performance. They are mainly related to a prolonged use of monetary and fiscal instruments to fuel economic growth, while neglecting, on the other hand, structural reforms in the economy. Not to be left aside but on the contrary to be underlined is the global financial crisis after 2008.

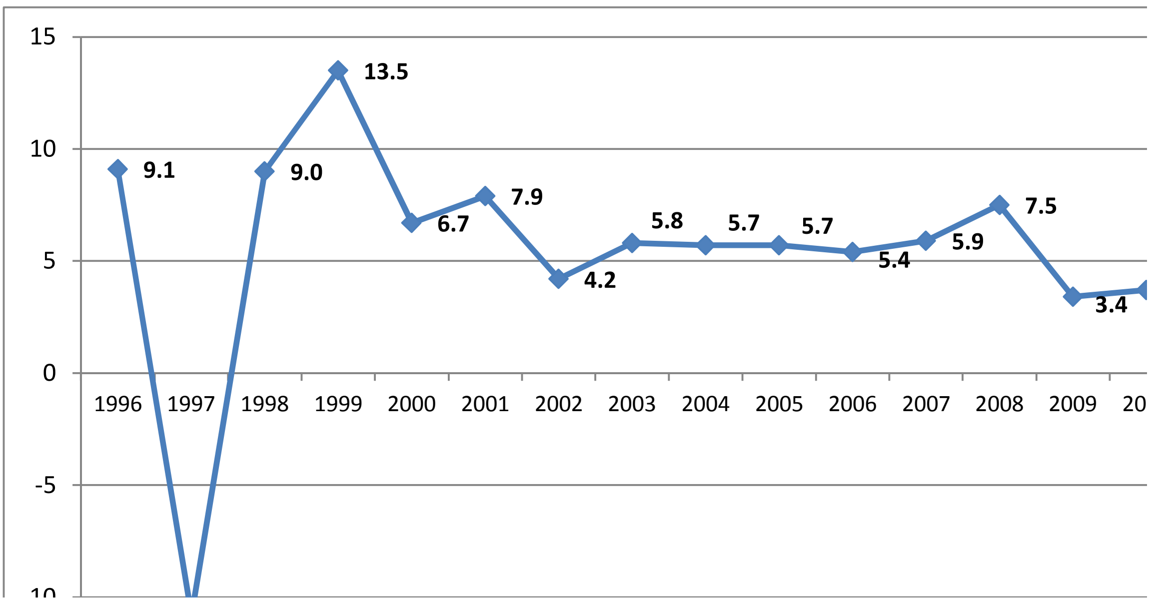


Chart 1.1: GDP growth rate by year *(in %)*

The sectorial structure of the Albanian economy over the period between 2000 and 2008 was dominated by a boom of the construction industry and services, with a slowdown in the sectors of agriculture and industry. In a five-year time, 2008-2013, that very structure underwent significant

[3] INSTAT, Albania in figures, 2013

changes leading to great fluctuations in the real economic growth for all sectors, and construction in particular, except for trade and agriculture sectors that experienced a slow but steady growth.

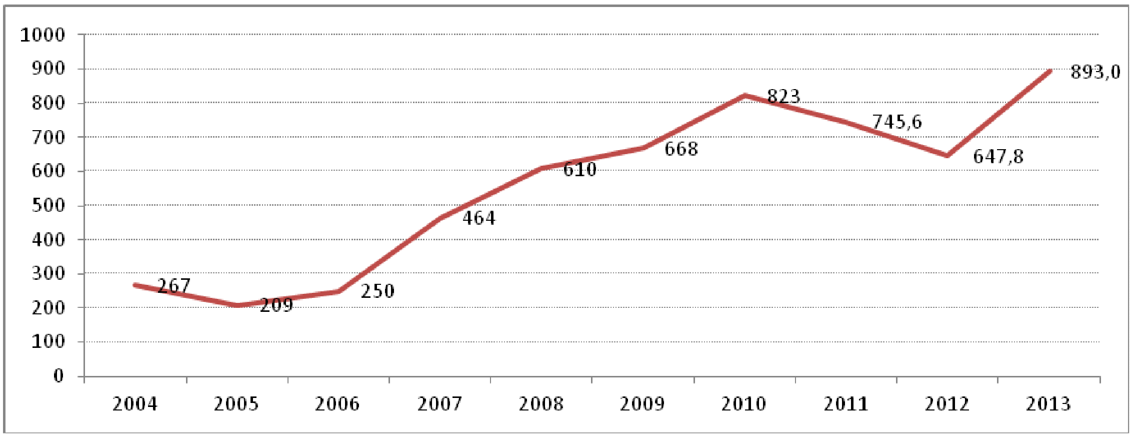
Such sector-based economic variations were indicative of the fact that the economic growth until 2008 was reliant on a model that supplied itself with exhaustible resources over time, including remittances amounting up to Euro 1.2 billion annually, donations, soft loans and foreign aid, revenues from privatization, self-employment in agriculture and emigration, etc. The unstable sector structure made it hard to predict which of the sectors would prove productive to sustain the country's long-term sustainable economic development. Currently, Albania is faced with the need to identify the new resources that will feed in the economic growth and build the economic profile for the decades to come.

Regions[4] in Albania have varied contributions to the Gross Domestic Product (GDP) and, as such, the drop in economic growth has been accompanied with deepening disparity among regions and an increased development gap among them. Currently, the central region including Tirana and Elbasan provides the highest input to the GDP (45.6%), with the Southern Region marking an input of 29.8% to the GDP and the northern one 24.7%[5]. Tirana Prefecture contributes 36% of the GDP or more than 1/3rd of what the 12 prefectures contribute, leading to major distinctions in welfare between prefectures, accompanied with different levels of poverty and inequality.

Foreign Direct Investments

Foreign Direct Investments (FDI) remain potentially important for the economic growth, not only as a financing source but, also as a unique factor of modernization by transferring know-how, boosting productivity and broadening the production base. Although in the last period it has been evidenced an increase of the FDIs (see Chart 1.2)[6], their future state will depend on the macroeconomic, political and institutional stability, along with the structural reforms and investments in the human capital.

Chart 1.2: Foreign Direct Investments by year *(in million EUR)*



[4] The term Region refers to the statistical Areas 1,2,3 defined according to the Nomenclature of Territorial Units for Statistics (NUTS) of EU. The 3 NUTS areas are: South region, Central Region (Tirana and Elbasan) and North Region.
[5] INSTAT, Albania in Figures, 2013.
[6] Source: Bank of Albania, Yearly report 2014

Employment

Although the GDP has doubled in less than a decade, the figures of the employed people have gone down. The unemployment rate has risen yearly, reaching 16.1 % in 2013, and it results to be even higher (21.8% in 2014) if the new international standards in processing of the LFS data are applied[7]. The most important deviation is related to the not consideration of the unemployed job seekers in the rural area.

However, the total number of unemployed job seekers remains very high and it has increased every year (see Table 1.1). The majority of them don’t have vocational skills and have merely finalized basic education.

Table 1.1: Unemployment data by years[8]

	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Unemployed Job Seekers, Total (000)	**149,802**	**142,871**	**141,700**	**144,766**	**142,761**	**143,002**	**141,828**	**144,427**
Out of which Females	72.15	70.01	70.24	73.60	72.90	73.75	73.01	74.55
According education level	**149,799**	**142,871**	**141,700**	**144,766**	**142,761**	**143,002**	**141,828**	**144,427**
Less than elementary					2,984	3,227	3,353	3,544
Elementary	81,278	77,009	75,012	77,502	12,356	13,901	13,550	13,483
Basic Education					61,638	61,012	60,687	**62,020**
Secondary-General	46,232	45,801	45,105	44,983	42,604	41,226	40,860	40,927
Secondary-Vocational	18,916	16,730	17,598	18,320	18,090	18,253	17,718	17,827
University	3,373	3,331	3,985	3,961	5,089	5,383	5,660	6,626

Agriculture continues to be the sector that keeps “employed”[9] the majority of the population, with approximately 41.3%, whereas the private non-agricultural sector has a very low weight, being, thus, incapable of absorbing an ever growing demand of employment that is generated by the demographic, social and economic structural changes.

The majority of the jobs belong to unpaid contributing family workers (34.0%) and self-employment (24.1%). At an already lofty level, the passiveness in the labour market increased with 3% in 2012, affecting twice as much the female labour force, compared to males. Most of the females and youth conduct unpaid work within the family, especially in the rural areas. Informal work arrangements remain widespread across many economic activities.

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[7] MoSWY, National Employment and Skills Strategy 2014-2020, Tirana, 2014.

[8] NES, Statistical yearbook, April 2014.

[9] In line with the new international standards, subsistence foodstuff producers excluded from the measurement of employment in the reprocessed data were reclassified as unemployed if they were reported to be searching and currently available for employment.

Vocational Education and Training

In Albania, the Vocational Education and Training (VET) system comprises Vocational Schools (VS) and Vocational Training Centres (VTC) which could be public and private institutions, with the sector being prevailed by the public institutions.

The public VET system delivers in 42 public VS and 10 public VTC located in 8 Regions (namely Tirane, Shkoder, Elbasan, Korce, Durres, Vlore, Fier and Gjirokaster). The majority of them are classified in the category of low performer level and call urgently for major improvements on a wide scale[10].

Although governments have constantly been concerned over the matching of knowledge and skills offered by the education system with the labour market demands, achievements have been quite meagre in this respect.

The involvement of the private sector in addressing such challenges and the degree, to which the available enterprise resources have been used, is modest, whereas the private sector itself is not active in mobilising additional financial resources. In the meantime, there is a rather weak if not dysfunctional link between the academia and the private sector, both in the development of the curricula as well as in the scientific research to address the challenges faced in the development of private entrepreneurship.

A more focused comparison between supply and demand would convey important signals on the nature of the professions sought after by the labour market, serving thus as indicators for the education system, as well, in particular for the vocational training and re-qualification of the labour force with the proper knowledge, skills and attitudes.

Skill Needs Analyses

Various studies evidence serious challenges that exist related to the qualification of the labour force. The Business Environment and Enterprise Performance (BEEPS) indicates more than half of the companies reporting that lack of skilled labour force is an obstacle in doing business[11]. Further, the Investment Climate Survey (ICS) has come to the conclusion that 51 % of the big companies, 41% of the exporters and 48% of the foreign companies consider the lack of skills as the main hindrance in their activity, whereas over 35% of the companies that have adopted new technologies mention that training of the labour force is a serious restriction in using them[12].

Starting as of 2008, Skills Needs Analysis (SNA) was defined as the main instrument to improve VET in order to harmonise VET profiles and VET curricula to the Labour Market (LM) needs. There are three SNAs previously implemented by the National Employment Service (NES), in 2008, 2010 and 2012 respectively.

The overall objective of SNA 2008[13] was "the identification of the skills and training needs of the enterprises as an important factor at the core of employment counselling, career guidance and vocational training services and useful in developing knowledge about work organizations, educations and training processes and impact of human resources development practices". The survey comprised

[10] ETF, GIZ, Baseline Survey of Public VET Providers in Albania, June 2014.
[11] The World Bank Group, Albania-BEEPS at a Glance, 2012.
[12] The World Bank Group, Albania- Investment Climate Survey, 2012.
[13] This SNA was undertaken in the framework of the ILO Project "Assistance to strengthen employment and training system of the NES of Albania" financed by Italian Cooperation.

1000 businesses and its methodology consisted in: (i) identification of the research population, which included private businesses (public and non-profit companies were excluded) located all over the country of all sizes and sectors; (ii) definition of the sampling methodology, which was stratification based on business size, sector and location with a sampling error of 5%; (iii) design the questionnaire. Unfortunately, it was impossible to find the SNA 2008 document in order to understand the main conclusions and recommendations of this survey and to evaluate their level of implementation.

However, the same methodology served for the SNA 2010 that was implemented by NES staff with NES own human resources[14]. Some main findings concluded by SNA 2010 were: (i) 30% of the interviewed businesses have reported to have plans to increase their employment and their expectations are that most of the potential employment be from the categories of "Sales and services employees" and "Craftsmen, handcraft men and relevant professions" and less from the elementary workers; (ii) The main recruitment method was reported to be from family and friends while the preferences are for young age employes and with experience. (iii) 56% of the vacancies are reported as difficult to be filled due to difficulties to find experienced applicants, with the necessary skills to use the materials, machineries and instruments, good communication and team work skills; (iv) Only 15% of the surveyed businesses reported lack of skills of the existing staff, whilst 24% of the businesses have reported to have provided trainings for their existing employees; (v) Most of the trainings were on the job trainings offered by the company itself.

The SNA survey 2012[15] aimed at setting of clearer goals and some correction of methodological problems, improvement of the questionnaire and building SNA-related-capacities of the NES staff in the central and local offices. Thus the objectives set by the SNA 2012 survey were: (i) obtain the employers' perception on the major concerns regarding employment as well as past and future economic trends of their activities; (ii) identify prospective sectors/areas in terms of potential employment growth by use of different data sources as well as survey results; (iii) investigate the employees' qualifications and their profile by education, age and gender; (iv) establish the professions, as well as the education and qualification profile of the employees demanded by the companies; (v) establish the knowledge, skills and personal characteristics required for the filling up of vacancies in the companies; (iv) identify the gap between the existing educational and vocation profile available in the labour market and the demands of economy; (vii) examine the current training situation in the companies, the related barriers and the need for specific training of their staff; and (viii) establish the cooperation level between the companies and the vocational education and training institutions.

The survey covered 988 selected business entities on a stratified sampling method based on three dimensions: main activity, size of company (micro, small, medium, large) and locality (12 Regions of Albania). The sample selection methodology was developed by NES and the procedure was realized by INSTAT using the information of the official Business Register, which contained about 92,000 active enterprises for 2011. A major part of them has the "physical person" as legal status and only 1 employee. This subgroup was excluded from the sample as of no interest for the objectives of the survey. The remaining of about 37,400 enterprises was used as population database to design and

[14] Financial support was provided by ILO and IOM Joint UN Programme on Youth Employment and Migration funded by UN MDG Achievement Fund to cover the trainings, the conference for disemination of results and the publication of the report.

[15] This SNA was carried out under the assistance of the ILO – UNDP project "Addressing social inclusion through vocational education and training (VET)" financed by Austrian Development Agency (ADA).

draw the sample.The questionnaire was improved in terms of focus as well as the practicality during the implementation.

The main findings of the survey were: (i) Almost all interviewed businesses have quoted as their major problem “the unsuitable qualification of labor force”, “Attitude of jobseekers / work culture” and the “High fiscal burden regarding employment”; (ii) “Unsuitable qualification level of labor force” seems to be a major problem for most of the businesses operating in the agriculture sector, processing and extraction industry and energy industry, as well as health sector. (iii) Most of the companies that state suffering skills’ shortage of their existing employees are medium and large size businesses, with nearly all micro size businesses declaring not to have skills shortages in the existing staff. The professional categories for which skills’ shortages of the existing employees are declared are “sales and services employees”, “assemble workers, maintenance and machinery workers and “implementation technicians and specialists”; (iv) The most frequent actions the companies use in the case of skills shortages is the increase of trainings’ provision followed by the improvement of recruitment procedures and staff replacement; (v) The main ways used by the businesses for the new recruitments is “acquaintances, relatives and friends” and “ask references from acquaintances”; (vi) The “professional skills” and “Correctness/integrity” are assessed by the businesses as extremely important employment recruitment criteria; (vii) The most difficult to find regarding specific skills and criteria are the “professional skills” and the “work experience”. Other difficult skills to find in the group of managers and high-level professionals are “creativity” and the “organizational skills”; (viii) The processing industry results to be the most active industry in terms of training provision. “On the job training” is quoted as the most frequently used training; and (ix) Almost all types of trainings are very short term, carried out in one month or at maximum up to a 3 months period; (x) On the job training and formal training inside the company, the training frequency and the period of training are quite similar. The situation is different for the training outside the company or abroad, where the managers, professional and administrative staff has 2-3 time higher opportunities than employees in production. There is a low level of cooperation between businesses which deliver training to their staff and vocational education system or the vocational training system as a whole.

2 INTRODUCTION

In a rapidly changing world, to have in place a skill needs identification system, has gained increased importance in the face of dealing with the increased competitive pressures coming by international markets as a result of technological developments and innovation, the labour force mobility and internationalization of many jobs and sectors[16]

In 2010, in the framework of EU Growth Strategy – Europe 2020[17], an Agenda for new skills and jobs was launched promoting smart, sustainable and inclusive growth in the next 10 years and beyond. In this framework, the European Employment Strategy was drafted aiming at the creation of better developed skills and better jobs throughout the EU. A similar approach has been adopted by all countries part of the EU integration process.

Local Context

The Albanian labour market has changed drastically during the last two decades. Many types of skills turned to be obsolete and no longer in demand, whilst new skill requirements have emerged as a result of technological developments and innovation, labour force mobility etc. In addition, a deep mismatch between skills demanded by the business and graduates' fields of study has been occurring in Albania, mainly due to the education policy in place and resulting to an excess of graduates in education studies, business administration, finance, law, foreign languages etc., which has been causing distortions in the labour market.

Considering the above developments, the Albanian Government (AG) placed a strong focus on employment and quality development of the labour force. In 2014, the Employment and Skills Strategy 2014-2020[18] was adopted, with the overarching vision to have by 2020 a competitive economy and an inclusive society that are built on: "Higher skills and better jobs for all women and men". This strategy recognizes that an increase in men and women employability would involve making sure that they acquire the skills, knowledge and attitudes that will allow them to find work and cope with unpredictable labour market changes throughout their working lives. Great importance is attached to the linkage between employment and the VET system[19] focusing the Governmental actions on facing this challenge.

In Albania, several information sources exist to date concerning skills and their development. The Labour Force Survey (LFS), the Living Standard Measurement Survey (LSMS), and Population Census (PC)[20] are instruments for understanding the dynamics of the labour market. However, they mostly indicate structural changes rather than implications in terms of skills needs, which can be achieved through other instruments such as employer surveys on skill needs or in-depth sectoral researches.

Employers' surveys and sectoral SNAs have been conducted in Albania over the last period. The Action Plan (AP) following the Employment and Skills Strategy 2014-2020 envisages that SNA be periodically

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[16] CEDEFOP, User Guide to Developing an Employer Survey on Skill Needs, Research Paper No.35, Luxembourg, 2013.
[17] European Commission, Europe 2020: Europe's Growth Strategy, June 2012.
18 This document was drafted under ILO-IPA 2010 project on Human Resource Development in Albania.
[19] The VET system in Albania includes the Vocational Schools and the Vocational Training Centers.
[20] The Institute of Statistics (INSTAT) is responsible for all above official statistical surveys conducted at regular bases.

conducted by NES. Such SNA shall yield multiple benefits in terms of assessing the level of skills in the private companies, providing information on demanded skills, offering guidance for people to decide which education and training programmes may be worth their time, efforts and funds, and helping the Government to assess and adjust the education and training programmes, in order to enhance employability.

The institutional framework

The VET system in Albania includes public and private institutions but the sector is dominated by the public institutions. The public VET system is offered in 42 public Vocational Education Schools and 10 public VTC located in 8 Regions (namely Tirane, Shkoder, Elbasan, Korce, Durres, Vlore, Fier and Gjirokaster). The majority of them are classified in the category of low performer level which calls urgently for major improvements on a wide scale[21].

The Ministry of Social Welfare and Youth (MoSWY) is the responsible institution for developing policies, setting priorities and tracking their implementation regarding Employment and VET. A specific department is included in the MoSWY chart for this purpose. The current AG[22] defining the modernization of VET system as one of its priorities and considering VET quality as fundamental for increasing employment, transferred the VET institutions from the Ministry of Education and Sports (MoES) responsibility to the Ministry of Social Welfare and Youth (MoSWY), in order to better harmonise the VET outputs with the LM needs and to avoid duplication between government institutions. This was also based in the conclusions of a recent study[23].

NES is an executing and independent Agency under MoSWY responsible for the implementation of active employment policies and also for the vocational training. NES manages the public VTCs and is responsible for LM analysis including SNA that is an important instrument for them to collect the opinions of businesses on the necessary skills in order to improve VTCs.

The National Agency for Vocational Education, Training and Qualification (NAVETQ) is among the most important actors in VET policy in Albania. The NAVETQ aims to integrate education, training and employment and is in charge of the VET standards assurance, qualifications, accreditations, assessment, curricula, and establishment of standards for pre-service and in-service training for teachers and trainers teacher training.

The Institute of Statistics (INSTAT) is an independent institution under the authority of Council of Ministers (CoM). Its mission is to provide transparent, neutral and timely statistics that help users to judge about the country’s developments. INSTAT is the major source of statistical information providing decisions makers, research and education in Albania as well as in the international community with relevant, reliable and comparable statistical information. The activity of INSTAT is based on the Five Year Program of Official Statistics, which is the basic document that provides the production of statistical data by the National Statistical System needed for the observation of economic, social and environmental situation in Albania in compliance with the law and the European Statistics code of Practice. In addition, INSTAT accommodates the BR that could serve for different statistical purposes.

[21] ETF, GIZ, Baseline Survey of Public VET Providers in Albania, June 2014.
[22] This Government took office in September 2013.
[23] ETF, GIZ, Baseline Survey of Public VET Providers in Albania, June 2014. The survey covered 52 public VET institutions, including 42 Vocational Schools and 10 Vocational Training Centres and provides comprehensive information for planning their future development.

Considering INSTAT's role and functions, a Cooperation Agreement between NES and INSTAT was signed establishing a cooperation framework in the course of this survey with a clear set of mutual roles and responsibilities.

SNA 2014: Objectives and Methodology

Considering the SNA 2014 survey[24] as an important instrument to enhance labour market information, NES's intention was to revise and update the SNA methodology used in the SNA 2012 survey, enhance the survey implementation capacities as well as data analysis within the NES, and not only, but also provide information on the National and Regional Skill Needs.

The specific objectives of the SNA 2014 survey are the identification of the: (i) skills' and employee profile shortages in the labour market; (ii) occupations for which current employees lack necessary skill or profile; (iii) occupations for which recruitment of new employees found to be difficult; (iv) extent of training provision in enterprises; (v) nature of training needs by occupation; (vi) extent of relationship between enterprises and relevant state institutions;

The SNA 2014 survey is carried out with a *largely improved methodology* (see Annex 1) compared with all the previously implemented surveys. It is based on a probability sample of 2058 active enterprises extracted from the INSTAT's BR with at least one employee representing all regions of Albania and covering all branches of economic activity with a few exceptions, such as agriculture, forestry and hunting; public administration, defence and compulsory social security; education, human health and social work activities, activities of households as employers; undifferentiated goods- and services- producing activities of households for own use; and activities of extraterritorial organizations and bodies. Geographically, it has used three standard regions (areas) as reporting domains as defined by INSTAT and approved by EC for compilation of regional data of Albania

> ***Summary of Comparative Advantages of SNA 2014***
>
> *As compare to the previous surveys, SNA 2014 was very advanced in methodological and quality terms, representing the following main advantages:*
>
> *(i) A sample of 2,056 businesses selected instead of 988 businesses; (ii) new sampling methodology: the sample representative geographically and by branches of economic activity; (iii) three standard regions (areas) used as reporting domains as defined by INSTAT; (iv) the sample size designed on the basis of explicit stratification by region, by branch of economic activity and by size of enterprise; (v) the "Occupation" used as a key variable to identify the skills needs instead of "professional categories" used in previous surveys; (vi) results available for the sample and the whole economy; (vii) the gender dimension included in the analysis, through the use of a new variable "Female owned/managed companies"; and (viii) the formal cooperation between NES and INSTAT add its implications in the reliability of the data / usage of the Business Registry.*

The sample size of SNA 2014 is designed on the basis of the three main dimensions: (i) explicit stratification by region and within regions by prefecture; (ii) implicit stratification by branch of economic activity by sorting the sampling frame according to the 4-digit code of *NACE rev 2* (see Annex 1)within each region; (iii) stratification by size of enterprise, resulting from the method of

[24] Assisted by EU-IPA 2010 project on "Human Resources Development in Albania", implemented by ILO in cooperation with the MoSWY, MoES and their implementing agencies.

sampling, namely, systematic probability proportional to size, size measured in terms of number of employees. In the last stage of sample design, sample selection was carried out by systematic *pps* (probability proportional to size - number of employees) after sorting the enterprises according to their 4-digit industry code *NACE Rev 2*.

The SNA 2014 questionnaire was designed to meet the specific objectives of the survey (see Annex 2). A major feature of the questionnaire is the introduction of occupation as the basic unit of measurement. Given that the survey aims at identifying skills, competences and qualifications needed at the workplace, from the perspective of employers, its main focus is on working tasks performed at the workplace, their change in importance and the preparedness of the workforce to cope with tasks that are becoming more important. Occupation is accordingly the natural unit of data collection. Occupation is also the proper unit for policy intervention at the national and regional level. In line with the above considerations, the questionnaire consisted in five parts: (i) general information on the sample enterprise; (ii) abilities and skills of existing staff; (iii) recruitment for new vacancies; (iv) training; and (v) miscellaneous information on relationship with the NES, status of the enterprise, the position of the respondent and the response indicator.

Gender dimension: Another feature of the SNA 2014 is the introduction of a question regarding the number of female (women) employees engaged in the enterprise. This change permits the derivation of additional gender-based results such as: gender composition of employees of the enterprises by region, branch of economic activity and size of enterprise; extent and nature of skills and personal profile shortages in female-dominated enterprises as compared to other enterprises; and differences in methods of recruitment, training participation and needs, relationship with state institutions in female-dominated enterprises as compared to other enterprises.

Still another gender feature of the SNA 2014 is the possibility of identifying female-headed enterprises, a new variable available in the BR. The variable is constructed by INSTAT on the basis of the female or male nature of the name of the owner/manager of the enterprise, as recorded in the BR. The transfer of this gender variable into the sampling frame and the sample database provides the opportunity to obtain a new range of gender-based results such as: Number of female-headed enterprises and their perception about employment and economic trends of their enterprise; Extent and nature of skills and personal profile shortages in female-headed enterprises as compared to male-headed enterprises; Differences in methods of recruitment, training participation and needs, and relationship with state institutions in female-headed enterprises as compared to male-headed enterprises.

The fieldwork for this survey has been conducted from the middle of July to the end of September 2014 by the trained NES staff of the Local Employment Offices (LEO) and supervised by the Heads of the Regional Employment Departments (RED) and NES headquarter. Certain difficulties were faced during the field work in Tirana Prefecture, which have been addressed on a case by case basis after consultation taking place between NES and INSTAT.

Data entry process was carried out by trained NES operators with an insignificant error level. Performing the data-entry by the NES staff was important for them to better understand the process in the view of future surveys, but also it resulted to be faster and easier way to perform the visual control. In addition data integrity and enhanced data quality control was realized for the identification of data entry errors, missing values and outliers.

NACE and ISCO coding was initially performed by INSTAT staff, and a second round of check-and-repair procedure was performed by the ILO-IPA 2010 local experts. NACE coding procedure is crucial to be performed with high quality because of its direct impact in the weighted (extrapolated) results and the rate of statistical error calculated.

The sampling weights permit the extrapolation of national and regional estimates based on the sample results. The calculation of the sampling weights procedure involved three major steps: (i) *The design weights*: this means to extrapolate the sample results to the total population of the enterprises and therefore to compensate for the fact that the observations were made on sample enterprises rather than on all the population units; (ii) *Adjustment of non-response*: the overall response rate (i.e., the ratio of the number of responding enterprises to the number selected in the sample design) was about 74%, slightly higher than the 70% response rate envisaged in the sample design. For this reason the design weights were adjusted for non-response by inflating the weights with the inverse of the response rate within each region; and (iii) *Calibration*: the adjusted sampling weights are in general further adjusted to conform to known results on auxiliary variables. Calibration was carried out at two levels, to match the total number of enterprises in the frame and to ensure that the estimated average size of enterprises based on the sample is equal to the average size of the enterprises in the sampling frame.

The data processing and analysis was realised considering all specific objectives of the survey benefiting from all possibilities offered by data collection according to the drafted questionnaire.

By the end of the survey, the data processing and analyses, the SNA methodology was adapted (see Annex 1) considering the experience of SNA 2014 in each of the above stages in order to provide NES with a systemic methodology for future similar studies.

3 BUSINESSES'SUBJECT TO THE SURVEY

Sample Selection

This survey encompasses all active businesses having at least one employee registered at the INSTAT's business register, but excludes businesses engaged in some branches considered as not showing any relevance in the context of this study[25].

The business register counted a total of 111,008 active businesses, including all economic branches and all company sizes, at the time the sample was selected. The probabilistic sampling frame process in its final form contained 46,556 active businesses from the INSTAT's BR. Sampling was conducted based on three main dimensions - namely by region, by branch of economic activity and by company size. The sample consisted of 2,058 businesses distributed over different regions of the country; more specifically 423 businesses operating in the North, 1180 businesses in Tirana and Elbasan and 455 businesses in the South region. Field work was conducted during the period August – September 2014 and data were successfully received from 1,518 active businesses (see Table 3.1). After adjustments and corrections the sample Frame consisted of 35,816 active businesses (see Annex 1). The following SNA statistical tables refer to this population of businesses.

The Albanian economy is dominated by the wholesale and retail trade sector (35.6%), accommodation and food services (21.0%) and manufacturing (12.4%), while construction represents only 6.9% of the total number of businesses.

Table 3.1: Companies by Economic Sector

Economic Sector		Sample		Frame	
		Firms	%	Firms	%
B	Mining and quarrying	40	2.6	297	0.8
C	Manufacturing	356	23.5	4,451	**12.4**
D	Electricity, gas, stream…	13	0.9	247	0.7
E	Water supply, sewerage, waste…	53	3.5	94	0.3
F	Construction	225	14.8	2,460	6.9
G	Wholesale and retail trade, repair…	329	21.7	12,762	**35.6**
H	Transportation and storage	60	4.0	639	1.8
I	Accommodation and food service	107	7.0	7,532	**21.0**
J	Information and communication	50	3.3	785	2.2
K	Financial and insurance activities	40	2.6	494	1.4
L	Real estate Activities	7	0.5	83	0.2
M	Professional, scientific and technical	53	3.5	2,320	6.5
N	Administrative and support service	104	6.9	803	2.2
R	Arts, entertainment and recreation	32	2.1	207	0.6
S	Other services activities	49	3.2	2,642	7.4
Total		**1,518**	**100.0**	**35,816**	**100.0**

More than half of the businesses under consideration are located in the Central Region (area) of Albania, which includes Tirana and Elbasan prefectures, while almost the same number of businesses

[25] See notes on methodology for more information on the excluded sectors.

are operational in the Southern and Northern Regions (see Table 3.2). The Prefecture of Durres, part of the Northern Region, has influenced in attaining such balance.

Table 3.2: Companies by Regions

Region	Sample		Frame	
	Firms	%	Firms	%
North	346	22.8	8,054	22.5
Center (TR+EL)	792	52.2	19,142	53.4
South	380	25.0	8,620	24.1
Total	**1,518**	**100.0**	**35,816**	**100.0**

Characteristics of Regions

The survey results indicate that certain economic sectors are dominant compared to other sectors across regions. Thus, analysis shows that the Northern Region is characterized as an economy with a strong representation in manufacturing, such as mining, energy production and transportation. Such a situation is due to the fact that the main mineral and energy resources are located in the Northern part of the country. The Southern Region is dominated by the civil and construction works, while the Central Region is an economic region favoring mostly the financial, professional and administrative sectors. This might be as a result of the fact that such sectors seek highly qualified human resources and large markets from the consumption point of view, conditions that are met by the Central Region, which is home to the greatest number of inhabitants in the country.

The sectors related to the daily needs and services (Wholesale, retail trade an repair, Accommodation and food service and Arts and entertainment) appear in a normal distribution in the three regions because of the cross-cutting nature of these sectors (see Table 3.3).

Table 3.3: Companies in the Frame, by Economic Sector and Region

		Number of Firms				% by row			
		North	Center	South	*Total*	North	Center	South	*Total*
B	Mining and quarrying	138	60	98	*297*	**46.6**	20.3	33.2	*100.0*
C	Manufacturing	1,477	1,605	1,369	*4,451*	**33.2**	36.1	30.8	*100.0*
D	Electricity, gas, stream…	101	105	41	*247*	**40.8**	42.5	16.7	*100.0*
E	Water supply, sewerage, waste…	25	27	42	*94*	26.4	28.6	**44.9**	*100.0*
F	Construction	625	1,002	833	*2,460*	25.4	40.7	**33.9**	*100.0*
G	Wholesale and retail trade, repair…	2,598	6,523	3,641	*12,762*	20.4	51.1	28.5	*100.0*
H	Transportation and storage	227	263	149	*639*	35.5	41.2	23.3	*100.0*
I	Accommodation and food service	1,813	3,943	1,775	*7,532*	24.1	52.4	23.6	*100.0*
J	Information and communication	53	636	96	*785*	6.7	**81.0**	12.3	*100.0*
K	Financial and insurance activities	90	324	79	*494*	18.3	**65.7**	16.0	*100.0*
L	Real estate Activities		75	8	*83*	0.0	**90.1**	9.9	*100.0*
M	Professional, scientific and technical	304	1,797	219	*2,320*	13.1	**77.5**	9.4	*100.0*
N	Administrative and support service	100	613	90	*803*	12.5	**76.4**	11.2	*100.0*
R	Arts, entertainment and recreation	56	105	45	*207*	27.2	51.0	21.7	*100.0*
S	Other services activities	446	2,062	134	*2642*	16.9	**78.1**	5.1	*100.0*
Total		**8,054**	**19,142**	**8,620**	***35,816***	**22.5**	**53.4**	**24.1**	***100.0***

Size and Composition of Businesses

The Albanian economy is dominated by very small businesses having 1-4 staff (65.9%), and small businesses with 5-19 staff (26.8%). This is not a specific feature of the Albanian economy. In all EU countries micro - firms account for at least 80% of the Small and Medium Size Enterprises (SME) population while the medium firms only for a maximum of 2%. The same is true for all EU candidate countries. What matters in the SME analysis is the trend noticed regarding the number of SMEs, the performance in terms of value added and the level of generated employment. Also the engines of the SMEs economic performance such as internationalization of SMEs, high technology manufacturing and knowledge intense service SMEs are considered as important for the future SME growth[26].

Table 3.4: Number of companies according to Size of the Business

Size	Sample		Frame	
	Firms	%	Firms	%
Micro [1-4]	286	18.8	23,594	65.9
Small [5-19]	403	26.5	9,604	26.8
Medium [20-79]	437	28.8	2,142	6.0
Large [80+]	392	25.8	476	1.3
Total	**1,518**	**100.0**	**35,816**	**100.0**

The figures provided below show of the sector-based composition of businesses according to their size, indicate that:

- 71.4% of the "Mining and quarrying" sector is composed of micro and small size businesses. This indicates what it is known that the activity of this sector in Albania is still fragmented, having a low productivity rate and being far from desired standards; its processing capacities are very low and it involves a high number of informal workers, including children.
- 82.8% of the electricity, gas, and stream sector are composed of micro-sized businesses. As it is stated in the ETF "Sector-Based Skill Needs Analysis"[27], the sector is one of the development priorities of the Government, but it is not labor intensive due to use of advance technology. Thus, the high number of small hydropower plants in operation or under construction (via subcontractors) do not employ more than 2-4 employees each.
- 63.9% of the "Manufacturing" sector is composed of micro-sized businesses. This is due to the high number of businesses falling in the "Manufacture of bakery and farinaceous products" group hiring 2-4 employees.
- 83.7% of the "Construction" sector is composed of micro and small-sized businesses; this situation is caused because of the fact that the construction businesses work mainly via project-based sub-contracting.
- 78.3% of the "Financial and Insurance" sector is composed of small businesses because of the Exchange Offices and the Insurance Agents.

It is not abnormal to have the above sectors dominated by micro and small companies. The importance remains on the fact that how well they perform.

[26] European Commission, A partial and fragile recovery, annual report on European SME 2013/2014.
[27] ETF -Rama L, Matja L, Sectoral Skills Analysis in Albania, 2012.

Table 3.5: Companies in the Frame, by Economic Sector and Size of the business

Economic Sector		Number of Firms				% by row			
		Micro	Small	Medium	Large	Micro	Small	Medium	Large
B	Mining and quarrying	50	162	74	11	**16.7**	**54.7**	25.0	3.7
C	Manufacturing	2,845	907	522	176	**63.9**	20.4	11.7	4.0
D	Electricity, gas, stream…	205	25	13	5	**82.8**	10.1	5.1	2.0
E	Water supply, sewerage, waste…			61	33			64.6	35.4
F	Construction	902	1,158	351	50	**36.6**	**47.1**	14.3	2.0
G	Wholesale and retail trade, repair…	9,696	2,695	325	46	76.0	21.1	2.5	0.4
H	Transportation and storage	270	198	162	9	42.2	31.0	25.4	1.5
I	Accommodation and food service	4,891	2,529	100	12	64.9	33.6	1.3	0.2
J	Information and communication	446	294	29	16	56.8	37.4	3.7	2.1
K	Financial and insurance activities	387	76	6	25	**78.3**	15.3	1.3	5.1
L	Real estate Activities		68	15	1		81.9	17.5	0.6
M	Professional, scientific and technical	1,819	316	176	10	78.4	13.6	7.6	0.4
N	Administrative and support service	370	218	151	64	46.1	27.1	18.8	8.0
R	Arts, entertainment and recreation	25	123	47	12	12.1	59.3	22.9	5.7
S	Other services activities	1,690	837	110	5	64.0	31.7	4.2	0.2
Total		**23,594**	**9,604**	**2,142**	**476**	**65.9**	**26.8**	**6.0**	**1.3**

The regional distribution of micro, small and medium size businesses appears to be quite similar, while the large size businesses are mainly present in the Central region (62.4%). Apart from several advantages the Central Region has in terms of infrastructure, qualification of the employees etc. one important explanation about the concentration is the fact that even in cases when a company is operating outside the central region the preference is to have the headquarter office in Tirana.

Table 3.6: Companies in the Frame according to Size and Region

Size	Number of Firms				% by row			
	North	Center	South	Total	North	Center	South	Total
Micro [1-4]	5,243	12,416	5,935	**23,594**	22.2	52.6	25.2	**100.0**
Small [5-19]	2,110	5,317	2,178	**9,604**	22.0	55.4	22.7	**100.0**
Medium [20-79]	600	1,112	431	**2,142**	28.0	51.9	20.1	**100.0**
Large [80+]	102	297	77	**476**	21.4	62.4	16.2	**100.0**
Total	**8,054**	**19,142**	**8,620**	**35,816**	**22.5**	**53.4**	**24.1**	**100.0**

Employees Characteristics

Businesses subject to the survey have provided answers to questions about the number of their employees and their characteristics such as gender, people with disabilities, part –time/full – time etc.

The data indicate that approximately 96% of the employees work on full time basis, which is a rather high figure. Full-time workers are typically individuals who are interested in pursuing a career, or need to earn a regular income and benefits to support themselves or their family, while part-time workers are often retirees who are looking to supplement retirement incomes, students, parents who wish to earn money while still having time to stay home with children, or those willing to start out part time in the hopes of eventually earning a full-time position.[28] In fact, hiring part-time workers is a more attractive choice for business owners who want to keep costs to a minimum. However, they may not be as committed to the job or the company as full-timers. Industries that offer unskilled labor positions, such as retail, rely heavily on a part-time workforce. Industries that require more specialized

[28] Chris Joseph, Part time Employees vs. full time employees @smallbusinesses.com.

skills and knowledge tend to hire more full-time workers. However, the figures might be quite different if we had information on the share of full time employees hired informally by businesses.

Table 3.7: Descriptive analysis for Part-time, Female, Male and people with disabilities employed by the businesses in the Sample

Type of Employees	N	Count of "at least 1"	Mean	Median	Std. Deviation	Maximum	Sum
Employees total	**1,518**	**1,538**	**87.7**	**25**	**243.9**	**4,763**	**131,720**
Part time only	1,518	233	4.0	0	45.8	1,567	**5,991**
Female	1,518	1,375	39.6	5	116.9	1,650	**60,199**
Male	1,518	1,455	47.1	11	166.6	3,695	**71,521**
People with disabilities	1,518	162	0.3	0	1.9	30	**488**

Manufacturing is the sector having a large share of employment, followed by the wholesale and retail trade, construction and administrative and support services.

Table 3.8: Number of the employees in the Frame, by Economic Sector

	Economic Sector	Count	Mean	Max	Employees	Empl. in %
B	Mining and quarrying	297	32	2,000	**9,616**	3.0
C	Manufacturing	4,451	16	2,525	**73,076**	22.9
D	Electricity, gas, stream…	247	33	4,763	**8,096**	2.5
E	Water supply, sewerage, waste…	94	88	1,170	**8,249**	2.6
F	Construction	2,460	14	610	**33,786**	10.6
G	Wholesale and retail trade, repair…	12,762	5	491	**62,313**	19.5
H	Transportation and storage	639	17	2,176	**10,672**	3.3
I	Accommodation and food service	7,532	5	408	**33,966**	10.6
J	Information and communication	785	11	1,029	**8,340**	2.6
K	Financial and insurance activities	494	25	3,927	**12,200**	3.8
L	Real estate Activities	83	14	107	**1,168**	0.4
M	Professional, scientific and technical	2,320	6	154	**13,063**	4.1
N	Administrative and support service	803	28	2,270	**22,666**	7.1
R	Arts, entertainment and recreation	207	33	565	**6,796**	2.1
S	Other services activities	2,642	6	775	**15,734**	4.9
	Total	**35,816**	**9**	**4,763**	**319,739**	**100.0**

Approximately 60% of the employees work in businesses located in the Central region, while the rest are evenly distributed in the North and in the South Region.

Table 3.9: Number of the employees in the Frame, by the Region

Region	Firms	Employees			
	N	Mean	Max	Sum	Sum. in %
North	8,054	8	1,130	68,322	21.4
Center (TR+EL)	19,142	10	4,763	191,550	59.9
South	8,620	7	2,000	59,867	18.7
Total	**35,816**	**9**	**4,763**	**319,739**	**100.0**

Large size businesses have the greatest share of employment of with 34.0% of the total number of employees of Albania.

Table 3.10: Number of the employees in the Frame, by the Size group

Size	Firms	Employees			
	N	Mean	Max	Sum	Sum. in %
Micro [1-4]	23,594	2	4	49,651	15.5
Small [5-19]	9,604	9	19	82,926	25.9
Medium [20-79]	2,142	37	79	78,341	24.5
Large [80+]	476	229	4,763	108,820	34.0
Total	**35,816**	**9**	**4,763**	**319,739**	**100.0**

Data provided in the Table 3.11 indicate that 36.4% of the employees engaged in the businesses located in the Northern Region are working in the manufacturing sector. That is a very high ratio, and literally Northern Region can be called manufacturing region. This is a result of the influence of the Prefecture of Durres, Shkodra and Lezha, but most of all could be a result of inadequate development of services businesses.

The absolute majority of employment inside the sectors of Information and communication, Finance and insurance, Real estate activities, Professional, scientific and technical domains, Administrative and support service, Arts, entertainment and recreation is concentrated in the businesses operating in the Central Region. These sectors are almost nonexistent in the two other regions.

In the Southern Region are employed 47.4% of the employees inside the Mining and Quarrying sector. This is because of the oil extraction industry mostly in the Prefecture of Fier and quarrying all over the Southern region, excluding Fier prefecture.

Table 3.11: Number of the employees and relative distribution in the Frame, by the Region

Economic Sector		Employees			% by column			% by row		
		North	Center	South	North	Center	South	North	Center	South
B	Mining and quarrying	2,244	2,813	4,558	3.3	1.5	7.6	23.3	29.3	**47.4**
C	Manufacturing	24,897	33,525	14,654	**36.4**	17.5	24.5	34.1	45.9	20.1
D	Electricity, gas, stream…	483	7,497	116	0.7	3.9	0.2	6.0	**92.6**	1.4
E	Water supply, sewerage, waste.	1,779	3,164	3,306	2.6	1.7	5.5	21.6	38.4	40.1
F	Construction	6,718	19,445	7,624	9.8	10.2	12.7	19.9	57.6	22.6
G	Wholesale and retail trade, repair…	12,322	36,433	13,557	18.0	19.0	22.6	19.8	58.5	21.8
H	Transportation and storage	4,122	4,637	1,913	6.0	2.4	3.2	38.6	43.5	17.9
I	Accommodation and food service	7,947	19,027	6,992	11.6	9.9	11.7	23.4	56.0	20.6
J	Information and communication	315	7,596	430	0.5	4.0	0.7	3.8	**91.1**	5.2
K	Financial and insurance activities	211	11,527	462	0.3	6.0	0.8	1.7	**94.5**	3.8
L	Real estate Activities		1,003	164	0.0	0.5	0.3	0.0	**85.9**	14.1
M	Professional, scientific and technical	585	11,713	765	0.9	6.1	1.3	4.5	**89.7**	5.9
N	Administrative and support service	2,629	16,093	3,944	3.8	8.4	6.6	11.6	**71.0**	17.4
R	Arts, entertainment and recreation	396	5,678	722	0.6	3.0	1.2	5.8	**83.6**	10.6
S	Other services activities	3,676	11,397	661	5.4	6.0	1.1	23.4	**72.4**	4.2
Total		**68,322**	**191,550**	**59,867**	**100.0**	**100.0**	**100.0**	**21.4**	**59.9**	**18.7**

In the large size businesses, most of the people are employed in the "Manufacturing" and "Administrative and Support Service" sectors, accounting for respectively 33.9% and 12.4% of the total number of employees in all large size businesses. In the micro size businesses, the biggest employer is "Wholesale and Retail trade, repair…" and "Accommodation and food service" sectors, making up for respectively 40.7% and 20.3% of the total number of employees. The Garment and Footwear (façon)[29]industry and Call Center services are the biggest employers within the large businesses group. Latest developments show that great attention is being cast on the Garment and Footwear industry, considered as one of the biggest employers in the country. This industry, paying a minimum salary of ALL 20,000, or Euro 143 per month, ensures considerable revenues for the investors, as the labor force is more competitive than in the other countries.

The Albanian garment and footwear companies export most of their goods in countries like Italy and Greece, which are considerably affected by the world financial crisis. Also, there are about 100 call center operators exercising their activity in Albania. Being a business not requiring considerable funds to launch the economic activity, it has been transformed into a good "ground" for growth in the years of the global economic crises. Another reason leading to such dynamic growth is the Italian language speaking abilities of Albanians.

According to market operators, the initial investment starts from 60-70 thousand Euros for a company with 100 employees, while return on investment is guaranteed in case the company has reached a contract with a powerful client abroad. According to the operators, the labor cost is up to three times lower compared to the labor cost in Italy, including the costs of other infrastructures (mainly of Internet service). The average monthly salary in Albania varies from Euro 280 to 350 per month, compared to Euro 900-1000 in Italy.

Table 3.12: Relative distribution of total number of employees in the Frame, by Size group

Economic Sector		% by column				% by row			
		Micro	Small	Medium	Large	Micro	Small	Medium	Large
B	Mining and quarrying	0.2	1.6	3.8	4.7	1.3	14.1	31.2	53.5
C	Manufacturing	13.0	11.5	25.7	**33.9**	8.9	13.1	27.6	50.5
D	Electricity, gas, stream…	1.4	0.3	0.5	6.2	8.5	3.5	5.3	**82.8**
E	Water supply, sewerage, waste…			3.0	5.4			28.4	**71.6**
F	Construction	3.0	13.1	17.3	7.2	4.4	32.2	40.2	23.2
G	Wholesale and retail trade, repair…	**40.7**	26.8	15.4	7.2	32.4	35.7	19.3	12.6
H	Transportation and storage	1.2	2.7	6.0	2.9	5.5	21.1	44.1	29.3
I	Accommodation and food service	**20.3**	22.8	4.3	1.4	29.7	**55.8**	10.0	4.5
J	Information and communication	2.0	3.0	1.7	3.3	11.6	30.0	15.8	42.5
K	Financial and insurance activities	2.1	1.0	0.3	9.3	8.6	6.5	2.2	**82.6**
L	Real estate Activities		0.7	0.7			48.9	46.5	4.6
M	Professional, scientific and technical	7.2	3.2	7.1	1.2	27.5	20.3	42.5	9.8
N	Administrative and support service	2.2	3.2	7.0	**12.4**	4.9	11.5	24.2	59.4
R	Arts, entertainment and recreation	0.1	1.8	2.1	3.3	0.4	22.0	24.5	53.1
S	Other service activities	6.5	8.2	4.9	1.7	20.6	43.2	24.5	11.8
Total in %		**100.0**	**100.0**	**100.0**	**100.0**	**15.5**	**25.9**	**24.5**	**34.0**
Total in numbers		**49,651**	**82,926**	**78,341**	**108,820**				

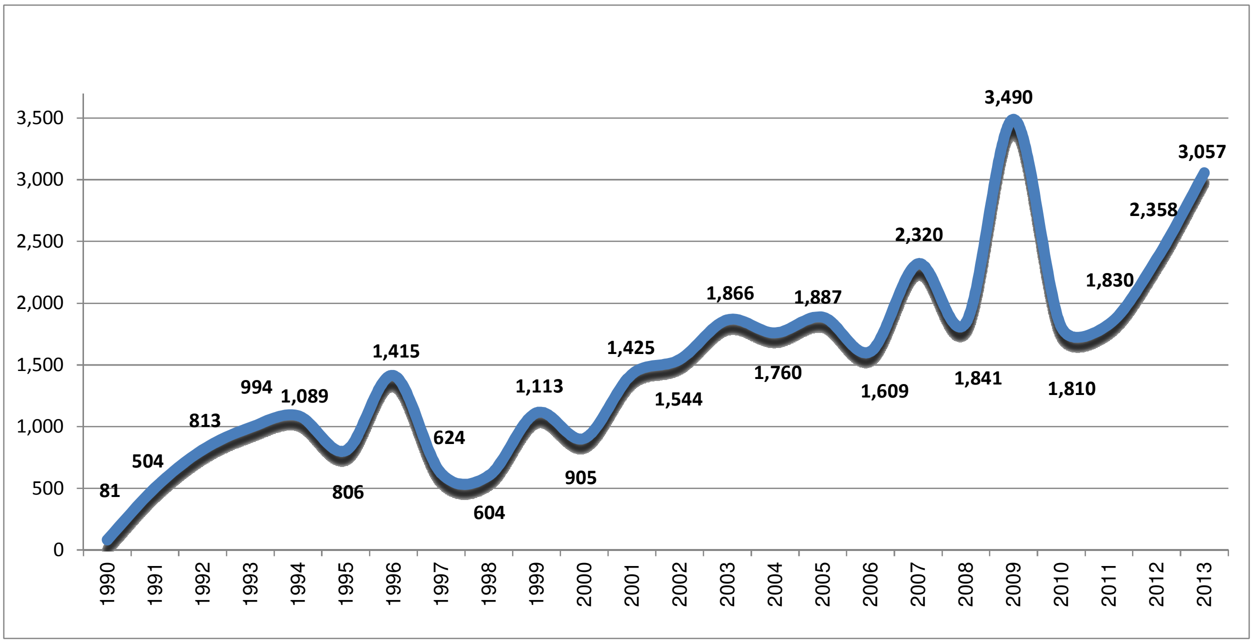
[29] *Façon* is the terminology used mostly in the Garment and Leather Industry, to describe a custom product(s) or commission work done by Albanian businesses that is mostly ordered by foreign big companies that provide all the necessary raw materials.

The number of newly-established companies (5 years old or less) is about 35% of the total number of active businesses, which is relatively a high figure considering that in developed and developing countries this number is expected to be in the interval between {20%-30%}.

Companies and Employees

The Chart 3.1 shows that, although oscillations are present, the general tendency is that the number of the businesses still in activity is higher for the younger ones.

Chart 3.1: Distribution of companies in the Frame by the starting year of activity



Most of the employees of respondent companies are working in businesses that have full Albanian ownership, while the rest are more involved in working for branches of foreign companies, rather than in joint ventures. This might be an indication that business owners might not prefer partnerships with different nationalities.

Table 3.13: Number of companies and employees, by status of Ownership

Ownership	Sample		Frame			
	Firms	%	Firms	%	Employees	Empl. in %
Foreign company branch	122	8.0	1,147	3.2	34,364	10.7
100% Albanian-owned	1,296	85.4	33,596	93.8	263,728	82.5
Joint venture	100	6.6	1,073	3.0	21,646	6.8
Total	**1,518**	**100.0**	**35,816**	**100.0**	**319,739**	**100.0**

Analyzing the information about the sectorial distribution of the businesses according to their ownership, it results that most of the foreign owned businesses operate in the wholesale and retail trade (27.2%), in information and communication (14.1%), while joint ventures, in addition to the wholesale sector, have greater focus on the sector of professional, scientific and technical, services.

Table 3.14: Distribution of companies in the Frame by Ownership and Economic Sector

Economic Sector		Ownership	
	Foreign company branch	100% Albanian owned	Joint venture
B Mining and quarrying	0.6%	0.8%	0.8%
C Manufacturing	5.6%	12.6%	14.5%
D Electricity, gas, stream…	7.3%	0.5%	0.0%
E Water supply, sewerage, waste	0.1%	0.3%	0.5%
F Construction	2.7%	7.2%	1.8%
G Wholesale and retail trade, repair…	**27.2%**	36.0%	**34.5%**
H Transportation and storage	0.5%	1.7%	4.9%
I Accommodation and food service	0.4%	22.0%	13.3%
J Information and communication	**14.1%**	1.7%	3.4%
K Financial and insurance activities	2.9%	1.3%	3.5%
L Real estate Activities	0.0%	0.2%	0.0%
M Professional, scientific and technical	11.6%	6.0%	**15.8%**
N Administrative and support service	11.6%	1.9%	1.5%
R Arts, entertainment and recreation	0.4%	0.6%	0.4%
S Other service activities	15.1%	7.2%	5.2%
Total	**100.0%**	**100.0%**	**100.0%**

Combined, Foreign and Joint Venture companies have a relatively higher share in the total number of large-sized companies, with 26.6%.

Table 3.15: Distribution of companies in the Frame by Ownership and Size group

Ownership	Micro	Small	Medium	Large	Total
Foreign company branch	2.5%	3.4%	7.1%	**14.3%**	**3.2%**
100% Albanian owned	94.6%	94.2%	87.6%	73.4%	**93.8%**
Joint venture	2.9%	2.3%	5.3%	**12.3%**	**3.0%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Foreign branches are predominantly allocated in the Central region of Albania (90.2 %). Apart from the fact that the Central Region offers better conditions for the businesses such as infrastructure, quality of employment, closeness to institutions etc. it is important to mentioned that usually the companies operating in the other regions prefer to have their headquarter in Tirana.

Table 3.16: Distribution of companies in the Frame, by Ownership and Region

Ownership	North	Center	South	Total
Foreign company branch	6.3%	**90.2%**	3.4%	100.0%
100% Albanian owned	23.3%	51.9%	24.8%	100.0%
Joint venture	15.5%	62.3%	22.2%	100.0%
Total	**22.5%**	**53.4%**	**24.1%**	**100.0%**

Only 11.5 % of the companies use Part-Time Employees (PTE) for a total of 16,467 PTE-s, or 5.2% of the total number of the employees. An elevated use of part-time employees is observed in two sectors: "Administrative and support service" where 15.7% of total people employed are PTE working in the Call Centers, and "Other service activities" where 24.2% of total people employed are PTE, mostly working in non-for-profit organizations.

Table 3.17: Statistics on PTEs in the Frame, by Economic Sector

Economic Sector		Firms with at least 1 PTE		Number of PTE in the firms			
		Number	% in Sector	Average (incl. 0)	Max	Sum	% in Sector
B	Mining and quarrying	7	2.2	1.1	300	317	**3.3**
C	Manufacturing	679	15.2	0.4	40	1,625	**2.2**
D	Electricity, gas, stream…	87	35.2	0.7	6	178	**2.2**
E	Water supply, sewerage, waste…	25	26.8	5.8	101	547	**6.6**
F	Construction	108	4.4	0.3	120	716	**2.1**
G	Wholesale and retail trade, repair…	1,051	8.2	0.2	125	2,310	**3.7**
H	Transportation and storage	74	11.6	0.2	28	138	**1.3**
I	Accommodation and food service	631	8.4	0.3	18	1,912	**5.6**
J	Information and communication	115	14.6	0.2	35	194	**2.3**
K	Financial and insurance activities	109	22.0	1.0	36	509	**4.2**
L	Real estate Activities		0.0	-			**0.0**
M	Professional, scientific and technical	347	15.0	0.3	30	612	**4.7**
N	Administrative and support service	332	41.4	4.4	1,567	3,560	**15.7**
R	Arts, entertainment and recreation	4	1.9	0.2	20	36	**0.5**
S	Other service activities	551	20.8	1.4	200	3,815	**24.2**
Total		**4,118**	**11.5**	**0.5**	**1,567**	**16,467**	**5.2**

The last column of the Table 3.18 shows that the size of the company has little influence in the average percentage of PTE employees.

The explanation about the low presence of the PTE in businesses of all sizes might be related to the fact that usually the businesses solve the additional needs they have with more work of the Full-Time Employees (FTE) as well as they might not have formalized relations with PTEs and as such they are reluctant to report.

Table 3.18: Statistics on PTEs in the Frame, by Size group

Size	Firms with at least 1 PTE		Number of PTE in the firms			
	Number	% in Size group	Average (incl. 0)	Max	Sum	% in Size group
Micro [1-4]	2,019	8.6	0.1	3	2,320	**4.7**
Small [5-19]	1,665	17.3	0.5	14	4,714	**5.7**
Medium [20-79]	303	14.2	2.1	65	4,538	**5.8**
Large [80+]	131	**27.5**	10.3	1,567	4,894	**4.5**
Total	**4,118**	**11.5**	**0.5**	**1,567**	**16,467**	**5.2**

Part-time employment indicates relatively higher rates in Northern and Southern regions, with 8.4% and 6.0% of the total employment, respectively, as compared to the Central Region with 3.7%. Excluding the "Call centers" subgroup, it may be affirmed that there is a trend indicating that PTE-s are not much preferred in the Central Region.

Table 3.19: Statistics on PTEs in the Frame, by Region

Region	Firms with at least 1 PTE		Number of PTE in the firms			
	Number	% in Region	Average (incl. 0)	Max	Sum	% in Region
North	797	9.9	0.7	140	5,722	**8.4**
Center (TR+EL)	2,161	11.3	0.4	1,567	7,146	**3.7**
South	1,160	13.5	0.4	300	3,599	**6.0**
Total	**4,118**	**11.5**	**0.5**	**1,567**	**16,467**	**5.2**

Table 3.20: Statistics on PTEs in the Frame, by Ownership

Ownership	Firms with at least 1 PTE		Number of PTE in the firms			
	Number	% in group	Average (incl. 0)	Max	Sum	% in group
Foreign company branch	289	25.2	1.4	1,567	1,592	**4.6**
100% Albanian-owned	3,639	10.8	0.4	550	13,208	**5.0**
Joint venture	191	17.8	1.6	300	1,668	**7.7**
Total	**4,118**	**11.5**	**0.5**	**1,567**	**16,467**	**5.2**

Gender Dimension

While the Female employees comprise 40.2% of the total number of the employees in Albania, only four economic sectors led by “Manufacturing” (59.4%) have a female majority. The female-dominated employment in manufacturing might be linked with garment and shoe industry organized in façon. Textile companies and also shoes production factories are big employers. Actually, most of the companies operate in the form of “Façon” meaning that they serve as producing companies for export as branches of companies located in advanced European countries. The number of people employed in these businesses, is high due to specific manual work processes[30].

[30] ETF, Sector skills analysis in Albania, 2012

Table 3.21: Statistics on Female employees in the Frame, by Economic Sector

Economic Sector		Firms employing females		Number of females			
		Number	% in Sector	Average (incl. 0)	Max	Sum	% in Sector
B	Mining and quarrying	165	55.8	3.1	300	916	**9.5**
C	Manufacturing	3,176	71.4	9.8	1,324	43,567	**59.6**
D	Electricity, gas, stream…	136	54.9	6.7	1,068	1,666	**20.6**
E	Water supply, sewerage, waste…	94	100.0	25.2	274	2,372	**28.8**
F	Construction	1,452	59.0	2.2	118	5,367	**15.9**
G	Wholesale and retail trade, repair…	8,635	67.7	1.9	342	24,057	**38.6**
H	Transportation and storage	423	66.1	3.0	1,437	1,948	**18.3**
I	Accommodation and food service	5,462	72.5	1.6	251	12,365	**36.4**
J	Information and communication	602	76.7	4.4	577	3,457	**41.4**
K	Financial and insurance activities	491	99.4	12.6	1,041	6,236	**51.1**
L	Real estate Activities	83	100.0	7.7	17	636	**54.5**
M	Professional, scientific and technical	1,767	76.1	2.8	71	6,418	**49.1**
N	Administrative and support service	754	93.8	10.3	1,650	8,283	**36.5**
R	Arts, entertainment and recreation	166	80.2	9.8	116	2,026	**29.8**
S	Other service activities	2,204	83.4	3.5	148	9,349	**59.4**
Total		**25,608**	**71.5**	**3.6**	**1,650**	**128,662**	**40.2**

The figures in the Table 3.22 and Table 3.23 below indicate that the size of company and the region do not influence in the percentage of females employed.

Table 3.22: Statistics on Female employees in the Frame, by Size group

Size	Firms employing females		Number of females			
	Number	% in Size group	Average (incl. 0)	Max	Sum	% in Size group
Micro [1-4]	14,413	61.1%	0.9	4	20,385	41.1%
Small [5-19]	8,650	90.1%	3.1	18	29,813	36.0%
Medium [20-79]	2,070	96.6%	13.7	72	29,286	37.4%
Large [80+]	476	100.0%	103.3	1,650	49,178	45.2%
Total	**25,608**	**71.5%**	**3.6**	**1,650**	**128,662**	**40.2%**

Table 3.23: Statistics on Female employees in the Frame, by Region

Region	Firms employing females		Number of females			
	Number	% in Region	Average (incl. 0)	Max	Sum	% in Region
North	4,893	60.8%	3.5	661	27,820	40.7%
Center (TR+EL)	14,848	77.6%	4.2	1,650	80,287	41.9%
South	5,867	68.1%	2.4	503	20,555	34.3%
Total	**25,608**	**71.5%**	**3.6**	**1,650**	**128,662**	**40.2%**

When it comes to the global employment figures, it is clear that companies with foreign ownership have a larger presentation of women compared to businesses with Albanian ownership.

This is a size and product related effect and very little ownership related. Foreign companies are relatively more present in the "large size" group of companies, which have a higher demand for female employment (call centers and garment & shoe industry).

Table 3.24: Statistics on Female employees in the Frame, by Ownership

Ownership	Companies employing females		Number of females			
	Number	% in group	Average (incl. 0)	Max	Sum	% in group
Foreign company branch	1,084	94.5%	17.0	1,650	19,448	**56.6%**
100% Albanian owned	23,867	71.0%	2.9	1,531	97,638	**37.0%**
Joint venture	657	61.2%	10.8	577	11,575	**53.5%**
Total	**25,608**	**71.5%**	**3.6**	**1,650**	**128,662**	**40.2%**

Female managers and/or owners are heading 25.3% of the total businesses in the Frame.

About one third of the businesses of Albania, which occupies 11.7% of the total working force, are one-gender businesses. "Males only" companies are near double of the "Females only" ones, in both, number of companies and number of employees occupied by them.

Table 3.25: Number of businesses and employees in the Frame, by Gender composition

Gender composition of employees	Firms	%	Employees	Empl. in %
Female president/ CEO	*9,073*	*25.3*	*52,705*	*16.5*
100% female employees	5,100	14.2	12,940	4.0
Females are majority (number of males >0)	4,116	11.5	93,148	29.1
Female employees are equal number to males	6,155	17.2	17,794	5.6
Males are majority (number of females >0)	10,238	28.6	171,176	53.5
100% male employees	10,207	28.5	24,681	7.7
Total	**35,816**	**100.0**	**319,739**	**100.0**

Employment of people with disabilities

The surveyed businesses report to have employed 488 people with disabilities. Only 10% of businesses report to have hired at least 1 people with disabilities.

People with disabilities are frequently not considered productive members of the workforce. Perception, fear, myth and prejudice continue to limit understanding and acceptance of disability in workplaces everywhere. Myths abound, including that people with disabilities are unable to work and that accommodating a person with a disability in the workplace is expensive. Contrary to these notions, many companies have found that people with disabilities are more than capable. A United Nations factsheet provides anecdotal examples of the reasons given for not employing people with disabilities, and the benefits to companies that have.[31]

Improving the situation of the people with disabilities has been a priority for all Albanian Governments and in this context, ensuring employment opportunities was one of the measures stipulated in the Albanian Law for Employment Promotion[32.] According to the law, employers should employ at least

[31] United Nations, Factsheet - disability and employment. 2013
[32] Article 14, 15 and 16 included in the Part IV of the law.

one people with disability for each 25 employees. By mining the survey data it results that about 1,870 businesses have not fulfilled this obligation. In case this obligation is not fulfilled, the employer must regularly pay to the Employment Fund an equal amount to the approved minimum wage. This Fund is not yet established and as such the implementation of this law is not in place.

The survey results indicates that very few businesses have employed people with disabilities (462 businesses have employed a total of 867 persons). The major number of businesses that employed people with disabilities belongs to manufacturing, water supply, sewage, waste.

Table 3.26: Number of people with disabilities employed in the Frame, by Economic Sector

Economic Sector		Companies employing people with disabilities		Number of employees with disabilities			
		Number	% in Sector	Average (incl. 0)	Max	Sum	% in Sector
B	Mining and quarrying	3	1.1%	0.1	30	42	0.4%
C	Manufacturing	102	2.3%	0.0	7	185	0.3%
D	Electricity, gas, stream…	3	1.2%	0.1	30	33	0.4%
E	Water supply, sewerage, waste…	21	22.0%	0.7	30	69	0.8%
F	Construction	30	1.2%	0.0	16	76	0.2%
G	Wholesale and retail trade, repair…	144	1.1%	0.0	7	202	0.3%
H	Transportation and storage	3	0.4%	0.0	2	4	0.0%
I	Accommodation and food service	26	0.3%	0.0	7	46	0.1%
J	Information and communication	7	0.9%	0.0	25	25	0.3%
K	Financial and insurance activities	4	0.8%	0.1	27	38	0.3%
L	Real estate Activities	12	14.5%	0.1	1	12	1.0%
M	Professional, scientific and technical	41	1.8%	0.0	1	41	0.3%
N	Administrative and support service	40	5.0%	0.1	6	62	0.3%
R	Arts, entertainment and recreation	17	8.3%	0.1	3	19	0.3%
S	Other service activities	9	0.3%	0.0	2	13	0.1%
Total		**462**	**1.3%**	**0.0**	**30**	**867**	**0.3%**

Most of employment of people with disability is in the medium and large size businesses. The Law stipulation might be the reason for this because the businesses with more than 25 employees are medium or large size. Thus, there are 10.2% and 24.2% of the medium and large size businesses respectively that have employed people with disabilities. There are 127 micro and small size businesses that have such employment, but their share within their size group is insignificant.

Currently people with disabilities in Albania are all too often unable to lead full social lives as few social places are able to accommodate their needs. Many public locations, such as cinemas, cafés, museums, restaurants and parks have steps and other entry barriers. The same it is true for businesses premises that are without the necessary facilities for people with disability.

Table 3.27: Number of people with disabilities employed in the Frame, by Size Group

Size	Companies employing people with disabilities		Number of employees with disabilities			
	Number	% in Size group	Average (incl. 0)	Max	Sum	% in Size group
Micro [1-4]	104	0.4%	0.0	1	104	0.2%
Small [5-19]	23	0.2%	0.0	1	23	0.0%
Medium [20-79]	218	10.2%	0.1	5	313	0.4%
Large [80+]	118	24.8%	0.9	30	428	0.4%
Total	**462**	**1.3%**	**0.0**	**30**	**867**	**0.3%**

The businesses operating in the Central region are the main employers of people with disabilities, while both other regions have employed only 1/3rd of the total together. Generally speaking, it is difficult to educate the people including businesses with the culture of integration of people with disabilities in the social and economic life. The social barriers keep the disability alive, while if they are removed the disability itself is eliminated[33]. Removal of barriers ask for change in the society, material changes to the environment, changes in social roles, and changes in attitudes by people i» the community as a whole. The focus is decisively shifted on to the source of the problem - the society in which disability is created. The Northern and Southern Regions are less developed and dominated by very conservator mentality.

Table 3.28: Number of people with disabilities employed in the Frame, by Region

Region	Companies employing people with disabilities		Number of employees with disabilities			
	Number	% in Region	Average (incl. 0)	Max	Sum	% in Region
North	48	0.6%	0.0	7	106	0.2%
Center (TR+EL)	356	1.9%	0.0	30	631	0.3%
South	58	0.7%	0.0	30	129	0.2%
Total	**462**	**1.3%**	**0.0**	**30**	**867**	**0.3%**

Businesses with foreign ownership are more proactive (higher percentage in the group), in the employment of people with disability. Again, a cultural factor, supposedly might be an important reason.

Table 3.29: Number of people with disabilities employed in the Frame, by Ownership

Ownership	Companies employing people with disabilities		Number of employees with disabilities			
	Count	% in group	Average (incl. 0)	Max	Sum	% in group
Foreign company branch	70	6.1%	0.1	27	155	0.5%
100% Albanian owned	353	1.1%	0.0	30	614	0.2%
Joint venture	39	3.6%	0.1	30	98	0.5%
Total	**462**	**1.3%**	**0.0**	**30**	**867**	**0.3%**

Employment Concerns of Businesses

The surveyed businesses were asked about the major concerns they face with their employees and 85.3% of them declared to have at least one major employment concern.

Work Culture and Unsuitable Qualification are the most occurring major concerns respectively to 39.8% and 33.0% of the businesses. Attitude of job seekers/ work culture in the survey is used to describe the behaviors of the employees in terms of work norms and rules, relations with other employees, managers, supervisors etc.

[33] Ken Davis, A Socila Barriers Model of Disability: Theory into Practice, 1990.

The question covers both the firm's employees as well as those that apply for a job in the firm. Studies have shown a strong relationship between employee attitudes and morale and workplace productivity[34] and due to this it is important that such concerns be properly addressed.

Unsuitable Qualifications of the labor force is the second major concern declared by 33% of the businesses.

Table 3.30: Frequencies of the major employment concerns faced by the businesses

Employment concerns	Sample		Frame	
	Firms	%	Firms	%
Unsuitable qualification level of labor force	709	46.7	11,831	**33.0**
Loss of professional skills due to long term unemployment	139	9.2	3,086	8.6
The Education System doesn't meet the needs of economy for skills	277	18.2	4,372	12.2
Low salaries	273	18.0	6,584	18.4
Attitude of jobseekers / work culture	686	45.2	14,270	**39.8**
High fiscal burden regarding employment	342	22.5	10,121	28.3
Others (mix)	64	4.2	1,077	3.0
Total number of businesses with at least one concern	**1,379**	**90.8**	**30,543**	**85.3**

***Note**: Percentages in this table are over the total number of firms respectively in the Sample and Frame*

Considering the firms by sector it can be noticed the following findings:

- Unsuitable qualification level of labor force is a concern for almost all sectors of the economy, but it is particularly a stronger concern for three sectors such as "Mining and quarrying", "Electricity, gas, etc." as well as "Real estate". This proves once more the conclusion of the previous study[35] that companies lack increasingly technical categories of professions such as electricians, plumbers' etc. that are not preferred by the youngsters. The average age of the existing employees for such professions is very high and soon they will retire.
- Loss of professional skills due to long term unemployment is a relatively very high concern (multiple of national average of 9%) for the Sectors "Electricity, gas etc." and "Real Estate". This might be linked with the technological advancements that might be difficult to be followed by them.
- Low salaries which are not a real concern for most of sectors, it seems to be a concern for 47% of businesses in the "Water supply, sewage, waste" sector. It is important to mention that many of these companies are state owned under the ownership of the local government units and this might be the reasons that the salaries are lower than in the private companies.
- Work culture reaches the maximum level of concern for the Sector "Administrative and support services".
- High fiscal burden regarding employment results to be a concern for the sector of "Electricity, gas, stream ".

[34] Saari L., Judge T., Employee attitude and Job Satisfaction, 2004.
[35] ETF, Albania - Sectoral analyses, 2013

Table 3.31: Frequencies of the major employment concerns faced by the businesses, for each Economic Sector.

Employment concerns	B in %	C in %	D in %	E in %	F in %	G in %	H in %	I in %	J in %	K in %	L in %	M in %	N in %	R in %	S in %	Total in %
Unsuitable qualification level of labor force	**66**	42	**63**	45	38	28	42	38	44	24	**91**	31	18	41	18	**33**
Loss of professional skills due to long term unemployment	27	13	**70**	6	16	6	10	8	4	1	**35**	5	5	7	9	**9**
Education system doesn't meet the needs of economy for skills	36	17	22	19	18	5	5	11	28	9	1	20	16	10	20	**12**
Low salaries	20	14	7	**47**	19	25	38	16	7	9	4	6	23	15	10	**18**
Attitude of jobseekers / work culture	36	40	38	32	43	42	25	47	33	17	12	18	**58**	41	29	**40**
High fiscal burden regarding employment	17	32	48	13	37	32	32	27	9	15	44	15	17	19	25	**28**
Others (mix)	3	2	6	17	8	0	4	1	10	1	0	0	0	1	19	**3**
Total no. of businesses with at least one concern	**98**	**84**	**95**	**98**	**95**	**89**	**97**	**87**	**85**	**49**	**100**	**61**	**85**	**81**	**81**	**85**

***Notes**: 1. All figures, are shown in percentages calculated over the total number of firms in the Sector*

2. B= Mining and quarrying
C= Manufacturing
D= Electricity, gas, stream…
E= Water supply, sewerage, waste…
F= Construction
G= Wholesale and retail trade, repair…
H= Transportation and storage
I= Accommodation and food service
J= Information and communication
K= Financial and insurance activities
L= Real estate Activities
M= Professional, scientific and technical
N= Administrative and support service
R= Arts, entertainment and recreation
S= Other service activities

The figures indicate that for some concerns with regard to employment there exists a correlation with the size of the business. Thus, almost all the medium and large size companies face at least one major concern with their employment. But "unsuitable qualification level" and particularly "work culture" are more of an issue for the medium and large size companies. Also, the concern that the "Education System doesn't meet the needs of economy for skills" tend to go higher as the business' size increase.

The concerns related to qualification level and the existing mismatch of the education outputs with the needs might be linked also with the development stage of the businesses that require higher skills of their employees at all levels. This can be addressed by the trainings provision in the businesses premises or outside. The consideration regarding the work culture and attitudes needs more in depth analysis as the root causes might be very complex and so should be the measures to respond.

Concerns about "high fiscal burden regarding employment" tend to decrease with the increase of the business' size. The reason might be linked with the poor economic stage of micro and small size businesses.

Table 3.32: Frequencies of the major employment concerns faced by the businesses, for each Size group.

Employment concerns	Micro	Small	Medium	Large	Total
Unsuitable qualification level of labor force	25.0%	48.8%	46.4%	51.3%	**33.0%**
Loss of professional skills due to long term unemployment	6.5%	13.3%	11.1%	9.5%	**8.6%**
Education System doesn't meet the needs of economy for skills	9.6%	15.8%	21.5%	25.4%	**12.2%**
Low salaries	19.1%	16.8%	18.0%	17.6%	**18.4%**
Attitude of jobseekers / work culture	38.0%	42.2%	45.5%	56.7%	**39.8%**
High fiscal burden regarding employment	31.4%	22.5%	21.8%	17.0%	**28.3%**
Others (mix)	2.5%	3.9%	4.4%	3.4%	**3.0%**
Total number of businesses with at least one concern	**84.2%**	**86.3%**	**90.4%**	**94.3%**	**85.3%**

***Note**: All figures, are calculated as percentages over the total number of firms in the respective Size group*

Generally speaking, almost all the businesses operating in the South region indicate having at least one major employment concern, while the incidence is lower in the Central region (83.7%) and even lower in the North region (79.2%). The concern regarding the "work culture" occurs at a higher rate in the businesses in the central and south region and lower in the North. This might be related with the sector structure of the economy in both regions where the share of the wholesale and manufacturing activity that can be considered more sensitive towards "work culture" is high. The "high fiscal burden regarding employment" seems to be a concern for a large share of businesses in the South. Also, the concern regarding "Low salaries" in the South is triple that of similar concern the central region.

Table 3.33: Frequencies of the major employment concerns faced by the businesses in the Frame, for each Region

Employment concerns	North	Center	South	Total
Unsuitable qualification level of labor force	37.0%	28.6%	39.2%	**33.0%**
Loss of professional skills due to long term unemployment	6.5%	9.0%	9.7%	**8.6%**
Education System doesn't meet the needs of economy for skills	11.0%	11.8%	14.2%	**12.2%**
Low salaries	21.3%	10.3%	33.6%	**18.4%**
Attitude of jobseekers / work culture	18.0%	48.4%	41.3%	**39.8%**
High fiscal burden regarding employment	30.9%	19.4%	45.5%	**28.3%**
Others (mix)	0.9%	3.9%	3.0%	**3.0%**
Total number of businesses with at least one concern	**79.2%**	**83.7%**	**94.5%**	**85.3%**

***Note**: All figures, are calculated as percentages over the total number of firms in the respective Region.*

A larger share of businesses with foreign ownership and joint ventures are concerned regarding the unsuitable qualification of labor force and the work culture compared with the domestically owned businesses, while "low salaries" appears not to be a concern for them, due to the fact that in general they offer better employment contracts then the Albanian owns firms.

Table 3.34: Frequencies of the major employment concerns faced by businesses in the Frame, by Ownership

Employment concerns	Foreign	Albanian	Joint	Total
Unsuitable qualification level of labor force	31.9%	32.6%	47.5%	**33.0%**
Loss of professional skills due to long term unemployment	14.4%	8.4%	7.7%	**8.6%**
Education System doesn't meet the needs of economy for skills	15.4%	12.1%	12.4%	**12.2%**
Low salaries	4.7%	19.0%	12.7%	**18.4%**
Attitude of jobseekers / work culture	49.5%	39.0%	54.7%	**39.8%**
High fiscal burden regarding employment	28.5%	28.3%	27.3%	**28.3%**
Others (mix)	0.3%	3.0%	6.2%	**3.0%**
Total number of businesses with at least one concern	**76.8%**	**85.5%**	**88.3%**	**85.3%**

***Note**: All figures, are calculated as percentages over the total number of firms in the respective Ownership subgroup*

Perspective of businesses

Although the SNA survey 2012 concluded that the businesses' expectation was the increase of the number of employees in the coming year, the current survey results indicate that such optimism is unrealistic. Thus, most of the businesses in the frame did not have changes in any of the internal economic indicators such as turnover, employment and investments. However, it is noticeable that the number of business that have decreased the turnover during June 2013-June 2014 is three times higher than those increasing it (31.1% against 10.4%), and similarly the number of business decreasing the number of employees is two times higher than those increasing it (20.8% against 10.2%).

Table 3.35: The trend of main economic indicators in the last 12 months

Economic indicators	SAMPLE				FRAME			
	Increasing	Decreasing	Unchanged	No answer	Increasing	Decreasing	Unchanged	No answer
Turnover	395	394	636	93	3,710	11,147	18,766	2,193
No. of Workers	415	339	742	22	3,670	7,443	23,245	1,458
Investments	462	265	755	36	6,052	6,730	21,716	1,318
Turnover	26.0%	26.0%	41.9%	6.1%	**10.4%**	**31.1%**	**52.4%**	6.1%
No. of Workers	27.3%	22.3%	48.9%	1.4%	**10.2%**	**20.8%**	**64.9%**	4.1%
Investments	30.4%	17.5%	49.7%	2.4%	**16.9%**	**18.8%**	**60.6%**	3.7%

***Note**: All % figures, are calculated as percentages over the total number of firms in Albania*

The businesses' size analysis of the employment and expected recruitment provides an explanation of the situation mentioned above. Thus, by comparing total figures about Increasing vs Decreasing in the group of "Micro & Small" size businesses, it is noticed that the total number of the current employees remains close to the same levels. The situation is different for the group of medium and large businesses, for which we see that the total number of current employees is 3.4 times higher (82,228 vs 24,016) for the "Increasing" subgroup.

Since the companies with the unchanged number of employees tend to be more stable, we can use their data to create a rough idea of the employees' replacement rate which is very close to "new recruitment rate" for the unchanged subgroup. Thus employees' replacement rate is 11.8% for "Micro and Small" size firms and 7.4% for the "Medium & Large" ones.

Recapping, it is a general tendency of strengthening for the "Medium and Large size" group, driven by a subgroup that contains 1/4 of the employees of entire private sector of Albania. This group of companies which had a positive employment trend in the near past, plans to keep the increasing trend

(26.2% >> 11.8% and 14.1% >> 7.4%). In aggregate figures, the total number of employees increased from 2013 to 2014, and it is expected to be increased again in 2015. The smaller the businesses' size, the more they are feeling the competition and facing the pressure to decrease the number of employees and/or undergo restructuring (the 25.7% new recruitment rate for the "Micro & Small decreasing" subgroup can be considered as restructuring tendency).

Table 3.36: Trend of employment (i.e. increase/decrease/unchanged the number of employees in the last 12 months) by Size, in the Frame

Size	Indicators	Numbers			% to the total group for Albania		
		Increasing	Decreasing	Unchanged	Increasing	Decreasing	Unchanged
Micro & Small Firms	Number of firms	2,740	6,974	22,106	8.3	21.0	66.6
	Employees	21,248	24,461	80,660	16.0	18.5	60.8
	Recruitments in next 12 m.	5,569	6,289	9,542	25.6	28.9	43.9
	New recruitment Rate	*26.2%*	*25.7%*	*11.8%*			
Medium & Large Firms	Number of firms	930	469	1,138	35.5	17.9	43.5
	Employees	82,228	24,016	77,944	43.9	12.8	41.6
	Recruitments in next 12 m.	11,602	2,987	5,742	56.8	14.6	28.1
	New recruitment Rate	*14.1%*	*12.4%*	*7.4%*			

Disaggregating the survey results according to regions, it is noticed that North and Center region have similar pattern in the trends of the main economic indicators, while the South is clearly in a worse situation for the last 12 months. Thus, near half of the South Region businesses (51.0%) declare a decrease in the turnover, and near 1/3rd a decrease in the investments and the number of employees also. Meantime, the percentage of the businesses declaring the increase in turnover as well as in employment is very low, respectively 7.1% and 5.7%.

Table 3.37: The trend of main economic indicators for the businesses in the Frame, in the last 12 months, by Region

Economic indicators	North			Center			South		
	Incr.	Decr.	Unchanged	Incr.	Decr.	Unchanged	Incr.	Decr.	Unchanged
Turnover	13.3%	23.9%	58.1%	10.6%	25.2%	56.9%	7.1%	**51.0%**	37.0%
No. of Workers	11.0%	12.4%	73.1%	12.0%	19.8%	62.7%	5.7%	**30.7%**	62.0%
Investments	12.0%	13.4%	72.3%	20.7%	15.0%	60.7%	13.1%	**32.2%**	49.6%

***Note**: All % figures, are calculated as percentages over the total number of firms in Albania*

It results that "Mining and Quarrying" is the Sector experiencing growth in the last 12 months. In all three indicators, this subgroup's businesses declared an "increased" value. Thus, 46.0% of the Mining and Quarrying companies increased the investment during last 12 months, versus 16.6% that decreased their investments.

Other sectors doing well are "Financial and Insurance services" (in terms of employment and investments), and "Water supply, sewerage and waste" (in terms of turnover and investments), which has the highest percentage of the businesses with increasing turnover, but the second highest percentage of the businesses decreasing number of employees. This can be explained with the state-owned "Water supply" enterprises which are increasing the turnover and investments and simultaneously seem to decrease the employment.

The two sectors suffering more in terms of all three indicators are the "Construction", which had a sharp decrease in all indicators, as well as the "Information and communication" sector, which, although does not appear as bad as Construction, it had a significant net decrease.

Table 3.38: The trend of the main economic indicators for the businesses in the Frame, in the last 12 months, according to the Economic Sector

Economic Sector	Turnover			Number of Workers			Investments		
	Incr.	Decr.	Unchanged	Incr.	Decr.	Unchanged	Incr.	Decr.	Unchanged
B Mining and quarrying	**45.8%**	37.1%	16.7%	**40.8%**	26.3%	32.5%	**46.0%**	16.6%	37.0%
C Manufacturing	15.4%	44.1%	40.2%	10.4%	25.2%	64.0%	19.9%	21.6%	57.8%
D Electricity, gas, stream…	11.1%	3.5%	83.4%	1.6%	52.9%	45.5%	42.6%	42.2%	15.2%
E Water supply, sewerage, etc	**48.1**%	7.4%	37.8%	28.6%	41.1%	30.3%	**34.5%**	6.3%	51.8%
F Construction	**13.0%**	**52.8%**	30.8%	**15.6%**	**50.6%**	33.8%	**17.0%**	**44.7%**	36.2%
G Wholesale, retail, repair…	8.8%	26.9%	60.3%	8.8%	13.8%	74.9%	10.5%	17.4%	69.3%
H Transportation and storage	24.5%	32.7%	40.1%	32.4%	32.5%	28.7%	37.6%	16.9%	34.7%
I Accommodation & food	6.4%	37.4%	51.1%	5.9%	25.1%	66.6%	15.8%	16.1%	67.9%
J Information & communic.	**9.8%**	**43.2%**	46.1%	**7.8%**	**28.9%**	63.3%	**18.3%**	**30.2%**	51.5%
K Financial & insurance	21.6%	27.5%	46.6%	**22.6%**	1.2%	72.5%	29.7%	8.3%	52.1%
L Real estate Activities									
M Professional, scientific, tech	8.9%	21.2%	60.4%	7.6%	9.8%	69.9%	11.8%	16.4%	67.6%
N Administrative & support	14.2%	20.6%	52.7%	21.6%	23.9%	54.5%	22.8%	25.9%	49.4%
R Arts, entertainment	21.2%	28.7%	32.8%	6.5%	39.6%	53.9%	37.8%	7.6%	40.1%
S Other services activities	6.8%	2.8%	60.0%	12.2%	8.8%	56.8%	32.2%	3.1%	42.5%
Total	**10.4%**	**31.1%**	**52.4%**	**10.2%**	**20.8%**	**64.9%**	**16.9%**	**18.8%**	**60.6%**

***Note**: All % figures, are calculated as percentages over the total number of firms in Albania*

4 ABILITIES AND SKILLS OF EXISTING STAFF

Businesses were asked whether the existing employees have the relevant skills to implement their tasks. Only 14.9% of the frame businesses have declared that their existing employees lack the skills.

Table 4.1: Number of businesses with employees without relevant skills

Options	Sample		Frame	
	Firms	%	Firms	%
YES, there are lack of skills	417	27.5%	5,332	14.9%
NO, everyone have the right skills	1,101	72.5%	30,484	85.1%
Total	**1,518**	**100.0%**	**35,816**	**100.0%**

Lack of relevant skills to the current employees, seems very high for the sectors of “Water supply, sewerage, waste” and “Mining and Quarrying” being respectively 41.9% and 40.2% of the companies in the sector.

It is very positive that the sectors “Information and communication”, “Financial and insurance activities”, “Real estate Activities”, and “Professional, scientific and technical”, which are specific and require relative higher professional and technical skills, are the sectors where very few businesses have declared to have staff lacking relevant skills to perform the assigned job.

Table 4.2: Number of businesses lacking relevant skills to employees, in the Frame, by Sector

Economic Sector		Firms	% in the Sector
B	Mining and quarrying	119	**40.2%**
C	Manufacturing	987	22.2%
D	Electricity, gas, stream…	57	23.1%
E	Water supply, sewerage, waste…	39	**41.9%**
F	Construction	642	26.1%
G	Wholesale and retail trade, repair…	1,684	13.2%
H	Transportation and storage	145	22.7%
I	Accommodation and food service	1,228	16.3%
J	Information and communication	64	8.1%
K	Financial and insurance activities	4	0.8%
L	Real estate Activities	6	6.8%
M	Professional, scientific and technical	126	5.4%
N	Administrative and support service	141	17.6%
R	Arts, entertainment and recreation	35	16.8%
S	Other services activities	53	2.0%
Total		**5,332**	**14.9%**

Considering that there is a strong correlation between the business’s size and the occurrence of at least one position with employees lacking skills, an unexpected high figure relates to Small size businesses (26.5%). The reason is related to the waiters & bartenders. Thus, more than 95% of bar & restaurants, representing about 10% of the Small size businesses in Albania, are not happy with the skills of their waiters and/or bar tenders.

Table 4.3: Number of businesses lacking relevant skills to employees, in the Frame, by Size group

Size	Firms	% in the Size group
Micro [1-4]	2,078	8.8%
Small [5-19]	2,547	26.5%
Medium [20-79]	508	23.7%
Large [80+]	199	41.8%
Total	**5,332**	**14.9%**

South Region has the highest rate (22.4%) of businesses not satisfied with the skills of their employees.

Table 4.4: Number of businesses lacking relevant skills to employees, in the Frame, by Region

Region	Firms	% in the Region
North	1,194	14.8%
Center	2,207	11.5%
South	1,931	22.4%
Total	**5,332**	**14.9%**

The survey's figures show that there is a relatively high number of bars and restaurants in Albania and their managers seem to be mostly unhappy with their personnel, i.e. waiters, bartenders and cookers. It is with interest to emphasize that companies that are unhappy with waiters, have a 63% male working force.

On Medium & Large size group it is a clear differentiation of the sewing machine operators. The fast increase in recent years of the fashion and garment industry in Albania, have created a large demand for this profession. Due to the size of these businesses there is a continuous need for staff replacement and/or addition. From the gender view point, businesses asking for sewing machine operators with better skills have a work structure composed by about 93% female.

Table 4.5: Top-20 professions sorted by the estimated number of firms in the Frame, which have staff skills' shortages.

Rank	Albania		Micro & Small only		Medium & Large only	
	Profession	Firms	Profession	Firms	Profession	Firms
1	Waiter	**914**	Waiter	862	Sewing machine operators	147
2	Bar tender	**454**	Shopkeepers	438	Waiter	52
3	Shopkeepers	**449**	Cooks	430	Mechanical engineering technicians	44
4	Cooks	**446**	Bar tender	425	Shoemaking machinery operator	43
5	Carpenters and joiners	**226**	Carpenters and joiners	222	Plumber and pipe fitter	40
6	Wholesale salesperson	**205**	Wholesale salesperson	202	Mobile plant operator	32
7	Sewing machine operators	**191**	Bricklayers	157	Garment/ Leather cutter	31
8	Plasterer	**174**	Plasterer	148	Welder	29
9	Bricklayers	**168**	Mechanical engineering technicians	146	Electrician	29
10	Cleaners	**154**	Cleaners	131	Bar tender	29
11	Mechanical engineering technician	**146**	Vehicles mechanic	126	Plasterer	26
12	Machinery mechanic	**138**	Shelf fillers	121	Driver	24
13	Driver	**132**	Duralumin structure worker	120	Stock clerk	24
14	Vehicles Mechanic	**130**	Driver	108	Cleaners	23

Rank	Albania		Micro & Small only		Medium & Large only	
	Profession	Firms	Profession	Firms	Profession	Firms
15	Shelf fillers	**123**	Bakers, Pastry-cooks	103	Security guards	21
16	Duralumin structure worker	**120**	Cashier	102	Call Center operator	19
17	Accountant	**111**	Accountant	95	Construction engineer	17
18	Bakers, pastry-cooks	**107**	Machinery mechanics	94	Hand packer	17
19	Electrician	**104**	Club/Restaurant host	88	Cooks	16
20	Cashier	**103**	Electrical engineer	86	Accountant	16

In general, the professions perceived to have relatively larger number of employees inside the sector are also the professions with the higher number of companies having skills' shortage to the personnel occupying the respective jobs.

Table 4.6: Most frequent professions (grouped by ISCO code) with skills' shortages for each Sector, and estimated number of skills shortage cases from firms in the Frame by Sector

ISCO code (first 3 digits) and description			Cases
B…		**Mining and quarrying**	**255**
	811	Mining and Mineral Processing Plant Operators	54
	723	Machinery Mechanics and Repairers	41
	754	Other Craft and Related Workers	36
C		**Manufacturing**	**1,301**
	815	Textile, Fur and Leather Products Machine Operators	256
	751	Food Processing and Related Trades Workers	213
	522	Shop Salespersons	127
	721	Sheet and structural metal workers, molders and welders	126
	753	Garment and related trades workers	67
D		**Electricity, gas, stream…**	**73**
	313	Process control technicians	25
	741	Electrical equipment installers and repairers	16
E		**Water supply, sewerage, waste…**	**73**
	712	Building finishers and related trades workers	22
	313	Process control technicians	19
F		**Construction**	**1,239**
	711	Building frame and related trades workers	442
	712	Building finishers and related trades workers	229
	311	Physical and engineering science technicians	103
	214	Engineering professionals (excluding electro technology	82
	741	Electrical equipment installers and repairers	67
G		**Wholesale and retail trade, repair…**	**2,172**
	522	Shop salespersons	527
	933	Transport and storage laborers	183
	311	Physical and engineering science technicians	175
	723	Machinery mechanics and repairers	162
	832	Car, Van and Motorcycle Drivers	120
H		**Transportation and storage**	**192**
	412	Secretaries (general)	56
	833	Heavy truck and bus drivers	46
I		**Accommodation and food service**	**1,914**
	513	Waiters and bartenders	1,340
	512	Cooks	263
	516	Other personal services workers	88
	422	Client information workers	72

J		**Information and communication**	**96**
	252	Database and network professionals	40
	352	Telecommunications and broadcasting technicians	20
K & L		**Financial and insurance activities & Real estate Activities**	**Low data**
M		**Professional, scientific and technical**	**280**
	216	Architects, planners, surveyors and designers	136
	214	Engineering professionals (excluding electro technology)	55
	215	Electro-technology engineers	49
N		**Administrative and support service**	**168**
	422	Client information workers	69
	541	Protective services workers	37
R		**Arts, entertainment and recreation**	**134**
	262	Librarians, archivists and curators	43
S		**Other services activities**	**87**
	912	Vehicle, window, laundry and other hand cleaning workers	43

***Note**: Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession.*

More than half of cases with skills' shortages (4,007 out of 7,995) belong to small size businesses. Apart of the "waiters" already described, this could be an indicator that Small size businesses (5-19 employees) had more difficulties regarding Human Resources (HR). It can be said that such a business size might be not big sufficient to afford a HR specialist, but meantime not small enough to allow the lack of a HR specialist. In such a case the role of intermediary institutions such as NES employment offices or private recruitment companies might have a role to assist the recruitment needs of small size businesses.

Table 4.7: Most frequent professions (grouped by ISCO code) with skills' shortages for each Size group, and estimated total number of skills shortage cases in the Frame by Size group

ISCO code (fist 3 digits) and description		Cases
Micro Size		**2,634**
711	Building frame and related trades workers	296
522	Shop salespersons	251
751	Food processing and related trades workers	202
513	Waiters and bartenders	185
512	Cooks	182
712	Building finishers and related trades workers	178
721	Sheet and structural metal workers, molders and welders	165
311	Physical and engineering science technicians	146
933	Transport and storage laborers	123
422	Client information workers	113
Small Size		**4,007**
513	Waiters and bartenders	1,102
522	Shop salespersons	390
512	Cooks	248
711	Building frame and related trades workers	209
216	Architects, planners, surveyors and designers	158
723	Machinery mechanics and repairers	145
521	Street and market salespersons	129
311	Physical and engineering science technicians	116
833	Heavy truck and bus drivers	113
214	Engineering professionals (excluding electro technology)	99

Medium Size		**954**
815	Textile, fur and leather products machine operators	127
513	Waiters and bartenders	79
712	Building finishers and related trades workers	62
723	Machinery mechanics and repairers	47
Large Size		**400**
815	Textile, fur and leather products machine operators	84
753	Garment and related trades workers	58
214	Engineering professionals (excluding electro technology)	20
	Total number of cases:	**7,995**

Note: *Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession*

There is different pattern regarding the situation with skills' shortages in the three regions. The Northern Region deficiencies are more with regards to the professions related to production, mining and construction. The Central Region deficiencies are more related to the service sector, while South region is more related to the sectors of services and construction.

Table 4.8: Most frequent professions (grouped by ISCO code) with skills' shortages for each Region and the estimated total number of skills shortage cases in the Frame, by Region

ISCO code (fist 3 digits) and description		Cases
North Region		**1,598**
311	Physical and engineering science technicians	204
711	Building frame and related trades workers	167
513	Waiters and bartenders	112
214	Engineering professionals (excluding electro technology)	87
815	Textile, fur and leather products machine operators	74
832	Car, van and motorcycle drivers	73
723	Machinery mechanics and repairers	71
811	Mining and mineral processing plant operators	56
Center Region		**3,403**
513	Waiters and bartenders	663
512	Cooks	245
522	Shop salespersons	178
723	Machinery mechanics and repairers	174
216	Architects, planners, surveyors and designers	149
933	Transport and storage laborers	142
911	Domestic, hotel and office cleaners and helpers	117
815	Textile, fur and leather products machine operators	109
751	Food processing and related trades workers	107
South Region		**2,994**
513	Waiters and bartenders	593
522	Shop salespersons	458
711	Building frame and related trades workers	300
512	Cooks	200
712	Building finishers and related trades workers	173
721	Sheet and structural metal workers, molders and welders	136
521	Street and market salespersons	129
422	Client information workers	127
751	Food processing and related trades workers	121
	Total number of cases:	**7,995**

Note: *Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession*

“Insufficient knowledge at the time of recruitment” is the most selected reason regarding skills’ shortage in the businesses. In particular, that reason appears to be several times more often occurring in the sectors of Manufacturing and Wholesale, retail trade and repairing than in the other sectors, with respectively 1,028 and 1,329 cases.

In Construction sector, any potential reason causing skills shortage is selected by a relatively high number of businesses in the sector (20%-33% out of a total 2,460 construction companies).

Similar situation with Construction, but a little softer, appears in the sector of Accommodation and Food service. Differently to any other sector, for companies of Accommodation and Food service the most frequent reason is “lack of motivation” estimated to be the case in 956 companies in the sector.

Table 4.9: Estimated number of the main reasons for all the skills’ shortage cases of Frame firms, by Sector

Reasons of skills shortage	B	C	D	E	F	G	H	I	J	M	N	R	S	Total
Insufficient knowledge already at time of recruit.	176	**1,028**	25	42	**812**	**1,329**	83	889	92	176	105	107	73	**4,938**
Lack/ insufficient of the job training	16	149	18	17	**503**	47	97	567			4		18	**1,437**
Wrong recruitment	74	323	25	15	**548**	291	12	623			17	107		**2,036**
Frequent change of jobs	35	492		14	**577**	686	43	858	1	103	34	21		**2,866**
Insufficient capacity to learn	62	364	2	15	**543**	345	123	777	6		37	107	13	**2,394**
Lack of experience / recently recruited	90	497	30	21	**725**	396	105	797	5	210	55	21	11	**2,968**
Lack of motivation	4	278		8	**512**	485	3	**956**	2		19	107	14	**2,392**

***Notes**: 1. Each company had the options to choose 0-5 professions; therefore a minority of them are represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession*

2. B= Mining and quarrying
C= Manufacturing
D= Electricity, gas, stream…
E= Water supply, sewerage, waste…
F= Construction
G= Wholesale and retail trade, repair…
H= Transportation and storage
I= Accommodation and food service
J= Information and communication
K= Financial and insurance activities
L= Real estate Activities
M= Professional, scientific and technical
N= Administrative and support service
R= Arts, entertainment and recreation
S= Other service activities

Again, while talking about the main reasons for skills’ shortages the South Region appears to be the most problematic one. Despite the fact that North and South region have nearly the same number of the businesses on the frame, South scored frequencies of cases 2-11 times higher than North region for every single reason of the skills’ shortages. It is hard to know the reasons behind without making a study, but they can be related to dominate culture in the region (more demanding), to education/ experience etc.

Table 4.10: Estimated number of the main reasons for all the skills' shortage cases from firms in the Frame by Region

Reasons of skills shortage	North	Center	South	Total
Insufficient knowledge already at time of recruit.	1,029	1,734	2,175	**4,938**
Lack/ insufficient of the job training	79	452	906	**1,437**
Wrong recruitment	220	399	1,418	**2,036**
Frequent change of jobs	151	1,448	1,267	**2,866**
Insufficient capacity to learn	427	728	1,239	**2,394**
Lack of experience / recently recruited	765	795	1,408	**2,968**
Lack of motivation	244	864	1,284	**2,392**

***Note**: Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession*

Each potential reason for the skills shortage is related to the same groups of professions: Waiters/Bartenders, Building workers and Shop salespersons. This strengthens the logic that the reasons are much more interrelated to each-other, where the strongest cause is "Insufficient knowledge already at the time of recruitment" meaning that it is what you can get in the labor market.

As a conclusion the dominating reason why approximately 15% of the businesses in Albania are facing skills shortages in the staff is general because the labor market cannot offer to them candidates with sufficient knowledge and skills. However, professions having mostly skills shortages are waiters, building workers and shop salesperson and on the job training might be very helpful to overcome such problem.

Table 4.11: Most frequent professions (grouped by ISCO code) for each main reason of the skills' shortages

Reasons for skills shortage & ISCO code (first 3 digits)		Cases
Insufficient knowledge already at time of recruit		**4,938**
513	Waiters and bartenders	593
711	Building frame and related trades workers	403
522	Shop salespersons	387
311	Physical and engineering science technicians	236
712	Building finishers and related trades workers	227
422	Client information workers	206
721	Sheet and structural metal workers, molders and welders	204
Lack/ insufficient of the job training		**1,437**
513	Waiters and bartenders	322
711	Building frame and related trades workers	274
712	Building finishers and related trades workers	208
Wrong recruitment		**2,036**
513	Waiters and bartenders	408
711	Building frame and related trades workers	322
522	Shop salespersons	201
Frequent change of jobs		**2,866**
513	Waiters and bartenders	573
522	Shop salespersons	496
512	Cooks	359
711	Building frame and related trades workers	328
Insufficient capacity to learn		**2,394**
513	Waiters and bartenders	462
711	Building frame and related trades workers	288
712	Building finishers and related trades workers	225

Lack of experience / recently recruited		2,968
513	Waiters and bartenders	557
711	Building frame and related trades workers	412
723	Machinery mechanics and repairers	190
Lack of motivation		**2,392**
513	Waiters and bartenders	690
522	Shop salespersons	359
711	Building frame and related trades workers	252

***Note**: Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession*

As it was expected, the lack of "Professional skills" is the most frequent concern for most of the professions' groups individually, as well as for the total pool of cases (59% of them), where companies declare to have skills shortage. However the top three most problematic groups of professions, are mostly lacking skills related to the physiognomy of the profession itself.

For the "Personal Services Workers" (waiters, bartenders, cooks, and hostesses) in 60% of the valid cases the communication skills are the main concern. For the "Sales Workers" in 50% of the valid cases the lack of the ability to work in team is the most frequent one. While for the "Building and Related Trades Workers (excluding Electricians)" a hefty 86% of valid cases do not have enough work experience.

Table 4.12: Frequencies of skills and other requirements lacking for the 5 most selected profession groups with skills shortage

Skills	Percentage of cases inside the ISCO code subgroups					All professions
	ISCO 51	ISCO 52	ISCO 71	ISCO 72	ISCO 21	
1. Professional skills	50%	38%	**85%**	**87%**	**86%**	**59%**
2. Reading & official writing skills	11%	1%	52%	4%	8%	11%
3. Communication skills	**60%**	43%	47%	5%	3%	35%
4. Creativity	33%	44%	63%	13%	29%	28%
5. Computer skills	37%	9%	62%	24%	7%	28%
6. Organizational skills	34%	24%	68%	25%	69%	34%
7. Ability to work in a Team	49%	**50%**	49%	18%	17%	31%
8. Ability to learn	26%	42%	60%	34%	14%	33%
9. Foreign languages knowledge	17%	12%	0%	3%	12%	10%
10. Appropriate level of education	27%	44%	18%	16%	34%	31%
11. Work experience	50%	43%	**86%**	53%	56%	54%
12. Correctness/Integrity	50%	39%	51%	38%	8%	39%

Skills	Percentage of cases inside the ISCO code subgroups					All professions
	ISCO 51	ISCO 52	ISCO 71	ISCO 72	ISCO 21	
13. Outer appearance	11%	6%	45%	1%	1%	10%
14. Age	19%	21%	52%	40%	12%	22%
15. Gender	15%	6%	1%	22%	0%	9%
Total in %	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Total number of cases (or 100%)	**1,964**	**838**	**836**	**587**	**453**	**7,995**

***Note**: ISCO grouping codes description for the table titles are:*

***51** = Personal Services Workers*
***52** = Sales Workers*
***71** = Building and Related Trades Workers (excluding Electricians)*
***72** = Metal, Machinery and Related Trades Workers*
***21** = Science and Engineering Professionals*

There are 5,032 companies undertaking at least one action to address skills 'shortage of the existing employees. Outsourcing the services and application of a state employment scheme is very little used. All the other options like Staff replacement, increase training, etc., are more or less used with the same frequencies.

Table 4.13: Frequencies of the actions undertaken to address skills' shortage of existing staff

Actions to address skills shortage	Sample		Frame	
	Firms	%	Firms	%
Staff replacement	173	11.4%	2,691	7.5%
Improvement of recruitment procedures	175	11.5%	2,392	6.7%
Increase trainings	222	14.6%	2,322	6.5%
Outsource services to specialized experts and/or companies	43	2.8%	251	0.7%
Find a solution within the enterprise (new organization)	200	13.2%	2,129	5.9%
Application of a state employment/training scheme	47	3.1%	575	1.6%
Total number of businesses with at least one action taken	**403**	**26.5%**	**5,032**	**14.0%**

***Note**: Percentages are over the total number of firms respectively in the Sample and Frame*

Almost all companies (94.4%) that have skills 'shortage of the existing employees, undertake at least one action to address these shortage. This remains true also for the small sized businesses. While staff replacement is the most used action for the Micro size group (64.6%), increase training is the most used action (63.3%) for the large size group.

Table 4.14: Percentage of firms in the Frame, undertaking actions to address skills' shortage of staff, for each Size group.

Employment concerns	Micro	Small	Medium	Large	Total
Staff replacement	**64.6%**	41.9%	42.9%	32.2%	50.5%
Improvement of recruitment procedures	46.5%	45.2%	35.6%	47.7%	44.9%
Increase trainings	40.6%	44.5%	42.9%	**63.3%**	43.5%
Outsource services to specialized experts and/or companies	2.7%	3.8%	12.2%	18.6%	4.7%
Find a solution within the enterprise (new organization)	49.5%	30.9%	42.9%	48.7%	39.9%
Application of a state employment/training scheme	5.9%	13.9%	9.4%	25.1%	10.8%
Total number of businesses with at least one action taken	**95.6%**	**92.4%**	**97.4%**	**98.5%**	**94.4%**
Number of firms with employees lacking relevant skills (or 100%)	**2,078** 100.0%	**2,547** 100.0%	**508** 100.0%	**199** 100.0%	**5,332** 100.0%

***Note**: Percentages are over the total number of firms with employees lacking relevant skills in each Size Group*

5 RECRUITMENT FOR NES VACANCIES

Fill-up Vacancies

The businesses often complain that it is difficult to find skilled workers, and filling a job can take months of hunting[36]. The methods used by businesses to fill their vacancies are very different and vary from announcements in the newspapers, to promotion of the existing workers. The results below indicate that in Albania "Acquaintances, relatives and friends" continues to remain the preferred method used by businesses for filling up the vacancies. Thus, 58.9% of the total number of businesses declares this, while 43.9% of them use this method as their first choice. "From public employment offices" method is moderately used by businesses as first choice (11.8%), but it is the most used way as the second choice by 20.2% of them.

During last decade several recruitment and employment portals and companies are operating in Albania such as Duapune, Albapunesim, P&P, Gulfalbania etc. They have their jobseekers register and work to match the right candidates with the right companies. They recruit on a wide area, anywhere market needs, providing to service businesses, manufacturing companies, large businesses with many employees, foreign investors' candidates from the lowest profile to the highest level of management. In many cases they offer trainings to the jobseekers in order to improve their skills according to the needs of the companies.

"Self presenting to the company" was listed by the respondents under the open answer. It seems to be a method that is used by many job seekers, and if it would have been in the list of choices, the answer rate might have been higher than 2.3%. Also, several recruitment companies operate in the market. "Recruitment from specialized private companies" is not listed separately in the current questionnaire as used methods, but there are businesses that have declared to have used such a way.

Table 5.1: Frequency of methods used by business in the Frame to fill the vacancies

Methods to use for filling vacancies	1st choice		2nd choice		3rd choice		All choices	
	Firms	%	Firms	%	Firms	%	Firms	%
Announcements in newspaper, Job portals, Company's Website etc.	6,067	**16.9**	3,480	9.7	3971	11.1	13,518	37.7
From education/training institutions	708	**2.0**	616	1.7	1,052	2.9	2,376	6.6
From public employment offices	4,219	**11.8**	7,225	20.2	3,346	9.3	14,790	41.3
Acquaintances, relatives and friends	15,708	**43.9**	3,733	10.4	1,655	4.6	21,096	58.9
Promoting existing workers in the enterprise	5,891	**16.4**	5,693	15.9	3,566	10.0	15,150	42.3
Self presenting to the company*	552	**1.5**	114	0.3	158	0.4	824	2.3
Procedures from the state agency which belongs*	54	**0.2**	8	0.0	4	0.0	66	0.2
Total answering	**33,199**	**92.7**	**20,869**	**58.2**	**13,752**	**38.3**		

***Note**: All % figures are calculated as the percentages over the total number of firms in the Frame*
**) These methods are result from the open text option*

The results coming out from the sector disaggregation of the data indicate that "Acquaintances, relatives and friends" is the first used method for most of the economic sectors.

36 Cappelli, Why Companies Aren't Getting the Employees They Need, 2011.

Sectors scoring higher and high in using other listed methods are:

- "Announcements in newspaper, Job portals, Company's website etc." is used as the first method for recruitment in the 46% and 42% of "Information and communication" and "Professional, scientific and technical" companies respectively.
- For 52% of the "Electricity, gas and stream" companies the first used method is getting candidates from the public employment offices.
- For 39% of the "Water supply, sewerage, waste" companies the first used recruitment method is "Promoting the existing workers inside the company", which might be related to the use of EPPs and the fact that many of this are implemented through large companies and the main EPPs is training and internships for new graduates.

Table 5.2: Method used by business in the Frame to fill the vacancies, for each economic sector.

First choice methods used for filling vacancies	B in %	C in %	D in %	E in %	F in %	G in %	H in %	I in %	J in %	K in %	L in %	M in %	N in %	R in %	S in %	Total in %
Announcements in news-paper, Job portals, Website	34	9	34	11	8	13	8	21	**46**	15	35	**42**	24	21	27	**18**
From education/training institutions	0	1	0	0	7	1	3	1	0	1	0	2	1	3	9	**2**
From public employment offices	10	24	**52**	30	17	13	18	9	0	13	6	5	14	21	3	**13**
Acquaintances, relatives and friends	41	50	10	10	42	50	38	59	44	66	49	33	48	16	20	**47**
Promoting existing workers in the enterprise	12	16	4	**39**	24	23	31	10	10	5	10	17	12	6	23	**18**
Self presenting to the company*	3	0	0	7	0	0	1	0	0	0	0	0	1	24	18	**2**
Procedures from the state agency which belongs*	0	0	0	3	0	0	0	0	0	0	0	0	0	8	0	**0**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Note: *B= Mining and quarrying*
C= Manufacturing
D= Electricity, gas, stream…
E= Water supply, sewerage, waste…
F= Construction
G= Wholesale and retail trade, repair…
H= Transportation and storage
I= Accommodation and food service
J= Information and communication
K= Financial and insurance activities
L= Real estate Activities
M= Professional, scientific and technical
N= Administrative and support service
R= Arts, entertainment and recreation
S= Other service activities

It results that there is a negative correlation between the size of the businesses and frequencies of the first used method to fill up the vacancy. As it is expected "Acquaintances, relatives and friends" is the dominated method of recruitment for Micro size businesses (55.2% of Micro businesses). As the businesses' size increase the use of this recruitment method declines ending-up to a modest 12.4% for the large size companies.

Most of other vacancies' filling methods have positive correlation with businesses' size. "Announcements in newspaper, Job portals, Company's Website" is the most used recruitment method for both Medium and Large size companies (32.9% and 30.6% of the companies respectively).

The frequency of using the "Public employment offices" as a method of filling up the vacancies varies from 11.0% for the Micro size businesses to 30.0% for the large size ones.

Table 5.3: Distribution of first choice method used by business in the Frame to fill the vacancies, for each Size group.

First choice methods used for filling vacancies	Micro	Small	Medium	Large	Total
Announcements in newspaper, Job portals, Company's Website	12.0%	29.2%	**32.9%**	**30.6%**	**18.3%**
From education/training institutions	2.0%	2.0%	3.8%	4.0%	**2.1%**
From public employment offices	11.0%	14.3%	19.2%	30.0%	**12.7%**
Acquaintances, relatives and friends	**55.2%**	**36.3%**	20.9%	12.4%	**47.3%**
Promoting existing workers in the enterprise	18.6%	15.2%	19.4%	19.0%	**17.7%**
Self presenting to the company*	1.1%	2.8%	2.6%	2.5%	**1.7%**
Procedures from the state agency which belongs*	0.1%	0.1%	1.1%	1.5%	**0.2%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

While in general "Acquaintances, relatives and friends ", is the dominated method for all regions, there are differences between regions regarding the relative shares of the used methods. In particular this method is used more in the South (59.6%) and North (56.5), and considerably less in the Center Region (37.7%).

In the Center region, the relative shares of using "Announcements in newspaper, Job portals, Website" and "Promoting existing workers" is two or more times higher than the respective percentages in the North and South region.

There is an interesting figure resulting for the businesses in the Northern Region, 25.5 % of them have used the "public employment offices" as the first method to fill up their vacancies.

Table 5.4: Distribution of first choice method used by businesses in the Frame to fill the vacancies, by Region

First choice methods used for filling vacancies	North	Center	South	Total
Announcements in newspaper, Job portals, Company's Website	5.4%	**26.3%**	12.7%	**18.3%**
From education/training institutions	1.4%	2.2%	2.8%	**2.1%**
From public employment offices	25.5%	7.0%	13.2%	**12.7%**
Acquaintances, relatives and friends	**56.5%**	37.7%	**59.6%**	**47.3%**
Promoting existing workers in the enterprise	10.5%	**23.8%**	11.2%	**17.7%**
Self presenting to the company*	0.6%	2.7%	0.4%	**1.7%**
Procedures from the state agency which belongs*	0.1%	0.2%	0.1%	**0.2%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Skills' Importance

The survey gets data about the skills expected at the moment the business is recruiting a new employee. 6 categories of professions according to the National List of Professions drafted by NAVETQ, have been chosen for this purpose (presented in the Table 5.5).

Table 5.5: Number and % of companies in the Frame, responding to the question of how important are the listed skills, when recruiting a new employee.

	Group 1 High Specialists and Administrate with high education	Group 2 Implementation Technicians and specialists	Group 3 Sales and services employees	Group 4 Craftsmen, handcraft men and relevant professions	Group 5 Assemblage workers, maintenance workers & machinery workers	Group 6 Workers (elementary jobs)
N	17,508	9,264	20774	29,033	7929	11,476
N as % over total for Albania	48.9	25.9	58%	81.1	21.1	32.0

Referring to the professions' group "High Specialists and Administrate with high education" the following situation is identified regarding the importance level of skills and personal criteria:

- Very important:
  All skills and personal criteria, but four (analyzed below), are in general very important. Mode and Median scored "4=very important" and the average is above "important" (i.e. > 3.0).
- Important:
  The knowledge on Foreign languages is assessed as being important.
- Somewhat Important:
  Outer appearance and Age in general seem to be somewhat important. Mode and Median scored "2= somewhat important" and the average value is above "somewhat important" (2.4 and 2.2).
- Little important:
  Gender seems to be of little importance for this group of professions. Mode scored "1= unimportant" and the average value is 1.9, which is below "somewhat important" (i.e. <2.0).

Table 5.6: Importance of skills & personal profile criteria when recruiting a new employee, Group 1.

High Specialists and Administrate with high education *(Prof. group 1)*								
	SKILLS and Personal Profile Criteria	**Percentages of Frequencies (valid %)**				**Descriptives**		
		unimportant or NA [1]	**somewhat important [2]**	**Important [3]**	**very important [4]**	**Mean**	**Median**	**Mode**
1	Professional skills	8.4	0.8	14.2	76.6	**3.6**	4	4
2	Reading & official writing skills	11.9	3.6	21.8	62.7	**3.4**	4	4
3	Communication skills	9.0	2.1	17	71.9	**3.5**	4	4
4	Creativity	10.5	10.8	26.8	51.9	**3.2**	4	4
5	Computer skills	10.1	6.0	30.0	53.9	**3.3**	4	4
6	Organizational skills	8.4	4.0	26.8	60.9	**3.4**	4	4
7	Ability to work in a Team	10.6	4.5	28.5	56.4	**3.3**	4	4
8	Ability to learn	10.8	3.5	34.5	51.3	**3.3**	4	4
9	Foreign languages knowledge	15.1	15.4	32.0	37.4	**2.9**	3	4
10	Formal Education	8.1	2.7	21	68.2	**3.5**	4	4
11	Work experience	8.0	2.3	29.1	60.6	**3.4**	4	4
12	Correctness/Integrity	7.9	0.2	16.4	75.5	**3.6**	4	4
13	Outer appearance	23.2	28.8	28.0	20.1	**2.4**	2	2
14	Age	27.3	39.1	20.5	13.1	**2.2**	2	2
15	Gender	41.8	33.8	13.1	11.3	**1.9**	2	1

Referring to the professions' group "Implementation Technicians and specialists" the following situation is identified regarding the importance level of skills and personal criteria:

- Very important:
  The average value indicates that none of the skills seem to be very important. Professional skills and Correctness/Integrity are the only skills/criteria which have both Mode and Median scoring "4=very important". But these skills have also a significant share of businesses scoring "1=unimportant", respectively 27.7% and 29.6%, which lowers the average values and classifying them as "important".

- Important:
  All skills/criteria, except 4 of them (analyzed below) are assessed as important. Median and Mode score at least 3, and the average falls in the interval 2.6-3.0.

- Somewhat Important to almost important:
  Reading/Writing and Computer skills are almost important (average = 2.5).
  In general, foreign languages knowledge, Outer appearance and Age are somewhat important.

- Little important:
  Again, Gender is of little importance. Average score is 1.8 (ie <2.0) and near half of the businesses (49.7%) consider Gender not important.

Table 5.7: Importance of skills & personal profile criteria when recruiting a new employee, Group 2

Implementation Technicians and specialists *(Prof. group 2)*								
	SKILLS and Personal Profile Criteria	**Percentages of Frequencies (valid %)**				**Descriptive**		
		unimportant or NA [1]	**somewhat important [2]**	**Important [3]**	**very important [4]**	**Mean**	**Median**	**Mode**
1	Professional skills	27.7	0.8	15.4	56.0	**3.0**	4	4
2	Reading & official writing skills	32.9	9.6	31.3	26.2	**2.5**	3	1
3	Communication skills	28.9	2.9	30.1	38.1	**2.8**	3	4
4	Creativity	30.2	12.9	28.5	28.4	**2.6**	3	1
5	Computer skills	34.3	9.9	31.5	24.2	**2.5**	3	1
6	Organizational skills	28.4	7.5	36.0	28.1	**2.6**	3	3
7	Ability to work in a Team	29.7	3.0	28.6	38.7	**2.8**	3	4
8	Ability to learn	31.1	4.6	36.7	27.6	**2.6**	3	3
9	Foreign languages knowledge	41.3	23.0	22	13.8	**2.1**	2	1
10	Formal Education	30.3	7.7	29.6	32.3	**2.6**	3	4
11	Work experience	29.5	3.0	29.1	38.4	**2.8**	3	4
12	Correctness/Integrity	29.6	0.9	17.8	51.6	**2.9**	4	4
13	Outer appearance	42.3	27.2	20.6	9.8	**2.0**	2	1
14	Age	40.0	27.9	24.5	7.6	**2.0**	2	1
15	Gender	49.7	25.7	15.8	8.7	**1.8**	2	1

Referring to the professions' group "Sales and services' employees" the following situation is identified regarding the importance level of skills and personal criteria:

- Very important: .
  Communication skills, Professional skills and Correctness/Integrity are the only very important skills/criteria as assessed by the businesses. They have both Mode and Median scoring "4=very important" and the average value is above "important" (i.e. > 3.0).

- Important:
  All the remaining skills/criteria, except Foreign languages and Gender are assessed as important. Median and Mode score at least 3 and average scores are in the interval 2.5-3.1.

- Somewhat Important:
  Foreign languages and Gender are the only "somewhat important" skills/criteria.

Table 5.8: Importance of skills & personal profile criteria when recruiting a new employee, Group 3.

Sales and services' employees *(Prof. group 3)*								
	SKILLS and Personal Profile Criteria	Percentages of Frequencies (valid %)				Descriptives		
		unimportant or NA [1]	somewhat important [2]	Important [3]	very important [4]	Mean	Median	Mode
1	Professional skills	13.6	2.0	28.2	56.3	**3.3**	4	4
2	Reading & official writing skills	15.7	18.1	37.2	29.1	**2.8**	3	3
3	Communication skills	7.9	2.7	20.8	68.5	**3.5**	4	4
4	Creativity	18.0	23.9	35.2	22.9	**2.6**	3	3
5	Computer skills	18.7	28.2	34.8	18.3	**2.5**	3	3
6	Organizational skills	18.3	14.2	37.8	29.8	**2.8**	3	3
7	Ability to work in a Team	15.0	7.0	33.0	45.0	**3.1**	3	4
8	Ability to learn	13.9	8.9	36.9	40.3	**3.0**	3	4
9	Foreign languages knowledge	25.7	30.7	25.7	18.0	**2.4**	2	2
10	Formal Education	11.9	24.8	44.2	19.2	**2.7**	3	3
11	Work experience	11.3	9.2	37.9	41.6	**3.1**	3	4
12	Correctness/Integrity	8.5	1.6	21.5	68.3	**3.5**	4	4
13	Outer appearance	13.1	24.4	37.4	25.1	**2.7**	3	3
14	Age	13.7	35.9	37.0	13.4	**2.5**	3	3
15	Gender	32.6	31.9	26.1	9.4	**2.1**	2	1

Considering the professions' group of "Craftsmen, handcraft men and relevant professions" the importance of skills and personal criteria is as follows:

For every single skill/personal criterion, the share of "unimportant" answer presents the largest share (see Mode =1), varying between 40.2% (Work experience) to 63.2% (Foreign languages).

Also average scores for all skills/criteria are in the interval 1.8 to 2.5, therefore all the skills/criteria for this group are somewhere between little importance to moderate importance.

In terms of relative comparison between criteria, Correctness/ Integrity is the most assessed personal profile criteria declared as "very important" by 38.4% of the businesses, followed by "Professional skills" with 37.3%.

Table 5.9: Importance of skills & personal profile criteria when recruiting a new employee, Group 4.

	Craftsmen, handcraft men and relevant professions *(Prof. group 4)*							
	SKILLS and Personal Profile Criteria	**Percentages of Frequencies (valid %)**				**Descriptives**		
		unimportant or NA [1]	**somewhat important [2]**	**Important [3]**	**very important [4]**	**Mean**	**Median**	**Mode**
1	Professional skills	42.9	3.9	15.9	37.3	**2.5**	3	1
2	Reading & official writing skills	49.9	17.8	20.8	11.5	**1.9**	2	1
3	Communication skills	46.0	8.1	22.0	23.8	**2.2**	2	1
4	Creativity	46.9	8.8	21.1	23.1	**2.2**	2	1
5	Computer skills	55.4	22.0	14.4	8.2	**1.8**	1	1
6	Organizational skills	50.1	16.0	18.1	15.8	**2.0**	1	1
7	Ability to work in a Team	47.0	4.5	17.8	30.7	**2.3**	2	1
8	Ability to learn	43.7	5.2	23.5	27.6	**2.4**	3	1
9	Foreign languages knowledge	63.2	17.9	11.0	7.9	**1.6**	1	1
10	Formal Education	48.6	16.7	18.0	16.7	**2.0**	2	1
11	Work experience	40.2	6.8	23.3	29.7	**2.4**	3	1
12	Correctness/Integrity	42.7	3.2	15.8	38.4	**2.5**	3	1
13	Outer appearance	59.8	14.9	13.5	11.7	**1.8**	1	1
14	Age	44.1	15.9	29.5	10.5	**2.1**	2	1
15	Gender	53.9	15.8	19.9	10.4	**1.9**	1	1

Referring the professions' group of "Assemblage workers, maintenance workers and machinery workers" the level of importance of skills and personal criteria is as follows:

- Important:
  Professional skills, ability to learn, work experience and correctness/integrity are important skills/criteria. Median scores 3, and average value is in the interval 2.5-2.7.
- Little Important:
  Foreign languages, outer appearance, and computer skills are of little importance by having both Median and Mean "1=unimportant".
- Somewhat Important:
  Eight remaining skills/criteria, in general, are "somewhat important" for the businesses of this group.

Table 5.10: Importance of skills & personal profile criteria when recruiting a new employee, Group 5.

Assemblage workers, maintenance workers and machinery workers *(Prof. group 5)*								
	SKILLS and Personal Profile Criteria	Percentages of Frequencies (valid %)				Descriptives		
		unimportant or NA [1]	somewhat important [2]	Important [3]	very important [4]	Mean	Median	Mode
1	Professional skills	34.0	5.5	18.9	41.6	**2.7**	3	4
2	Reading & official writing skills	43.4	26.1	21.9	8.6	**2.0**	2	1
3	Communication skills	35.9	18.3	29.5	16.3	**2.3**	2	1
4	Creativity	45.1	14.1	27.1	13.6	**2.1**	2	1
5	Computer skills	51.1	26.9	14.7	7.3	**1.8**	1	1
6	Organizational skills	41.9	15.7	29.6	12.8	**2.1**	2	1
7	Ability to work in a Team	38.9	5.3	32.2	23.6	**2.4**	3	1
8	Ability to learn	35.2	5.6	35.8	23.4	**2.5**	3	3
9	Foreign languages knowledge	60.6	23.0	11.9	4.5	**1.6**	1	1
10	Formal Education	42.8	25.9	21.2	10.1	**2.0**	2	1
11	Work experience	35.2	2.8	33.5	28.5	**2.6**	3	1
12	Correctness/Integrity	33.0	6.0	22.6	38.4	**2.7**	3	4
13	Outer appearance	51.7	29.2	13.7	5.4	**1.7**	1	1
14	Age	39.7	25.2	28.4	6.7	**2.0**	2	1
15	Gender	47.3	19.3	23.1	10.3	**2.0**	2	1

Regarding the professions' group of "Workers of elementary jobs" the level of importance of skills and personal criteria is as follows:

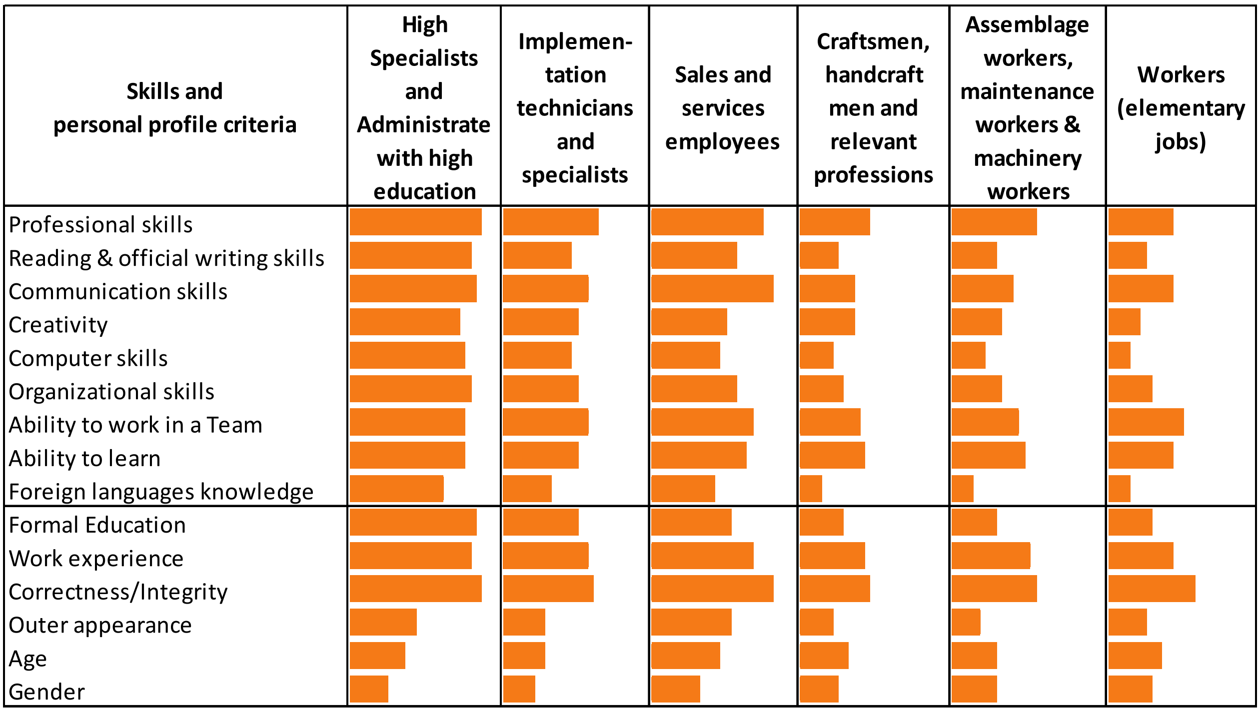
- <u>Important:</u>
  Only Correctness/Integrity and ability to work on a team, are important skills/criteria. Mode and Median scoring 4 and 3, average values are respectively 2.8 and 2.6.
- <u>Little Important:</u>
  Foreign languages and computer skills are of little importance by having both Median and Mean scoring 1, share of "unimportant" above 62% and the average 1.6.
- <u>Somewhat Important:</u>
  All eleven remaining skills/criteria, in general, are "somewhat important" for the businesses of this group with average scores in the interval 1.8 to 2.4

Table 5.11: Importance of skills & personal profile criteria when recruiting a new employee, Group 6.

	Workers of elementary jobs *(Prof. group 6)*							
	SKILLS and Personal Profile Criteria	Percentages of Frequencies (valid %)				Descriptives		
		unimportant or NA [1]	somewhat important [2]	Important [3]	very important [4]	Mean	Median	Mode
1	Professional skills	31.3	21.8	22.8	24.0	**2.4**	2	1
2	Reading & official writing skills	45.1	29.7	14.2	11.0	**1.9**	2	1
3	Communication skills	27.1	25.6	26.7	20.7	**2.4**	2	1
4	Creativity	49.3	26.0	15.2	9.6	**1.8**	2	1
5	Computer skills	62.3	23.1	9.0	5.6	**1.6**	1	1
6	Organizational skills	42.0	25.6	19.9	12.5	**2.0**	2	1
7	Ability to work in a Team	24.8	20.9	25.9	28.5	**2.6**	3	4
8	Ability to learn	31.6	17.9	33.9	16.5	**2.4**	3	3
9	Foreign languages knowledge	64.6	21.1	4.9	9.4	**1.6**	1	1
10	Formal Education	36.9	38.9	15.2	9.0	**2.0**	2	2
11	Work experience	32.2	13.9	35.3	18.6	**2.4**	3	3
12	Correctness/Integrity	23.4	9.2	29.0	38.4	**2.8**	3	4
13	Outer appearance	49.9	24.5	13.7	11.9	**1.9**	2	1
14	Age	31.6	31.4	24.3	12.7	**2.2**	2	1
15	Gender	42.3	25.9	18.7	13.1	**2.0**	2	1

The above tables and analysis on the importance of skills & personal profile criteria when businesses recruit new employees are summarized in the Chart 5.1.

Chart 5.1: Average importance of skills & personal profile criteria when recruiting a new employee, for all groups of professions



***Note**: A full bar in the picture means "very important", an empty bar means "unimportant"*

Skills/Criteria Difficult to be found

Businesses are often facing difficulties to find the applicants with the right skills/criteria. More often these difficulties are faced with regard to Professional skills (54.8% of the businesses), Work experience (45.4%) and Correctness/ Integrity (44.8%).

The criteria regarding Reading & writings skills, Computer skills, Outer appearance, Gender and Age usually are easy to be found.

Table 5.12: Frequencies of applicants' skills/criteria difficult to be found by businesses

	Applicants' skills/criteria	Sample		Frame	
		Firms	%	Firms	%
1	Professional skills	967	63.7	19,635	**54.8**
2	Reading & official writing skills	55	3.6	971	2.7
3	Communication skills	426	28.1	12,696	**35.4**
4	Creativity	273	18.0	4,626	12.9
5	Computer skills	109	7.2	1,933	5.4
6	Organizational skills	274	18.1	4,988	13.9
7	Ability to work in a Team	483	31.8	9,132	25.5
8	Ability to learn	335	22.1	7,812	21.8
9	Foreign languages knowledge	155	10.2	2,903	8.1
10	Education	215	14.2	3,065	8.6
11	Work experience	796	52.4	16,270	**45.4**
12	Correctness/Integrity	594	39.1	16,040	**44.8**
13	Outer appearance	65	4.3	1,429	4.0
14	Age	143	9.4	2,602	7.3
15	Gender	74	4.9	2,198	6.1

***Note**: Percentages are over the total number of firms respectively in the Sample and Frame*

The sector disaggregated data indicate much different patterns of frequencies regarding the difficulties to find the right skills/criteria at the applicants. Thus, each economic sector has its own fingerprint. There are hefty variations of percentages inside the sector compared with the total percentages.

Let us consider the criteria regarding Work Experience and Correctness/Integrity which in total have almost the same scoring, about 45%. In the sector of "Mining and quarrying", the Work Experience is estimated to be difficult to found for about 81% of businesses in this sector, while Correctness/Integrity is only to a tiny 3% fraction of mining businesses. The same criteria face a vice-versa situation considering the "Arts, entertainment and recreation" sector, where the "Correctness/Integrity" is difficult to be found for 79% of the businesses and the "Work experience" is assessed as difficult to be found by 20% of the businesses.

Table 5.13: Frequencies of applicants' skills/criteria difficult to be found from businesses in the Frame, for each economic sector

	Applicants' skills/criteria	B in %	C in %	D in %	E in %	F in %	G in %	H in %	I in %	J in %	K in %	L in %	M in %	N in %	R in %	S in %	Total in %
1	Professional skills	81	76	95	72	67	49	55	49	79	47	56	66	34	52	37	55
2	Reading & official writing skills	3	1	0	4	3	2	1	1	0	1	6	13	13	5	6	3
3	Communication skills	13	15	11	18	19	34	11	59	30	53	6	20	47	35	45	35
4	Creativity	2	15	1	11	14	14	6	10	34	17	47	21	5	25	3	13
5	Computer skills	12	2	16	4	6	4	16	6	15	5	10	7	5	1	6	5
6	Organizational skills	8	9	67	10	13	10	10	14	26	12	42	16	12	24	31	14
7	Ability to work in a Team	22	25	16	19	44	18	12	34	6	21	6	30	29	57	28	25
8	Ability to learn	36	33	7	16	31	22	27	18	6	8	47	26	18	6	11	22
9	Foreign languages knowledge	1	4	4	7	4	4	12	16	25	26	9	6	28		4	8
10	Education	8	8	17	24	13	10	14	5	25	5	47	8	7	24	1	9
11	Work experience	**81**	52	96	60	53	41	39	54	60	45	91	45	53	**20**	12	45
12	Correctness/Integrity	**3**	37	52	24	32	52	65	49	22	33	18	21	39	**79**	51	45
13	Outer appearance		7			3	3	4	5	0	8	6		20	1	2	4
14	Age	6	14		8	21	7	14	6	3	0	6		3	5		7
15	Gender	5	14		6	11	6	11	4	2	0	0		13			6

Notes: *1. All figures are shown in %. Percentages are over the total number of firms in the Sector subgroup*

2. *B= Mining and quarrying*
C= Manufacturing
D= Electricity, gas, stream…
E= Water supply, sewerage, waste…
F= Construction
G= Wholesale and retail trade, repair…
H= Transportation and storage
I= Accommodation and food service
J= Information and communication
K= Financial and insurance activities
L= Real estate Activities
M= Professional, scientific and technical
N= Administrative and support service
R= Arts, entertainment and recreation
S= Other service activities

Apart of some insignificant variations, the frequencies of applicants' skills/criteria difficult to be found have generally the same pattern for all Size and Region subgroups. This is the contrary situation of the Sector dimension. The difficulties of finding skills/criteria to applicants are more related with the economic sector regardless the size and the location of the business.

Table 5.14: Frequencies of applicants' skills/criteria difficult to be found from businesses in the Frame, for each Size group.

	Applicants' skills/criteria	Micro	Small	Medium	Large	Total
1	Professional skills	51.3%	59.4%	71.1%	64.4%	**54.8%**
2	Reading & official writing skills	2.1%	3.2%	6.3%	7.1%	**2.7%**
3	Communication skills	36.1%	36.4%	25.6%	28.9%	**35.4%**
4	Creativity	10.2%	17.6%	19.7%	20.0%	**12.9%**
5	Computer skills	4.2%	7.4%	8.5%	8.8%	**5.4%**
6	Organizational skills	11.6%	17.5%	23.2%	17.5%	**13.9%**
7	Ability to work in a Team	22.1%	31.3%	35.1%	34.1%	**25.5%**
8	Ability to learn	22.5%	19.0%	25.7%	26.2%	**21.8%**
9	Foreign languages knowledge	5.1%	13.5%	15.8%	15.2%	**8.1%**
10	Education	6.8%	11.5%	13.3%	16.2%	**8.6%**
11	Work experience	43.0%	50.0%	49.4%	55.4%	**45.4%**
12	Correctness/Integrity	45.7%	43.5%	41.7%	37.3%	**44.8%**
13	Outer appearance	3.3%	5.4%	4.8%	3.7%	**4.0%**
14	Age	6.2%	9.5%	8.8%	9.0%	**7.3%**
15	Gender	6.8%	5.0%	4.7%	4.0%	**6.1%**

***Notes**: 1. All figures are shown in %. Percentages are over the total number of firms in the Size subgroup*

Table 5.15: Frequencies of applicants' skills/criteria difficult to be found from businesses in the Frame, for each Region of Albania

	Applicants' skills/criteria	North	Center	South	Total
1	Professional skills	55.6%	55.3%	53.0%	**54.8%**
2	Reading & official writing skills	3.0%	2.7%	2.5%	**2.7%**
3	Communication skills	32.6%	37.4%	33.7%	**35.4%**
4	Creativity	10.6%	10.7%	19.9%	**12.9%**
5	Computer skills	5.9%	4.3%	7.5%	**5.4%**
6	Organizational skills	11.0%	17.9%	7.8%	**13.9%**
7	Ability to work in a Team	19.3%	25.8%	30.7%	**25.5%**
8	Ability to learn	22.8%	17.7%	30.0%	**21.8%**
9	Foreign languages knowledge	5.2%	9.7%	7.2%	**8.1%**
10	Education	6.1%	7.0%	14.3%	**8.6%**
11	Work experience	38.6%	43.8%	55.3%	**45.4%**
12	Correctness/Integrity	44.9%	44.7%	44.7%	**44.8%**
13	Outer appearance	2.0%	2.7%	8.8%	**4.0%**
14	Age	2.4%	3.8%	19.4%	**7.3%**
15	Gender	2.0%	4.1%	14.4%	**6.1%**

***Notes**: 1. All figures are shown in %. Percentages are over the total number of firms in the Region subgroup*

In the just above tables it was analyzed the general landscape of skills/criteria difficult to be found on the applicants for all type of vacancies from businesses in the Frame. It is very important to now a more precise situation just for the professions with the highest number of recruitments in the next 12 months.

Due to the importance of analyze for the top recruitment professions, some additional potential reasons were asked to the business to valuate. Data of tables and analysis are no related to the number of companies but to the number of cases. One case means 1 profession x 1 company. Since many companies will recruit more than one profession, it is obvious that the frequencies of cases will be higher than the respective frequencies for the number of companies.

As it is well detailed later in this report, the professional groups with the highest anticipated number of recruitments from all businesses in the Frame, in the next 12 months, are:

a. Sales Workers
b. Stationary plant and machine operators
c. Personal Services Workers
d. Building and Related Trades Workers (excluding Electricians)
e. Laborers, in Mining, Construction, Manufacturing and Transport
f. Science and Engineering Professionals

Professional skills (65% of new recruitment cases) and “Work experience” (56%) are the skills/requirements that are the most often considered as difficult. On the other side of the spectrum “Reading and writing skills”, “Outer appearance“, “Gender”, “Insufficient salary at the company” and “ Uninteresting working conditions” are very rarely a difficulty or a barrier for hiring people in the required profession.

Each profession’s group has its own pattern of frequencies of difficulties faced during the recruitment process. By analyzing the top 2 groups, new recruitment of “Sales workers” faces much more often difficulties than “Stationary plant and machine operators” for skills like “Communication skills” (67% vs. 24%), “Correctness/Integrity” (73% vs. 35%) and “Lack of career development perspective” (42% vs. 9%).

But in some other skills/requirement is the opposite situation, recruitment of “Sales workers” is the one facing much less difficulties for skills like “Professional skills” (53% vs. 85%), “Work experience” (50% vs. 72%) and “Ability to learn” (40%) vs. (57%).

Table 5.16: Frequencies of skills and other requirements which are difficult to be found to job applicants for the 6 most selected professions that anticipated new recruitments in the next 12 months.

Skills	Percentage of new recruitments by ISCO code groups						All professions
	ISCO 52	ISCO 81	ISCO 51	ISCO 71	ISCO 93	ISCO 21	
1. Professional skills	53%	**85%**	58%	69%	35%	59%	**65%**
2. Reading & official writing skills	7%	0%	5%	1%	6%	8%	6%
3. Communication skills	**67%**	24%	**61%**	13%	48%	24%	34%
4. Creativity	19%	13%	25%	19%	4%	26%	16%
5. Computer skills	15%	1%	3%	23%	8%	24%	11%
6. Organizational skills	21%	21%	10%	11%	2%	20%	15%
7. Ability to work in a Team	37%	49%	26%	29%	25%	30%	32%
8. Ability to learn	40%	**57%**	16%	24%	49%	26%	34%
9. Foreign languages knowledge	27%	2%	10%	3%	3%	24%	12%
10. Appropriate level of education	5%	24%	7%	17%	12%	27%	18%
11. Work experience	50%	**72%**	58%	56%	58%	68%	56%
12. Correctness/Integrity	**73%**	35%	48%	21%	61%	24%	43%
13. Outer appearance	8%	2%	20%	-	2%	8%	5%
14. Age	9%	18%	4%	19%	5%	11%	12%

Skills	Percentage of new recruitments by ISCO code groups						All professions
	ISCO 52	ISCO 81	ISCO 51	ISCO 71	ISCO 93	ISCO 21	
15. Gender	2%	8%	10%	9%	3%	1%	6%
16. Lack of interest for the kind of job	**43%**	38%	23%	8%	**52%**	13%	27%
17. Insufficient salary at the company	1%	8%	4%	3%	2%	**19%**	8%
18. Uninteresting working conditions	-	-	1%	2%	-	-	1%
19. Lack of career develop. perspective	**42%**	9%	15%	3%	4%	12%	14%
20. Low education level / qualification	11%	32%	4%	**39%**	12%	8%	18%
Total number of new Recruitments (or 100%)	**6,098**	**5,731**	**4,048**	**3,280**	**2,085**	**2,004**	**40,121**

Note: *ISCO grouping codes description for the table titles are:*

52 *= Sales Workers*
81 *= Stationary plant and machine operators*
51 *= Personal Services Workers*
71 *= Building and Related Trades Workers (excluding Electricians)*
93 *= Laborers, in Mining, Construction, Manufacturing and Transport*
21 *= Science and Engineering Professionals*

When companies cannot fill the vacancies by the new applicants, they follow different approaches. The most used ones are "Enhancement of recruitment procedures / ways" in 53.1% and Increase the salary and benefits to make the job more attractive " in 34.7% of the cases.

Table 5.17: Frequencies of approaches to be followed by businesses when the vacancies cannot be filled by new applicants.

Other approaches to address skills shortage	Sample		Frame	
	Firms	%	Firms	%
Invest on training of existing staff by hiring private training providers	204	31.0%	1,937	20.9%
Increase the salary and benefits to make the job more attractive	203	30.8%	3,208	**34.7%**
Outsourcing of other experts/companies to undertake the job	71	10.8%	969	10.5%
Investment in technology	113	17.1%	1,328	14.4%
Enhancement of recruitment procedures / ways	344	52.2%	4,910	**53.1%**
Application to a state employment/training scheme	174	26.4%	2,197	23.8%
Total number of businesses anticipating new recruitments	**659**	**100.0%**	**9,245**	**100.0%**

Table 5.18: Frequencies of approaches to be followed by businesses in the Frame, when the vacancies cannot be filled by new applicants, by Size group.

Employment concerns	Micro	Small	Medium	Large	Total
Invest on training of existing staff by hiring private training providers	537	1,022	266	111	1,937
Increase the salary and benefits to make the job more attractive	1,467	1,402	269	71	3,208
Out sourcing of other experts/companies to undertake the job	420	402	121	26	969
Investment in technology	649	431	196	52	1,328
Enhancement of recruitment procedures / ways	2,256	1,998	496	159	4,910
Application to a state employment/training scheme	955	887	255	100	2,197
Total number of businesses anticipating new recruitments inside the Size group (or 100%) i	**4,110**	**3,763**	**1,067**	**304**	**9,245**

Plans for New Products

30.0% of the businesses in Albania, plan to have new products and/or services in the next 12 months, while 21.4% of the businesses that are not decided yet about what to do in this respect.

There are 16.5% of the total businesses in Albania that plan to introduce new technologies, new products and/or support current products.

Table 5.19: Frequencies of answers to "Do you plan to introduce the following in the next 12 months?"

	Sample				Frame			
	Yes	**No**	**DK**	***Total***	**Yes**	**No**	**DK**	***Total***
New products/services	599	604	315	1,518	10,747	17,404	7,665	35,816
New Technologies	435	621	462	1,518	5,923	18,676	11,217	35,816
New products/services	39.5%	39.8%	20.8%	100.0%	**30.0%**	**48.6%**	**21.4%**	100.0%
New Technologies	28.7%	40.9%	30.4%	100.0%	**16.5%**	**52.1%**	**31.3%**	100.0%

Sectors with the highest percentages of companies planning to introduce new products and new technologies are "Information and communication" (55.8% and 58.6% of businesses) and "Water supply, sewerage, waste…" (51.4% and 44.5%). "Electricity, gas, stream" sector has also a quite high percentage of businesses that plan to invest in new technologies (44.5%). The reason behind such results might be related to specific factors for each of these sectors. Thus the "Information and communication" sector needs continuous update due to its specific products, the "Water supply, sewerage, waste…" sector is in a bad shape and needs to improve the performance in terms of the quality of services and "Electricity, gas, stream" sector is having a lot of investments due to the concessionary agreements of last years for building hydropower stations.

Table 5.20: Businesses in the Frame planning to introduce new products, new technologies in the next 12 months, by Economic Sector

Economic Sector	New products/services			New Technologies			Total
	Yes	No	DK	Yes	No	DK	
B Mining and quarrying	17.9%	71.9%	10.2%	22.3%	53.3%	24.3%	100.0%
C Manufacturing	33.1%	52.3%	14.6%	26.2%	47.3%	26.5%	100.0%
D Electricity, gas, stream…	34.8%	64.4%	0.8%	**44.5%**	53.9%	1.6%	100.0%
E Water supply, sewerage, waste…	**51.4%**	38.8%	9.8%	**44.5%**	27.8%	27.7%	100.0%
F Construction	32.6%	40.4%	27.0%	26.3%	41.6%	32.2%	100.0%
G Wholesale and retail trade, repair…	37.1%	42.4%	20.5%	11.0%	55.3%	33.7%	100.0%
H Transportation and storage	23.6%	57.4%	19.0%	18.8%	58.7%	22.5%	100.0%
I Accommodation and food service	15.8%	67.1%	17.0%	5.3%	68.4%	26.3%	100.0%
J Information and communication	**55.8%**	18.8%	25.4%	**58.6%**	16.2%	25.1%	100.0%
K Financial and insurance activities	36.3%	39.7%	24.0%	13.3%	60.8%	25.9%	100.0%
L Real estate Activities		94.5%	5.5%		79.9%	20.1%	100.0%
M Professional, scientific and technical	20.5%	50.5%	29.0%	16.0%	46.9%	37.1%	100.0%
N Administrative and support service	30.3%	38.0%	31.7%	26.5%	37.3%	36.1%	100.0%
R Arts, entertainment and recreation	36.1%	46.6%	17.3%	24.4%	44.7%	30.9%	100.0%
S Other services activities	29.8%	32.0%	38.1%	30.8%	25.4%	43.8%	100.0%
TOTAL	**30.0%**	**48.6%**	**21.4%**	**16.5%**	**52.1%**	**31.3%**	**100.0%**

As it is apparently expected, there is a good correlation between the Size of the businesses and the percentage of the businesses introducing new products and new technologies. More importantly is the high percentage of Medium and Large size group planning to introduce new products, (respectively 41.3% and 49.1%) and new technologies (34.9% and 42.3%)

Table 5.21: Businesses in the Frame planning to introduce new products, new technologies in the next 12 months, by Size group

Size group	New products/services			New Technologies			Total
	Yes	No	DK	Yes	No	DK	
Micro [1-4]	25.8%	53.3%	20.9%	11.6%	56.6%	31.8%	100.0%
Small [5-19]	36.9%	40.8%	22.3%	23.2%	45.9%	30.9%	100.0%
Medium [20-79]	41.3%	36.3%	22.4%	34.9%	36.8%	28.3%	100.0%
Large [80+]	49.1%	29.0%	21.8%	42.3%	28.8%	28.9%	100.0%
TOTAL	**30.0%**	**48.6%**	**21.4%**	**16.5%**	**52.1%**	**31.3%**	**100.0%**

There are not many differences noticed between regions, regarding the relative frequencies of the businesses planning to introduce new products and/or new technologies. It is just a minor lead of the South region over the other regions.

Table 5.22: Businesses in the Frame planning to introduce new products, new technologies in the next 12 months, by Region

Region	New products/services			New Technologies			Total
	Yes	No	DK	Yes	No	DK	
North	23.0%	58.0%	19.0%	13.1%	60.7%	26.2%	100.0%
Center	31.4%	40.2%	28.4%	16.8%	45.2%	38.0%	100.0%
South	33.5%	58.5%	8.0%	19.2%	59.7%	21.2%	100.0%
TOTAL	**30.0%**	**48.6%**	**21.4%**	**16.5%**	**52.1%**	**31.3%**	**100.0%**

The companies with the presence of foreign capitals (foreign branches or joint ventures) present a higher share that plan to introduce new products and/or technologies. Joint-ventures seem to be the most aggressive subgroup in this respect with 51.7% of them planning to introduce new products and 23.9% being unsure in this respect.

Table 5.23: Businesses in the Frame planning to introduce new products, new technologies in the next 12 months, by Status of Ownership

Ownership	New products/services			New Technologies			Total
	Yes	No	DK	Yes	No	DK	
A branch of a foreign company	34.3%	26.6%	39.1%	22.9%	36.5%	40.6%	100.0%
100% Albanian owned	29.2%	50.1%	20.7%	16.3%	53.0%	30.7%	100.0%
A joint venture	51.7%	24.4%	23.9%	18.3%	42.4%	39.2%	100.0%
TOTAL	**30.0%**	**48.6%**	**21.4%**	**16.5%**	**52.1%**	**31.3%**	**100.0%**

Only an estimated 9,245 companies in the Frame, or 25.8% of the total number of the businesses, foresee recruitment of new staff in the incoming 12 months. 60.6% of these 9,245 companies are planning to introduce new products.

Considering the total number of companies that are planning to introduce new products, nearly half of them (47.9%) will not hire new employees to support the new products.

Table 5.24: Number and % of the businesses which foresee recruitment of new staff in the incoming 12 months

Options	Sample		Frame	
	Firms	%	Firms	%
YES, new recruitment	659	43.4	**9,245**	25.8
No recruitment	859	56.6	**26,571**	74.2
Total	**1,518**	**100.0**	**35,816**	**100.0**

Table 5.25: Percentage of firms in the Frame, which foresee new staff recruitment in the incoming 12 months, by planning status of those businesses to introduce new products/services.

Options	Do you plan to introduce new products/services in the next 12 months?"						
	% by column			% by row			
	Yes	No	DK	Yes	No	DK	Total
YES, new recruitment	52.1	16.4	10.3	60.6	30.9	8.6	100.0
No recruitment	47.9	83.6	89.7	19.4	54.8	25.9	100.0
TOTAL	**100.0**	**100.0**	**100.0**	**30.0**	**48.6**	**21.4**	**100.0**

Plans for New Recruitments

"Electricity, gas, stream… " is the sector which has the highest percentage (63.0%) of the companies in the sector that foresees new recruitment, while "Financial and insurance activities" has the lowest percentage of the businesses in this respect (11.2%).

Table 5.26: Businesses in the Frame that foresee recruitment of new staff in the incoming 12 months, by Economic Sector

Economic Sectors	Firms	% in the Sector
B Mining and quarrying	115	38.7
C Manufacturing	1,148	25.8
D Electricity, gas, stream…	156	**63.0**
E Water supply, sewerage, waste…	39	41.4
F Construction	833	33.8
G Wholesale and retail trade, repair…	2,709	21.2
H Transportation and storage	242	37.9
I Accommodation and food service	1,609	21.4
J Information and communication	331	42.1
K Financial and insurance activities	55	11.2
L Real estate Activities	41	49.4
M Professional, scientific and technical	805	34.7
N Administrative and support service	242	30.1
R Arts, entertainment and recreation	82	39.8
S Other services activities	838	31.7
Total	**9,245**	**25.8**

The Table 5.27 shows the almost straight-correlation between the size of the company and the chances to have at least one recruitment in the next 12 months. Inside the Micro size subgroup, 17.4% expect to have new recruitment. For the other Size subgroups there is more important the number of recruitments (to be analyzed later in this report), rather than whether they will or will not have recruitments.

Table 5.27: Businesses in the Frame that foresee recruitment of new staff in the incoming 12 months, by Size group

Size	Firms	% in the Size group
Micro [1-4]	4,110	17.4
Small [5-19]	3,763	39.2
Medium [20-79]	1,067	49.8
Large [80+]	304	63.9
Total	**9,245**	**25.8**

Table 5.28: Businesses in the Frame that foresee recruitment of new staff in the incoming 12 months, by Region, in the Frame

Region	Firms	% in the Region
North	1,619	20.1
Center	5,716	29.9
South	1,910	22.2
Total	**9,245**	**25.8**

Statistically speaking the estimated total number of the new recruitments for the next 12 months in the Frame is about 42,121 or 12.5% of the current working force. Not all this number can be count as the anticipated increase in the total number of the employees of Frame businesses. As we argued before, it is an ***anticipated staff replacements rate*** (which differs from staff turnover that includes also the staff substitution because of objective or personal reason of the staff like migration, health, or finding a better job).

Table 5.29: Descriptive statistics on the total number of anticipated recruitments for the next 12 months, in the Frame

Statistics	Number of new recruitments	
	Sample	Frame
Mean	8.1	1.1
Median	0	0
Mode	0	0
Std. Deviation	33.3	6.7
Maximum	867	867
Sum = total new recruitments	**12,121**	**40,121**
Weighted recruitments rate (Recruitments/Total employees)	9.2%	12.5%

Sewing machine operators, and the Call Center operators, are the two professions currently driving the employment market in Albania, with each anticipating nearly 4,000 new recruitments, in the incoming year.

Waiters are in the third place with 1,864 new recruitments, due to the relatively large number of bar-restaurants in Albania and because of being the most problematic profession in term of lacking the right skills as was shown previously. It is interesting to highlight that there are four professions in the Top-15 related to the bar-restaurants: waiter, bartender, cook and cook-assistant.

Security guards, with 1,607 anticipated recruitments continue to be a solid profession with high demand in the employment market.

There are two professions in the top-10, of the subgroup "Micro & Small" size, which appear to be overestimated: Lawyers and Cleaners with respectively 816 and 700 anticipated new recruitments. In most of the cases these are not full-time employees. With legal systems becoming more complex over the years and the increased number of laws and regulations, the need of the small businesses to have a legal advisor is increasing, causing an increase of the number of start-up law businesses.

Table 5.30: Top-20 professions sorted by the estimated number of anticipated recruitment from all the businesses in the Frame.

Rank	Albania		Micro & Small only		Medium & Large only	
	Profession	Recruit.	Profession	Recruit.	Profession	Recruit.
1	Sewing machine operator	**3,916**	Waiter	1,540	Call Center operator	3,551
2	Call Center operator	**3,827**	Shopkeepers	1,362	Sewing machine operator	3,550
3	Waiter	**1,864**	Lawyer	816	Security guards	1,232
4	Security guard	**1,607**	Computer Operator	796	Machinery Shoemaker	682
5	Shopkeeper	**1,488**	Carpenters and joiners	779	Shoes fitter and sewer	520
6	Laborer	**1,093**	Laborer	749	Bricklayers	353
7	Carpenters and joiners	**888**	Cook	715	Laborer	344
8	Lawyer	**853**	Cleaners and helpers	700	Construction worker	337
9	Computer Operator	**844**	Bar tender	624	Waiter	324
10	Cleaners and helpers	**823**	Animal collector (snail,etc)	516	Miners	299
11	Construction worker	**819**	Cook assistant	503	Leather/clothing cutter	266
12	Cook	**730**	Construction worker	483	HR expert	229
13	Bar tender	**717**	Plumbers and Pipe Fitters	427	Audit accountant	177
14	Machinery Shoemaker	**682**	Construction engineer	375	Paper bags fitter	165
15	Cook assistant	**569**	Security guard	374	Fishery laborers	149
16	Bricklayers	**554**	Construction technician	367	Fuel Station Attendants	149
17	Plumbers and Pipe Fitters	**537**	Sewing machine operator	365	Heavy truck & lorry drivers	142
18	Shoes fitter and sewer	**520**	Bakers, Pastry-cooks	331	Sales agent	139
19	Animal collecter (snail, etc)	**516**	Call Center operator	276	Project coordinator	132
20	Construction technician	**488**	Engineer (unspecified)	243	Statistician, Data analyst	130

Manufacturing is the leading sector regarding new recruitments with an estimated 8,378 ones. The major part here is foreseen by the Fashion and Garment Industry, the most dynamic part of the Albanian economy today, which occupies top-2 positions for an aggregate of 5,513 new recruitments. It is important to highlight that the major part (56%) of the Manufacturing businesses expects to face difficulties of filling the vacancies appropriately. Particularly, difficulties of recruitments are a major concern for the “Food Processing workers”, ranked third in the sector recruitments.

The construction sector shows trust for the revitalization and/or reconstruction, differently from the pessimistic landscape previously shown. Construction is not only the second ranking sector on estimation for the new recruitments with 6,581 ones, but also it has a high 19.5% new recruitments rate. Together with the “Real estate Activities” sector, it has the highest ratio of non-expecting difficulties when hiring new staff (which is No=69%). Inside the Construction sector a very wide range of technicians, workers and engineers are required.

“Wholesale & retail trade, repairing, etc.” is more or less in its natural anticipated staff replacement rates. The reason for 6,114 new recruitments is the relatively big size of the sector in terms of employment.

“Administrative and support services” has a remarkable 26.5% new recruitment, and thanks to the fast growing subsectors, the outstanding “Call Center services” and solid “Security services”, it is anticipated to have 6,007 new recruitments.

Table 5.31: Professions (grouped by ISCO code) with the highest estimated number of new recruits for firms in the Frame, by Sector, and the frequencies of difficulties to find them

ISCO code (first 3 digits) and description					Difficulties? (% of firms)		
Economic Sector		Recruitments Rate%	Recruitments People	Cases	Yes%	No%	DK%
B…	**Mining and quarrying**	**8.9**	**855**	**256**	**61**	**37**	**2**
811	Mining and Mineral Processing Plant Operators		484	86	57	43	0
311	Physical and engineering science technicians		95	25	91	9	0
C	**Manufacturing**	**11.5**	**8,378**	**1,665**	**56**	**31**	**13**
815	Textile, Fur and Leather Products Machine Operators		4,663	283	45	29	27
753	Garment and related trades workers		850	68	43	46	10
751	Food Processing and Related Trades Workers		378	355	100	0	0
D	**Electricity, gas, stream…**	**9.7**	**785**	**552**	**11**	**27**	**62**
311	Physical and engineering science technicians		195	110	23	0	77
214	Engineering professionals (excluding electrotechnology		153	101	16	0	84
E	**Water supply, sewerage, waste…**	**3.1**	**252**	**64**	**37**	**49**	**14**
961	Refuse workers		86	18	35	44	21
313	Process control technicians		58	6	65	35	0
F	**Construction**	**19.5**	**6,581**	**1,726**	**19**	**69**	**12**
711	Building frame and related trades workers		2,132	400	31	53	16
931	Mining and construction laborers		1,217	145	0	95	5
712	Building finishers and related trades workers		640	247	5	91	4
911	Domestic, hotel and office cleaners and helpers		577	97	0	100	0
311	Physical and engineering science technicians		489	208	12	83	5
722	Blacksmiths, toolmakers and related trades workers		314	77	4	35	61
G	**Wholesale and retail trade, repair…**	**9.8**	**6,114**	**3,448**	**53**	**35**	**12**
522	Shop salespersons		1,201	706	43	42	15
612	Animal collector/producer (snails, frogs, birds, etc.)		516	129	0	100	0
723	Machinery mechanics and repairers		473	433	76	24	0
524	Other sales workers		436	160	70	10	19
933	Transport and storage laborers		385	204	63	26	11
332	Sales and purchasing agents and brokers		354	252	86	11	3
H	**Transportation and storage**	**7.4**	**787**	**302**	**50**	**48**	**2**
833	Heavy truck and bus drivers		287	138	29	67	4
511	Travel attendants, conductors and guides		222	37	54	46	0
I	**Accommodation and food service**	**11.9**	**4,042**	**2,892**	**38**	**55**	**8**
513	Waiters and bartenders		2,404	1,891	40	57	2
941	Food preparation assistants		519	201	3	53	44
512	Cooks		516	341	32	42	26
J	**Information and communication**	**16.3**	**1,358**	**460**	**51**	**24**	**25**
264	Authors, journalists and linguists		307	120	15	4	8
524	Other sales workers *(this case: IT sales and online sales)*		252	24	6	94	0
K	**Financial and insurance activities**	**2.7**	**329**	**108**	**75**	**20**	**5**
263	Social and religious professionals *(this case: Economists)*		89	7	0	71	29
L	**Real estate Activities**	**10.1**	**118**	**56**	**0**	**100**	**0**
M	**Professional, scientific and technical**	**18.5**	**2,413**	**1,276**	**39**	**41**	**20**
214	Engineering professionals (excluding electro-technology)		649	344	73	26	1
261	Legal professionals		608	408	0	51	49
241	Finance professionals		442	190	34	58	8
216	Architects, planners, surveyors and designers		228	108	73	26	1

ISCO code (first 3 digits) and description					Difficulties? (% of firms)		
Economic Sector		Recruitments Rate%	Recruitments People	Cases	Yes%	No%	DK%
N	**Administrative and support services**	**26.5**	**6,007**	**280**	**46**	**40**	**14**
524	Other sales workers (this case: Call center telemarketing)		3,498	61	32	58	10
541	Protective services workers		1,388	124	30	56	13
422	Client information workers		861	69	90	10	0
242	Administration professionals		217	12	32	58	10
R	**Arts, entertainment and recreation**	**7.7**	**523**	**220**	**28**	**39**	**33**
413	Keyboard operators		166	2	0	50	50
S	**Other services activities**	**10.0**	**1,579**	**1,461**	**9**	**54**	**37**
263	Social and religious professionals		472	424	3	94	2

Note: *1. "Rate %" column is the total new recruitments, as % to the total current employees in the Sector.*

2. Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession.

In the actual economic environment of Albania, the Small size business (5-19 employees) looks the most encouraging format in terms of employment. It has the largest number of anticipated new recruitments (13,643 people), the highest new recruitments rate (16.5%) and the lowest score regarding the level of difficulty to hire (33%). The Small size subgroup is led by the "Waiters and bartenders" with 1,786 anticipated new recruitments followed by "Building frame and related trades workers" with 1,425 ones.

Micro size group, in global numbers is the weakest recruitment subgroup, with no clear dominant profession.

Medium and Large size group are both anticipating a number slightly above 9,000 of recruitments. These groups are led by two subsectors: "Textile, fur and leather products machine operators" and "Call center telemarketing/ support operators" respectively.

Table 5.32: Professions (grouped by ISCO code) with the highest estimated number of new recruits for firms in the Frame, by Size Group, and the frequencies of difficulties to find them

ISCO code (first 3 digits) and description		Recruitments			Difficulties? (% of firms)		
Size Group		**Rate%**	**People**	**Cases**	**Yes %**	**No%**	**DK%**
Micro		**16.3**	**8,082**	**5,759**	**42**	**34**	**24**
522	Shop salespersons		680	589	45	27	28
261	Legal professionals		584	390	0	50	50
911	Domestic, hotel and office cleaners and helpers		573	95	0	100	0
723	Machinery mechanics and repairers		494	494	63	20	17
214	Engineering professionals (excluding electro technology)		483	250	66	0	34
751	Food processing and related trades workers		479	479	100	0	0
Small		**16.5**	**13,643**	**6,523**	**33**	**56**	**11**
513	Waiters and bartenders		1,786	1,443	43	53	4
711	Building frame and related trades workers		1,425	289	13	63	25
422	Client information workers		787	104	88	12	0
522	Shop salespersons		786	489	31	60	9
931	Mining and construction laborers		731	80	0	100	0
941	Food preparation assistants		538	216	6	53	41
Medium		**11.7**	**9,151**	**1,942**	**48**	**39**	**14**
815	Textile, fur and leather products machine operators		1,837	132	42	29	29
524	Other sales workers		997	24	72	20	8
711	Building frame and related trades workers		721	126	45	35	20
541	Protective services workers		652	66	17	69	14
Large		**8.5**	**9,244**	**541**	**39**	**40**	**21**
524	Other sales workers (this case: Call center telemarketing)		2,706	23	39	32	29
815	Textile, fur and leather products machine operators		2,460	108	46	20	34
753	Garment and related trades workers		686	41	45	49	6
541	Protective services workers		580	31	48	38	14

Note: *1. "Rate %" column is the total new recruitments, as % to the total current employees in the Size group.*

2. Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession.

All three regions have similar ratios for new recruitments and similar level of difficulties to find the appropriate person for the respective professions. The professions' preferences are similar in each, except for the Call Center operators that are heavily established in Center region (almost all in Tirana city) followed by a small share in the North region (mostly in Durres city) and almost not existing in the South Region.

The Center region is expected to have 63.8% of all new recruitments from the businesses in the Frame, for the next 12 months.

Table 5.33: Professions (grouped by ISCO code) with the highest estimated number of new recruits for firms in the Frame, by Region, and the frequencies of difficulties to find them

ISCO code (first 3 digits) and description					Difficulties? (% of firms)		
Region		Recruitments		Cases	Yes%	No%	DK%
		Rate%	People				
North		**10.3**	**7,047**	**2,567**	**41**	**39**	**20**
815	Textile, fur and leather products machine operators		1,698	72	24	13	62
524	Other sales workers (this case: Call center telemarketing)		459	46	8	91	1
723	Machinery mechanics and repairers		377	372	72	4	24
711	Building frame and related trades workers		374	112	94	5	0
311	Physical and engineering science technicians		360	141	32	5	63
Center		**13.4**	**25,604**	**9,134**	**37**	**46**	**17**
524	Other sales workers (this case: Call center telemarketing)		3,675	184	71	25	4
513	Waiters and bartenders		1,730	1,330	35	64	0
815	Textile, fur and leather products machine operators		1,705	122	49	41	10
711	Building frame and related trades workers		1,171	212	14	43	43
541	Protective services workers		1,166	86	31	54	16
931	Mining and construction laborers		952	111	1	96	2
South		**12.5**	**7,470**	**3,065**	**41**	**47**	**12**
815	Textile, fur and leather products machine operators		1,259	89	55	23	22
711	Building frame and related trades workers		915	204	4	92	4
522	Shop salespersons		691	541	46	40	14
513	Waiters and bartenders		683	535	55	38	8
612	Animal collector/producer (snails, frogs, birds, etc.)		516	129	0	100	0

***Note**: 1. "Rate %" column is the total new recruitments, as % to the total current employees in the Region group.*

2. Each company had the options to choose 0-5 professions; therefore a minority of them is represented with more than one profession in the aggregate figure for the sector. 1 case = 1 firm x 1 profession.

6 TRAINING NEEDS

Trainings to Improve Skills

Different types of training can be used by the businesses to their employees to improve their skills as well as to cover their needs for qualifications within the enterprise. The training utilized depends on the amount of resources available for training, the type of the company, and the priority that the company places on training. Picking the best method of training employees is always a challenge for business owners.

The most used trainings forms by the businesses operating in Albania are listed below. Businesses have been asked on the importance level of each of them. The results indicate that “on the job training from experienced staff of the company” is the key type of training used by businesses. This form is used by 91.1% of the businesses, and 72.1% of them assess it as being very important.

More than 70% of businesses declare that they haven’t used any other form of the listed training, while those which have used it, only in a few cases assess that the training delivered was very important (the range of the results is 2.2% to 10.6%).

“Training on Vocational schools or centers contracted by the company” is the lower value, with 92.4% (80.8% N/A+11.6% unimportant) of businesses practically not considering it.

The cross analysis in four dimensions (sector, size, region, and ownership) indicate only a little difference of results from what is coming out in the global average picture. The “Training from the supplier of technology” has the highest variation in the subgroups; therefore we are looking for a larger picture only regarding this type of training.

Table 6.1: Forms of training and their importance for the businesses in the Frame

Forms of Training	Percentages of Frequencies (valid % by row)				Descriptive		
	unimportant [1]	somewhat important [2]	very important [3]	N/A	Mean	Median	Mode
On the job training from experienced staff of the company	8.5	10.6	72.1	8.9	**2.7**	3	3
Training from the supplier of technology	8.9	10.5	10.6	70.0	**2.1**	2	3
Training, inside Albania, from private training Experts/Institutions	12.5	5.8	6.9	74.9	**1.8**	2	1
Training on Vocational schools/ centers contracted by the company	11.6	5.4	2.2	80.8	**1.5**	1	1
Training from a public training institution	12.6	4.4	6.9	76.1	**1.8**	1	1
Training abroad (other than from supplier)	12.3	2.5	7.0	78.2	**1.8**	1	1

The results show that the “Training from the supplier of technology” is assessed as very important by the Medium and Large size businesses. In fact, previous studies indicate that a considerable amount of training is delivered in these companies in the form of technical assistance in the framework of the contracts for the technology transfer with the supplier companies. The expertise is mostly provided in the premises of companies in Albania, but there are many cases when they invite Albanian technicians abroad[37].

Considering the Ownership dimension, the results indicate that the joint ventures and branches of the foreign companies, employ more often "Training from the supplier of technology" and 32.7% and 31.9% of these businesses declare that this training is very important for them.

Analyzing "Training from the supplier of technology" according to the Economic Sector, the percentage of businesses to whom this training is very important varies widely from the low value of 1.5% for the "Accommodation and food service" sector to the high value of 48.7% for the "Electricity, gas, stream…" sector.

Table 6.2: Statistics for "Training from the supplier of technology", by different dimensions

Subgroups	Percentages of Frequencies (valid % by row)				Descriptive		
	unimportant [1]	somewhat important [2]	very important [3]	N/A	Mean	Median	Mode
Size							
Micro [1-4]	10.1	8.6	6.5	74.8	**1.9**	2	1
Small [5-19]	7.3	14.0	15.2	63.5	**2.2**	2	3
Medium [20-79]	5.2	14.4	**24.7**	55.7	**2.4**	3	3
Large [80+]	3.9	13.3	**30.9**	51.9	**2.6**	3	3
Ownership status							
A branch of a foreign company	4.1	12.2	**31.9**	51.8	**2.6**	3	3
100% Albanian owned	8.8	10.3	9.0	71.9	**2.0**	2	2
A joint venture	16.1	15.4	**32.7**	35.7	**2.3**	3	3
Economic Sector							
Mining and quarrying	16.0	34.4	5.7	43.9	**1.8**	2	2
Manufacturing	16.3	3.8	13.4	66.5	**1.9**	2	1
Electricity, gas, stream…	10.5	0.4	**48.7**	40.3	**2.6**	3	3
Water supply, sewerage, waste…	8.0	4.5	**22.7**	64.8	**2.4**	3	3
Construction	7.8	9.3	13.0	69.9	**2.2**	2	3
Wholesale and retail trade, repair…	5.8	16.2	13.6	64.5	**2.2**	2	2
Transportation and storage	21.7	16.7	5.8	55.8	**1.6**	2	1
Accommodation and food service	12.3	4.4	1.5	81.7	**1.4**	1	1
Information and communication	9.0	17.4	19.4	54.1	**2.2**	2	3
Financial and insurance activities	18.6	20.7	19.0	41.7	**2.0**	2	2
Real estate Activities	34.9		14.5	50.6	**1.6**	1	1
Professional, scientific and technical	0.6	6.1	10.5	82.8	**2.6**	3	3
Administrative and support service	7.3	2.3	16.2	74.3	**2.3**	3	3
Arts, entertainment and recreation	11.5	6.8	3.6	78.1	**1.7**	1	1
Other services activities		15.1	2.1	82.9	**2.1**	2	2

The company itself results to be the main financer of the training for all groups of professions. It results also that the cases when the training is financed by the company itself is 3 to 6 times more

[37] ETF, Sectoral skills needs analysis in Albania, 2012.

than all the other alternatives of financing counted together.

“Sales and services employees“ is the group with the highest number of companies delivering training financed by the company itself. There are 31.6% of the businesses in Albania that perform training for the sales and services staff, in addition to about 10% (there are few duplications) from the other options of financing. The second ranked group regarding the number of companies performing training is “High Specialists & Administrate with high education”.

The study shows that the number of businesses that have trained the “technician, handicraft professions and workers” is about 3 times less than those that have trained the “Sales and services employees”.

Table 6.3: Frequencies of who finance the trainings for each group of professions, as percentages over the total number of businesses in the Frame

Potential financer of training	High Specialists & Administrate with high education	Implementation technicians and specialists	Sales and services employees	Craftsmen, handcraft men and relevant professions	Assemblage, maintenance and machinery workers	Workers (elementary jobs)
The enterprise	26.3%	12.4%	**31.6%**	7.8%	11.0%	12.1%
Employees	3.9%	1.6%	**8.8%**	1.5%	1.0%	2.2%
Suppliers	1.9%	0.4%	1.1%	0.2%	0.3%	0.0%
The government	0.5%	0.2%	0.6%	0.1%	0.4%	0.2%
Donors*	1.7%	0.1%	0.2%	0.0%	0.1%	0.2%

**) This method is an outcome from the open text option therefore could be undervalued*

21.1% of the businesses in Albania employing 49.9% of the employees have a training structure as part of the organizational chart, while only 7.9% of the businesses have a separate training budget. The businesses having a separate training budget have 25.5% of employees in the Frame.

Table 6.4: Frequencies of existence of training structure and budget within the company

Issues related to training	Sample		Frame			
	Firms	%	Firms	%	Employees	%
There is a training structure	701	46.2	7,557	21.1	159,588	49.9
There is a separate training budget	335	22.1	2,845	7.9	81,650	25.5
There are both training structure and budget	*305*	*20.1*	*2,448*	*6.8*	*74,667*	*23.4*
Total businesses of Albania (or 100%)	**1,518**	**100.0**	**35,816**	**100.0**	**319,739**	**100.0**

Over 50% of the businesses operating in the sectors of “Administrative and support service” and “Mining and quarrying” have already a training structure inside the company. These sectors have also the highest percentage of businesses with a separate training budget, respectively 30.0% and 26.0%.

Table 6.5: Frequencies of existence of training structure and budget within the company, by Economic Sector, in the Frame

Economic Sector		There is a training structure		There is a training budget	
		Firms	% in the Sector	Firms	% in the Sector
B	Mining and quarrying	161	**54.2**	77	**26.0**
C	Manufacturing	1,211	27.2	407	9.2
D	Electricity, gas, stream…	33	13.4	16	6.3
E	Water supply, sewerage, waste…	40	42.3	13	14.1
F	Construction	814	33.1	189	7.7
G	Wholesale and retail trade, repair…	2,704	21.2	764	6.0
H	Transportation and storage	108	16.8	68	10.7
I	Accommodation and food service	569	7.6	258	3.4
J	Information and communication	229	29.2	72	9.2
K	Financial and insurance activities	140	28.4	110	22.3
L	Real estate Activities	5	6.1	1	0.6
M	Professional, scientific and technical	449	19.4	289	12.5
N	Administrative and support service	409	**51.0**	241	**30.0**
R	Arts, entertainment and recreation	45	21.7	26	12.6
S	Other services activities	640	24.2	313	11.9
Total		**7,557**	**21.1**	**2,845**	**7.9**

***Notes**: All percentages are over the total number of firms in the Economic Sector subgroup*

As it is expected the major part of Medium and Large size companies have training structure and about one third of them have a separate training budget.

The training structure exists also in 13.5% (or 3,185 businesses) of the Micro size businesses, and by the cross analyze of three questions it turns out that almost 100% of these 3,185 have declared that they use “On the job training from experienced staff of the company” and assess it as very important for them. Thus, this evidence proves that in this case the experienced staff is perceived as the “training structure”.

Table 6.6: Frequencies of existence of training structure and budget within the company, by Size group, in the Frame

Size	There is a training structure		There is a training budget	
	Firms	% in the Size	Firms	% in the Size
Micro [1-4]	3,185	13.5	917	3.9
Small [5-19]	2,862	29.8	1128	11.7
Medium [20-79]	1,184	55.3	632	29.5
Large [80+]	326	68.6	169	35.5
Total	**7,557**	**21.1**	**2,845**	**7.9**

***Notes**: All percentages are over the total number of firms in the Size subgroup*

The results from the regional viewpoint indicate that businesses operating in the South region have a little different approach from the rest of Albania. In the South region it is a relatively high percentage of companies with training structure but a low percentage of companies with a training budget.

Table 6.7: Frequencies of existence of training structure and budget within the company, by Region

Region	There is a training structure		There is a training budget	
	Firms	% in the Region	Firms	% in the Region
North	1,363	16.9	757	9.4
Center (TR+EL)	3,609	18.9	1,701	8.9
South	2,585	30.0	387	4.5
Total	**7,557**	**21.1**	**2,845**	**7.9**

***Notes**: All percentages are over the total number of firms in the Region subgroup*

Table 6.8: Descriptive statistics on the number of employees that received training in the last 12 months

Statistics	Number of employees that received training	
	Sample	Frame
Mean	21.5	1.9
Median	0	0
Mode	0	0
Std. Deviation	85.6	18
Maximum	1,822	1,822
Sum = total trained staff	32,590	69,306
Weighted training rate (Trained employees /Total employees)	*24.7%*	*21.7%*

"Administrative and support service" was the most active sector for the training provision in the last 12 months, where 55.0% of the companies of the sector and 44.7% of their employees received training, due to its fast growing subsectors, such as the "Call Center services" and the "Security services". Since this sector has anticipated 26.5% new recruitments in the 12 coming months it is expecting to keep the extended levels of training.

"Financial and insurance activities" and "Information and communication" are the second and third most staff training sectors with 38.9% and 37.5% of their staff trained last year. This might be related to the nature of the qualified jobs existing in both sectors

In terms of absolute figures, "Manufacturing" is the leading sector with 17,129 workers trained last year, where the majority was trained for using different types of sewing machine. As an example, a single shoe manufacturing company in Tirana, trained last year 1,822 leather sewing workers regarding the usage of new machineries.

Table 6.9: Number of the employees that received training in the last 12 months, by Sector

Economic Sector	Firms		Number of trained employees			
	Count	% in Sector	Average (incl. 0)	Max	Sum	% in Sector
B Mining and quarrying	84	28.3	6.1	384	1,810	18.8
C Manufacturing	1,137	25.5	3.8	**1,822**	**17,129**	23.4
D Electricity, gas, stream…	17	6.9	1.3	120	331	4.1
E Water supply, sewerage, waste…	41	43.5	11.7	460	1,098	13.3
F Construction	593	24.1	2.3	522	5,592	16.6
G Wholesale and retail trade, repair…	2,501	19.6	0.8	450	10,823	17.4
H Transportation and storage	93	14.5	1.9	200	1,196	11.2
I Accommodation and food service	969	12.9	0.5	172	3,933	11.6
J Information and communication	249	31.7	4	860	3,130	**37.5**
K Financial and insurance activities	212	42.9	9.6	1,266	4,741	**38.9**
L Real estate Activities	30	36.1	0.8	80	69	5.9
M Professional, scientific and technical	698	30.1	1.8	133	4,147	31.7
N Administrative and support service	449	**55.9**	12.6	964	10,121	**44.7**
R Arts, entertainment and recreation	95	46.0	6.8	250	1,397	20.6
S Other services activities	866	32.8	1.4	100	3,789	24.1
Total	**8,033**	**22.4**	**1.9**	**1,822**	**69,306**	**21.7**

Notes: *All percentages are over the total number of firms in the Economic Sector subgroup*

An estimated number of 30,930 employees from the 75.4% of Large size companies of Albania, were trained during the last 12 months. It is inside the logic that Large size companies constitute the leading subgroup for training the employees. What needs attention here, is the fact that "employees trained/ total employees" ratio for the Micro sizes subgroup is very low (9.5%).

Table 6.10: Number of the employees that received training in the last 12 months, by Size group

Size Group	Firms		Number of trained employees			
	Count	% in Size group	Average (incl. 0)	Max	Sum	% in Size group
Micro [1-4]	3,141	13.3	0.2	4	4,701	9.5
Small [5-19]	3,405	35.5	1.7	96	16,219	19.6
Medium [20-79]	1,128	52.7	8.1	79	17,456	22.3
Large [80+]	359	75.4	65.0	1,822	30,930	28.4
Total	**8,033**	**22.4**	**1.9**	**1,822**	**69,306**	**21.7**

Notes: *All percentages are over the total number of firms in the Size subgroup*

As it was explained above, the considerably higher barriers hindering continuous training of staff in the North and South regions compared to Center region, have contributed to the gap between percentage of the companies and percentage of the workers that are trained in the Center region, with the respective figures for the North and South region.

Table 6.11: Number of the employees that received training in the last 12 months, by Region

Region	Firms		Number of trained employees			
	Count	% in group	Average (incl. 0)	Max	Sum	% in group
North	977	12.1%	12.5	300	12,255	17.9%
Center (TR+EL)	5,375	28.1%	9.2	1,822	49,338	25.8%
South	1,681	19.5%	4.6	450	7,713	12.9%
Total	**8,033**	**22.4**	**1.9**	**1,822**	**69,306**	**21.7**

***Notes**: All percentages are over the total number of firms in the Region subgroup*

The percentage of companies and the percentage of workers that are trained in the subgroups representing the branches of the companies with foreign ownership and joint ventures is more than double compared to the companies 100% Albanian owned businesses.

Again this can be explained by the same argument used above, that "foreign and joint venture companies" group is dominated by large companies located in the Center region, can justify this situation. Indeed by calculating the ratio "employees trained/ total employees" for the Large size businesses of the Center region, the result is 46.0%, thus in line with the results presented in the Table 6.12.

Table 6.12: Number of the employees that received training in the last 12 months, by Ownership

Ownership status	Firms		Number of trained employees			
	Count	% in group	Average (incl. 0)	Max	Sum	% in group
A branch of a foreign company	594	51.8	13.5	1,822	15,542	45.2
100% Albanian owned	7002	20.8	1.3	460	44,908	17.0
A joint venture	438	40.8	8.3	860	8,856	40.9
Total	**8,033**	**22.4**	**1.9**	**1,822**	**69,306**	**21.7**

***Notes**: All percentages are over the total number of firms in the Ownership subgroup*

Businesses were asked about the list trainings that have been delivered to the employees in the last 12 months. The study indicates that in the last 12 months, there are 1,019 businesses which trained their personnel working as "waiters and bartenders", followed by the 980 businesses that trained "Shop sales persons". This can be explained with what this study concluded earlier that the waiters, bartenders and shopkeepers are professions that are considered with the highest level of skills' shortage. This is why they are anticipated to be again the top of the list of professions the businesses trained.

The "Finance professionals" and "Managing directors and chief executives" are escalated in the third and fourth places having respectively 895 and 557 companies.

The average number of people trained in a particular profession tends to be higher or even much higher for the "medium and large size" companies, and this fact raises the importance of the ranking in this group. In the top of the list here remains the "Finance professionals" with 237 companies, followed by "Textile, fur and leather products machine operators" with 223 firms and "Protective services workers" with 192 firms.

Table 6.13: Top-20 Professions, grouped by ISCO code, sorted by the estimated number of firms in the Frame, where training is delivered on those professions during the last 12 months.

Rank	ISCO 3 digit	Professions group	Number of firms in the Frame		
			All firms	Micro & Small	Medium & Large
1	513	Waiters and bartenders	**1,019**	981	39
2	522	Shop salespersons	**980**	914	66
3	241	Finance professionals	**895**	658	**237**
4	112	Managing directors and chief executives	**557**	537	20
5	311	Physical and engineering science technicians	**524**	424	100
6	751	Food processing and related trades workers	**383**	370	12
7	214	Engineering professionals	**327**	236	92
8	261	Legal professionals	**322**	289	33
9	815	Textile, fur and leather products machine operators	**296**	72	**223**
10	711	Building frame and related trades workers	**292**	206	86
11	541	Protective services workers	**272**	79	**192**
12	512	Cooks	**268**	256	12
13	332	Sales and purchasing agents and brokers	**253**	161	92
14	524	Other sales workers	**253**	216	37
15	411	General office clerks	**240**	109	131
16	933	Transport and storage laborers	**212**	184	28
17	422	Client information workers	**204**	154	50
18	263	Social and religious professionals	**198**	150	47
19	514	Hairdressers, beauticians and related workers	**197**	195	1
20	122	Sales, marketing and development managers	**169**	981	39

Businesses tend to have different training priorities in different Regions (no matches at the top two places). The training listed in the first place for the North region is not even in the top-5th for the South region, and vice-versa.

The most striking fact is that in the North region, on any profession, it is a relatively very small numbers of companies with the staff trained during the last 12 months. To be in line with other two regions the North should have had similar number of companies for the top-5 trained professions in the South region, since the number of companies in two regions is near the same.

Table 6.14: Top-5 professions of each Region, grouped by ISCO code, sorted by the estimated number of firms where training is delivered on those professions in the last 12 months.

Rank	ISCO 3 digit	Professions group Number of firms in the Frame	All firms
North Region			
1	541	Protective services workers	**116**
2	815	Textile, fur and leather products machine operators	**97**
3	513	Waiters and bartenders	**85**
4	241	Finance professionals	**82**
5	832	Car, van and motorcycle drivers	**74**

Rank	ISCO 3 digit	Professions group Number of firms in the Frame	All firms
Center Region			
1	241	Finance professionals	**688**
2	513	Waiters and bartenders	**644**
3	112	Managing directors and chief executives	**533**
4	522	Shop salespersons	**513**
5	311	Physical and engineering science technicians	**353**
South Region			
	522	Shop salespersons	**452**
	513	Waiters and bartenders	**291**
	751	Food processing and related trades workers	**180**
	311	Physical and engineering science technicians	**147**
	933	Transport and storage laborers	**145**

"Communication skills, Company's and Profession's ethics" is the most delivered field of training reported from the businesses in the last 12 months, estimated to 1,115 cases.

Training fields related directly with daily works processes and production like: production techniques, professional skills/experience, use of machinery, combined together bring the number of training cases related directly with the main process of production/services, are in the first place.

A relatively high ranking of the training is for the software use, with 1,095 cases (Accounting Software 608 and specific computer program 487).

On the important "Medium and Large size" group of businesses, the training related to "Accounting standards, audit, IFRS" is leading in the group with 281 cases, followed by the training related to "Technical safety regulations and practices" with 281 cases.

Table 6.15: Top-20 Fields of Training, sorted by the estimated number of Cases*) in the Frame, where training is delivered in the last 12 months.

Rank	Training Fields	Number of Cases*) in the Frame		
		All Cases	Micro & Small	Medium & Large
1	Communication skills. Company's and Profession's ethics	**1,115**	978	137
2	Daily work processes	**957**	769	**188**
3	Knowledge on sales' products/materials	**903**	817	86
4	Professional skills	**620**	608	13
5	Accounting Software (Finance 5, Alfa, etc.)	**608**	573	35
6	Accounting standards, audit, IFRS	**521**	240	**281**
7	Production techniques	**490**	332	159
8	Specific computer programs use by the company	**487**	323	164
9	Legal consultancy	**447**	447	-
10	Technical safety regulations and practices	**386**	164	**221**
11	Use of machinery	**332**	234	98
12	Learning and introduction of new modern technology	**324**	254	70
13	Fiscal legislation	**286**	230	56
14	Client care and relationship. Costumer service	**284**	245	39
15	Knowledge/update on law and regulation	**281**	173	107
16	Preparation of cocktails	**270**	253	18
17	Strategies and techniques of sales/ promotion	**265**	189	76

Rank	Training Fields	Number of Cases*) in the Frame		
		All Cases	Micro & Small	Medium & Large
18	Introduction of new services	**236**	200	36
19	Use of sewing machines for garment (different types)	**231**	46	**185**
20	Risk assessment and management	**221**	97	124

) Cases** *= 1 firm x 1 profession x 1 training field.* ***Example: *a firm that training is delivered for 2 professions in different fields. For the first profession 2 training were done and for the second one 3 training. This firms counts for 5 cases. Two cases are shown up in the statistics for the first profession, and 3 cases for the second one.*

"Finance professional" is estimated to be the group with the highest number of training cases, 1510 in total. There is no conflict with what was said above in this report that "Waiters and bartenders" are the group with the highest number of businesses where training was delivered. The switch in positions is because the accountant and finance analysts, in a substantial number of companies, have performed trainings in more than one field during the last 12 months. Skills and knowledge more trained in this group are "Accounting standards, audit, IFRS" with 419 cases and Computer programs with 455 cases (344+111).

"Communication skills, Company's and Profession's ethics" is the field of training with the highest number of cases in the group of "Waiters and bartenders" with 545 cases which is more than one third of the total 1,463 cases of the group. This field of training is the second important for shop salespersons with 156 cases.

Table 6.16: Professions, grouped by ISCO code, with the highest number of training Cases*) in the last 12 months, and respective fields of training, average time of training. Sorted by the number of cases. Only the highest ranking training fields are shown.

ISCO codes and descriptions / / Fields of training	Cases*)	Average time spent on training (in Weeks)
241 Finance professionals	**1,510**	
Accounting standards, audit, IFRS	419	4.3
Accounting Software (Finance 5, Alfa, etc.)	344	2.5
Fiscal legislation	271	1.7
Risk assessment and management	117	1.7
Specific computer programs use by the company	111	2.0
513 Waiters and bartenders	**1,463**	
Communication skills. Company's and Profession's ethics.	545	1.6
Preparation of cocktails	241	3.3
Daily work processes	148	1.0
Knowledge on sales' products/materials	134	1.0
Introduction of new services	89	1.9
522 Shop salespersons	**1,173**	
Knowledge on sales' products/materials	180	1.4
Communication skills. Company's and Profession's ethics.	156	0.9
Merchandising	131	0.8
Client care and relationship. Costumer service	130	1.4
Specific training for the market	121	4.5
Strategies and techniques of sales/ promotion	102	1.1
311 Physical and engineering science technicians	**624**	
Professional skills	182	2.0
Administration	123	2.5
Construction techniques	67	2.0
514 Hairdressers, beauticians and related workers	**588**	
Professional skills	391	4.0
Styling	195	4.0
112 Managing directors and chief executives	**559**	
Project management	196	1.0
Applications in Donors funds	196	1.0
Introduction of new services	91	1.0

ISCO codes and descriptions / / Fields of training	Cases *)	Average time spent on training (in Weeks)
261 Legal professionals	**555**	
Legal consultancy	447	8.1
214 Engineering professionals (excl. electro technology)	**533**	
Projecting, project implementation	87	1.3
Daily work processes	72	1.7
815 Textile, fur and leather products machine operators	**408**	
Use of sewing machines for garment (different types)	226	4.8
Shoe production machine(sewing, conveyor belt, bordmaker, etc.)	64	7.0
711 Building frame and related trades workers	**398**	
General training in the construction field	83	11.6
Technical safety regulations and practices	63	1.4
422 Client information workers	**397**	
Knowledge on sales' products/materials	109	2.0
Specific computer programs use by the company	69	1.5
751 Food processing and related trades workers	**395**	
Production of desserts	213	6.3
Production techniques	152	2.5
541 Protective services workers	**393**	
Knowledge/update on law and regulation	164	1.7
Use of weapons; security of objects and persons	123	2.5

) Cases** *= 1 firm x 1 profession x 1 training field.* ***Example: *a firm that training is delivered for 2 professions in different fields. For the first profession 2 training were done and for the second one 3 training. This firms counts for 5 cases. Two cases are shown up in the statistics for the first profession, and 3 cases for the second one.*

The list of professions where specific training is mainly needed is quite similar with the one of the professions where training is delivered in the last 12 months, which was analyzed above. The same can be said also for the relative ranking that have insignificant changes. The only profession missing from the last 12 months training list is "Managing directors and chief executives". That tells that the managers know the high importance of their own training and they do the training, but they do not call it a need or at least have forgotten to call it this way.

Table 6.17: Top-20 Professions, grouped by ISCO code, sorted by the estimated number of firms in the Frame, where specific training is mainly needed in the near future

Rank	ISCO 3 digit	Professions group	Number of firms in the Frame		
			All firms	Micro & Small	Medium & Large
1	522	Shop salespersons	**688**	647	41
2	241	Finance professionals	**638**	454	**184**
3	513	Waiters and bartenders	**623**	600	23
4	751	Food processing and related trades workers	**295**	291	4
5	311	Physical and engineering science technicians	**294**	228	66
6	512	Cooks	**279**	268	12
7	741	Electrical equipment installers and repairers	**278**	251	26
8	711	Building frame and related trades workers	**215**	139	76
9	214	Engineering professionals	**213**	177	37
10	351	ICT operations and user support technicians	**183**	177	7
11	721	Sheet metal workers, molders and welders	**179**	161	17
12	815	Textile, fur and leather products machine operators	**176**	22	**153**
13	723	Machinery mechanics and repairers	**157**	137	20
14	816	Food and related products machine operators	**152**	144	9
15	112	Managing directors and chief executives	**152**	142	11
16	541	Protective services workers	**150**	67	83
17	122	Sales, marketing and development managers	**141**	129	12
18	216	Architects, planners, surveyors and designers	**119**	97	22
19	331	Financial and mathematical associate professionals	**116**	98	18
20	251	Software and applications developers and analysts	**115**	49	65

Table 6.18: Professions, grouped by ISCO code, with the highest number of Cases*) where specific training is mainly needed in the near future, and respective fields of training. Sorted by the number of cases. Only the highest ranking training fields are shown.

ISCO codes and descriptions / / Fields of training	Cases*)
513 Waiters and bartenders	**793**
Preparation of cocktails	212
Communication skills. Company's and Profession's ethics.	156
First Aid training	123
Client care and relationship. Costumer service	94
522 Cooks	**789**
Communication skills. Company's and Profession's ethics.	213
Strategies and techniques of sales/ promotion	199
Production techniques	92
241 Finance professionals	**726**
Accounting standards, audit, IFRS	220
Fiscal legislation	102
Knowledge on sales' products/materials	91
Accounting Software (Finance 5, Alfa, etc.)	80
Training of professional growth	78

311 Physical and engineering science technicians	**345**
Project management	127
Use and maintenance of working tools	59
751 Food processing and related trades workers	**302**
Production of desserts	202
Daily work processes	90
214 Engineering professionals (excl. electro technology)	**301**
Specific computer programs use by the company	50
Strategic management, leadership	49
Projecting, project implementation	47
541 Protective services workers	**284**
Use of weapons; security of objects and persons	93
Knowledge/update on law and regulation	73
512 Cooks	**279**
Preparation of banquets	182
Different *Kulinari*	65
741 Electrical equipment installers and repairers	**279**
Professional skills	182
815 Textile, fur and leather products machine operators	**262**
Use of sewing machines for garment (different types)	150

) Cases** *= 1 firm x 1 profession x 1 training field.* ***Example: *a firm that training is delivered for 2 professions in different fields. For the first profession 2 training were done and for the second one 3 training. This firms counts for 5 cases. Two cases are shown up in the statistics for the first profession, and 3 cases for the second one.*

Barriers to Training

Lack of training funds is the most selected barrier (35.6% of companies) that hinders the investment in the continuous training of the staff. Also frequent mobility of labor force is a considerable barrier, selected by 21.7% of the companies. Businesses are worried to invest funds in the staff training because the trainees might leave the company not very long after they are trained.

Approximately one third of the businesses (31.6%) do not see any barrier that hinders the staff training.

Table 6.19: Frequencies of barriers that hinder the continuous training of the staff

Barriers	Sample		Frame	
	Firms	%	Firms	%
Lack of training funds	562	37.0	12,752	35.6
Lack of courses and lack of suitable instructors	193	12.7	2,617	7.3
Lack of staff motivation regarding training	68	4.5	1,105	3.1
Frequent mobility of labor force	398	26.2	7,778	21.7
Lack of time for training	198	13.0	4,388	12.3
There are no barriers	487	32.1	11,301	31.6
Total businesses of Albania	**1,518**	**100.0**	**35,816**	**100.0**

The results presented in the table below indicate that here are some real problems regarding the training resources outside the Center region.

First of all, the relative weight of companies with no barriers for trainings' provision in the Center region is four times higher than in the North region (high 41.4% vs. very low 9.8%). The most important barrier for the training in the North region is lack of training funds (50.7% of businesses). A little better than North, but still problematic, is the situation in the South region (scoring 41.0%).

In addition to the lack of training funds, the "Lack of courses and lack of suitable instructors" is chosen as a problem by 3.8% of the businesses in the Central Region, while in the other two regions it is 11.0% and 11.6%. Considering as a figure on itself, 11% might not be problematic, but more analysis is made to understand it better. Thus, the companies that do not have funds available for training might not have looked at all to find suitable instructors, which suggests that assuming that the barrier "lack of training funds" is solved for a moment, the level of "Lack of courses and lack of suitable instructors" might be sharply grow and become the main barrier for the North and South regions, hence further increasing the gap with the Center region.

Table 6.20: Distribution of barriers that hinder the continuous training of the staff for businesses in the Frame, by Region

Barriers	North	Center	South	Total
Lack of training funds	50.3%	27.0%	41.0%	35.6%
Lack of courses and lack of suitable instructors	11.0%	3.8%	11.6%	7.3%
Lack of staff motivation regarding training	0.8%	3.0%	5.5%	3.1%
Frequent mobility of labor force	14.1%	22.7%	26.8%	21.7%
Lack of time for training	16.5%	9.5%	14.3%	12.3%
There are no barriers	9.8%	41.4%	30.1%	31.6%
Total businesses of Albania (or 100%)	**8,054**	**19,142**	**8,620**	**35,816**

***Notes**: All percentages are over the total number of firms in the Region subgroup*

The study indicates that there is a very poor collaboration of businesses with the vocational education system and vocational training system. Also, very low number of business (6.4%) collaborates with universities, while collaboration with any other vocational training/education system is even lower. Cooperation with universities is almost fully concentrated in the Center region.

Table 6.21: Number of businesses and % collaborated with vocational education and training system

Options for collaboration for training	Sample		Frame	
	Firms	%	Firms	%
No cooperation	1039	68.4	26122	72.9
With secondary vocational schools (practice exercised in the firms)	131	8.6	1629	4.5
Vocational training centers (in terms of training, etc.)	104	6.9	1738	4.9
Instructors of vocational schools /centers invited for training in the firms	49	3.2	992	2.8
Experienced staff of the company are engaged in vocational schools/centres	69	4.5	1498	4.2
With universities	175	11.5	2284	6.4
Total businesses of Albania	**1,518**	**100.0**	**35,816**	**100.0**

Cooperation with Employment Services

The results show that 87.4% of the companies in the Frame have relations with the Employment office. The situation is described as being almost the same with the data disaggregated according to the four dimensions of the survey (Sector, Size, Region and Ownership).

The biggest negative deviations, but which still keeps the great majority of companies having relations with the Employment office, are “Other sectors activity“ (64.7%) and “Financial and insurance activities” (71.7%).

Table 6.22: Number and % of the businesses which have relations with the Employment office

Options	Sample		Frame	
	Firms	%	Firms	%
YES, it has relations with the Employment office	1,414	93.1	**31,310**	87.4
No relations	104	6.9	**4,506**	12.6
Total	**1,518**	**100.0**	**35,816**	**100.0**

There is a legal obligation that explains why the majority of companies keep relations with the Employment Office, which is declaration of the employees, identified by 80.7% of the businesses in the Frame. Indeed this number could be a little higher, if the periodical ”Declaring of employees” is compulsory. 19.3% of the companies have not selected this option, and it is believed that the reason might be related to the fact that the manager who responded to the interview could be unaware that an internal or external staff is submitting it periodically.

24.5% cooperates regarding the recruitment of the new staff. Relations with respect to the “On the staff training” almost does not exist, therefore it is excluded from the cross analysis. Also the “declaring of employees” is excluded because is irrelevant to be analyzed furthermore.

Table 6.23: Frequencies of matters of relations with the Employment Office

Matters of relations with the Employment Office	Sample		Frame	
	Firms	%	Firms	%
On recruitment of new staff	691	45.5	8,790	24.5
On staff training	49	3.2	897	2.5
On the participation of employment promotion programs	275	18.1	3,694	10.3
On labor market information	411	27.1	8,664	24.2
Declaring of employees	1,333	87.8	28,905	80.7
Total businesses of Albania	**1,518**	**100.0**	**35,816**	**100.0**

The sectors that are using more the Employment Office on recruitment of new staff are “Real estate Activities” with 52.9% of firms, “Water supply, sewerage, waste” with 48.8% of firms and “” Construction” with 40.1%.

The sectors that are using more the Employment Office on participation of employment promotion programs are “Mining and Quarrying” 39.4%, “Real estate Activities” with 34.9% of firms and “Construction” with 28.2%.

The sector that is using more the Employment Office on labor market information is “Transportation and storage”.

Regarding the distribution inside the relations’ matter, the largest number of firms using the Employment Office on recruitment of new staff and on the labor market information, is in the sector of “Wholesale and retail trade, repair…” with respectively 32.7% and 44.1%.

Table 6.24: Frequencies of relations' matters with the Employment Office in the Frame, by Sector

Economic Sector		% over the total number of firms in the subgroup			% of distribution inside the relations' matter (% by column)		
		Recruit. of new staff	Participation of employment promotion prog.	Labor market infor-mation	Recruit. of new staff	Participation of employment promotion prog.	Labor market infor-mation
B	Mining and quarrying	25.9	**39.4**	35.4	0.9	3.2	1.2
C	Manufacturing	24.8	15.0	32.1	12.6	18.1	16.5
D	Electricity, gas, stream…	5.7	6.1	34.8	0.2	0.4	1.0
E	Water supply, sewerage, waste…	**48.8**	17.0	35.0	0.5	0.4	0.4
F	Construction	40.1	28.2	26.2	11.2	18.8	7.4
G	Wholesale and retail trade, repair…	22.5	6.1	29.9	**32.7**	21.1	**44.1**
H	Transportation and storage	32.5	5.8	**46.5**	2.4	1.0	3.4
I	Accommodation and food service	30.5	11.9	12.5	26.1	**24.3**	10.9
J	Information and communication	20.6	2.5	16.2	1.8	0.5	1.5
K	Financial and insurance activities	30.4	4.7	28.1	1.7	0.6	1.6
L	Real estate Activities	**52.9**	34.9	9.6	0.5	0.8	0.1
M	Professional, scientific and technical	18.7	1.9	17.7	4.9	1.2	4.7
N	Administrative and support service	27.3	5.4	12.1	2.5	1.2	1.1
R	Arts, entertainment and recreation	37.8	13.6	16.5	0.9	0.8	0.4
S	Other services activities	3.7	10.7	18.6	1.1	7.7	5.7
Total		**24.5**	**10.3**	**24.2**	**100.0**	**100.0**	**100.0**

The larger the size of the company, the bigger is the chances that it will have relations with the Employment Office. 66.4% of the large size companies cooperate with the Employment Office on the recruitment of the new staff. In absolute figures, number of the firms that are having relations with the Employment Office is totally dominated by the Micro size companies.

Table 6.25: Frequencies of relations' matters with the Employment Office in the Frame, by Size

Size group	% over the total number of firms in the subgroup			% of distribution inside the relations' matters (% by column)		
	Recruit. of new staff	Participation of employment promotion prog.	Labor market information	Recruit. of new staff	Participation of employment promotion prog.	Labor market information
Micro [1-4]	16.1	8.2	24.3	43.2	52.4	66.3
Small [5-19]	37.7	12.1	21.2	41.2	31.4	23.5
Medium [20-79]	49.2	21.7	34.8	12.0	12.6	8.6
Large [80+]	66.4	27.7	30.0	3.6	3.6	1.7
Total	**24.5**	**10.3**	**24.2**	**100.0**	**100.0**	**100.0**

The South region is in relative and absolute terms the region which is keeping the most frequent relations with the Employment Office. The Center region is the most indifferent one towards the Employment Office.

A random business in the South region will have 2-3 times more chances to have relations with Employment Office for each of the matters (36.3% vs. 18.2%; 18.9% vs. 5.4%; 39.7% vs. 11.1%).

Table 6.26: Frequencies of relations' matters with the Employment Office in the Frame, by Region

Region	% over the total number of firms in the subgroup			% of distribution inside the relations' matters (% by column)		
	Recruit. of new staff	Participation of employment promotion prog.	Labor market information	Recruit. of new staff	Participation of employment promotion prog.	Labor market information
North	27.0	12.9	38.8	24.8	28.1	36.0
Center (TR+EL)	18.2	5.4	11.1	39.6	27.8	24.5
South	36.3	18.9	39.7	35.6	44.1	39.5
Total	**24.5**	**10.3**	**24.2**	**100.0**	**100.0**	**100.0**

The form of ownership seems to have little if no influence in the relations with the Employment Office on the matters of staff recruitment and employment promotion programs.

Regarding the relations on the labor market information, it is noted one of the exceptionally rare cases when the behavior of the foreign company branches is significantly different from the behavior of the joint ventures. In this particularly case, 36.5% joint ventures subgroup is collecting labor market information from the Employment Office, while only 6.1% of the foreign companies do the same thing.

Table 6.27: Frequencies of relations' matters with the Employment Office in the Frame, by Ownership

Ownership	% over the total number of firms in the subgroup			% of distribution inside the relations' matters (% by column)		
	Recruit. of new staff	Participation of employment promotion prog.	Labor market information	Recruit. of new staff	Participation of employment promotion prog.	Labor market information
A branch of a foreign company	28.0	5.6	6.1	3.7	1.7	0.8
100% Albanian owned	24.4	10.6	24.5	93.2	96.3	94.8
A joint venture	25.8	6.9	35.1	3.2	2.0	4.4
Total	**24.5**	**10.3**	**24.2**	**100.0**	**100.0**	**100.0**

There are 1,276 companies in the Frame or 3.6% of them, that are missing information about the Employment Office. There are almost zero concerns about the lack of quality services delivered by the office.

9.1% of the businesses of Albania, or 72.3% of the businesses that do not have any relation with the Employment Office, are simply lacking needs for the services they offer.

Table 6.28: Frequencies of reasons for the businesses in the Frame, not to have relations with the Employment Office

Reasons not have relations	Sample		Frame	
	Firms	%	Firms	%
Missing information about it	29	1.9	1,276	3.6
Lack of quality services delivered by the office	low data, technically 0%			
Lack of needs for the services they offer	75	4.9	3,257	9.1
Total businesses of Albania	**1,518**	**100.0**	**35,816**	**100.0**

7. CONCLUSIONS

Businesses and Employment

7.1 There has been a general increase in the number of private businesses in Albania during the period 1991-2013. At present, the economy is prevailed by micro and small size businesses that represent more than 70% of the *Mining and Quarrying* sector, 80 % of the *Electricity, Gas, and Stream* sector, about 64 % of the *Manufacturing* sector, about 84% of the *Construction* and about 78% of the *Financial and Insurance* sector.

7.2 The major part of the employment in the Albanian economy is in the *Manufacturing* and *Wholesale*, *Retail Trade and Repair* sectors followed by the *Construction* and *Accommodation and Food* sectors. About 60% of the Albanian employment is concentrated in the Central Region, whilst the lowest employment share is in the Southern Region. More specifically, 36.4% of the employees engaged in the *Manufacturing* sector are working in the businesses located in the Northern Region.

7.3 The absolute majority of employment in the sectors of *Information and Communication*, *Finance and Insurance, Real Estate* activities, *professional, scientific and technical domains, Administrative and Support Service, Arts, Entertainment and Recreation* is concentrated in the Central Region. These sectors are nearly nonexistent in the two other Regions.

7.4 *Manufacturing, Administrative Support and Support Services* sectors are the biggest employers in the large – size businesses. The *Garment and Footwear* industry and *Call Center* services are the biggest employers within the large businesses group. *Wholesale and Retail Trade* is the biggest employer in the micro –size businesses.

7.5 There is a small presence of foreign ownership in the economy. The number of businesses with foreign ownership in the Frame is only 6.2%, while their employment share is 17.5%. Most of the businesses with foreign ownership (100% or in the form of joint ventures) are operating in the *Wholesale and Retail Trade* and in *Information and Communication* sectors. *Manufacturing, Mining and Electricity* sectors are characterized by a very little foreign ownership presence.

7.6 Most of the businesses did not have changes in turnover, employment and investments during June 2013-June 2014. However, the number of businesses that have decreased the turnover during June 2013-June 2014 is three times higher than those increasing it. Similarly, the number of businesses decreasing the number of employees is two times higher than those increasing it.

7.7 There is a general strengthening tendency for the “Medium and Large size” group, driven by a subgroup that contains one fourth of the employees of the entire private sector in Albania. The latter group of companies had a positive employment trend in the near past, and it plans to keep the increasing trend for employment. In aggregate figures, the total number of employees has increased from 2013 to 2014, and it is expected to increase again in 2015. The smaller the businesses’ size is, the more they are feeling the competition and facing the pressure to decrease the number of employees and/or undergo restructuring.

7.8 About half of the businesses declare a decrease in the turnover and about one third declare a decrease in the investments and the number of employees, too. In the meantime, the percentage of the businesses declaring the increase in turnover as well as in employment is very low, respectively 7.1% and 5.7%. Northern and Central Regions have a similar pattern in the trend of the main economic indicators, whilst the Southern Region is in a worse situation. *Construction* has faced a sharp decrease in terms of all indicators, and *Information and Communication* sector, which, in spite of not being as bad as Construction, it has as well a significant net decrease.

7.9 About half of the total businesses in Albania, plan to have new products and/or services in the next 12 months. In addition, about one fifth of the total businesses plan to introduce new technologies, new products and/or further support for their products. There is a good correlation between the size of the businesses and the percentage of the businesses introducing new products/new technologies and this is especially related to the Medium and Large size group of companies.

7.10 The sectors with the highest percentages of companies planning to introduce new products and new technologies are *Information and Communication* and *Water Supply, Sewerage, Waste*…" and *Electricity,* and finally the *Gas, Stream sector.* The reason might be related to the bad shape of the sectors and the need to improve their performance in terms of the quality of services.

Gender Dimension

7.11 The female employees comprise nearly 40% of the total number of the employees in Albania, but only four economic sectors led by *Manufacturing,* represent a female prevalence. The female-dominated employment in manufacturing might be linked with garment and shoes industry operating in *façon*. Businesses with foreign ownership result to have largely employed women as compared to businesses with Albanian ownership.

7.12 About one fourth of the total businesses which occupy about 17% of the total employment have women presidents. The number of businesses with male dominant employment is more than 2 times higher than those with female dominant employment, while in terms of the size of employment this ratio amounts near 2 times higher.

People with disabilities

7.13 Only 10% of businesses report to have hired at least 1 people with disabilities, while according to the law, each private business with more than 25 employees should employ at least one people with disabilities. Most businesses that employed people with disabilities belong to manufacturing, water supply, sewage, waste and the medium and large size businesses.

7.14 The businesses operating in the Central region are the main employers of people with disabilities, while both other regions employ only one third of the total altogether. Businesses with foreign ownership are relatively more proactive in the employment of people with disability.

Employers' Concerns

7.15 *Work Culture* and *Unsuitable Qualification* are two most occurring major issues to the businesses, respectively at 39.8% and 33.0% of the total businesses. Work Culture reaches the maximum level of concern in the *Administrative and Support Services* sector. Unsuitable qualification level of labor force is a concern for almost all sectors of the economy, but it is particularly a strong concern for the following sectors of *Mining*, *Electricity, Gas etc.* as well as *Real Estate*. This concern is more present amongst the medium and large size companies.

7.16 Loss of professional skills due to long term unemployment is a very high concern (national average of 9%) for the *Electricity, gas etc.* and *Real Estate* sectors, while low salaries seems to be a real concern for *Water Supply, Sewage and Waste* sector.

7.17 Almost all businesses operating in the Southern Region indicate having at least one major employment concern, while the incidence is lower in the Central Region and even lower in the Northern Region. The *Work Culture* concern occurs at a higher rate in the businesses in the Central and Southern Regions and lower in the Northern Region. The *high fiscal burden regarding employment* seems to be a concern for a large share of businesses in the Southern Region. The *Low salaries* concern in the South is 3 times higher than in the Central Region.

7.18 Most of the businesses with concerns regarding the "*unsuitable qualification of labor force*" and the "*work culture*" are businesses with foreign ownership and joint ventures if compared to the domestically owned businesses.

Skills' Shortage

7.19 Some businesses are not satisfied with the skills of their existing employees. About 15% of the businesses declared that their existing employees lack the necessary skills. The professions with skills shortages are waiters, building workers and shop salesperson. More than 95% of bars & restaurants, representing about 10% of the Small size businesses in Albania, have better expectations regarding the skills of their waiters and/or bar tenders. Lack of relevant skills to the current employees, seems relatively very high for the sectors of *Water supply, Sewerage, Waste* and Mining and quarrying, too.

7.20 Small size businesses declare to have employees who lack skills and this relates more to the waiters & bartenders. Unsatisfied businesses who hire waiters have a 63% male working force. The highest rate of unsatisfied businesses is located in the Southern Region with them being unhappy with the skills of the respective employees.

7.21 In terms of Regions, the Southern Region has the highest rate (22.4%) of unsatisfied businesses in terms of skills of their employees. The Northern Region deficiencies are more related to the professions in production, mining and construction industries. The Central Region deficiencies are more related to the service sector, while the Southern Region dissatisfaction is more related to the sectors of services and construction.

7.22 The waiters, bartenders, cooks, and hostesses in most cases lack the communication skills while sales workers lack the ability to work in a team. The Building and Related Trades Workers (excluding Electricians) do not have enough work experience. That underlines the logic that the reasons are much more interrelated to each-other, with the strongest cause being "*Insufficient knowledge already at the time of recruitment*", meaning thus, that this is what you can get in the labor market.

7.23 Almost all companies undertake at least one action to address skills 'shortage of the existing employees. This remains true also for the small sized businesses. While staff replacement is the most used action for the Micro size group, increased training is the most used action for the large size group.

7.24 In terms of sectors, the lack of relevant skills to the current employees seems relatively very high for the sectors of *Water Supply, Sewerage, Waste* and *Mining and Quarrying* representing 41.9% and 40.2% respectively of the companies in the sector.

7.25 For the "*Personal Services Workers*" (waiters, bartenders, cooks, and hostesses) in 60% of the valid cases, the communication skills are the main concern. For the "Sales Workers" in 50% of the valid cases, the lack of the ability to work in team is the most frequent one. While for the "Building and Related Trades Workers (excluding Electricians)" a hefty 86% of valid cases does not have enough work experience.

New Recruitments

7.26 The total estimated number of the new recruitments for the next 12 months in the Frame is about 42,121 or 12.5% of the current working force. Sewing machine operators, and the Call Center operators, are the two professions currently driving the employment market in Albania, with about 4,000 anticipated new recruitments each of them, in the incoming year. Waiters rate in the third place with 1,864 new recruitments, due to the relatively large number of bar-restaurants in Albania and because of being the most problematic profession in term of lacking the right skills as it was shown above. It is interesting to highlight that there are four professions in the Top-15 ones related to the bar-restaurants: waiter, bartender, cook and cook-assistant. Security guards continue to be a solid profession with high demand in the employment market.

7.27 In the current economic environment of Albania, the Small size business (with 5-19 employees) seems to be the most prospective format in terms of employment. It has the largest number of anticipated new recruitments, the highest new recruitments rate (16.5%) and the lowest score regarding the level of difficulty to hire (33%). The Small size subgroup is led by the *Waiters and* *bartenders* followed by *Building frame and related trades workers*. The micro size group, in global numbers is the weakest recruitment subgroup, with no clear dominant profession. Medium and Large size group are both anticipating a number slightly above 9,000 of recruitments. These groups are led by two subsectors: *Textile*, *fur and leather products machine operators* and *Call center* telemarketing/support operators.

7.28 In terms of Regions, all three regions have similar ratios for new recruitments and similar level of difficulties to find the appropriate person for the respective professions. The professions' preferences are similar in each region, except for the Call Center operators that are mostly established in the Central Region (almost all in Tirana city) followed by a small share in the Northern Region (mostly in Durres city) and almost not existing in the Southern Region.

7.29 *Professional skills* and *Work experience* are the skills/requirements that are the most often considered as difficult. On the other side of the spectrum "Reading and writing skills", "Outer appearance", "Gender", "Insufficient salary at the company" and " Uninteresting working conditions" are very rarely a difficulty or a significant barrier for hiring people in the required profession.

7.30 The first used method of the new recruitment for most of the economic sectors is *Acquaintances, relatives and friends*. *Announcements in newspaper, Job portals, Company's Website* is the most used recruitment method for both Medium and Large size companies (32.9% and 30.6% of the companies respectively). The frequency of using the "Public employment offices" as a method of filling up the vacancies varies from 11.0% for the Micro size businesses to 30.0% for the large size ones.

7.31 In terms of Regions, while in general *Acquaintances, relatives and friends* is the main method for all Regions, there are differences between Regions regarding the relative shares of the used methods. In particular this method is used more in the Southern Region (59.6%) and Northern Region (56.5), and considerably less in the Central Region (37.7%). In the Central Region, the relative shares of using *Announcements in newspaper, Job portals, Websites* and *Promoting existing workers* is twice as higher or even higher than the respective percentages in the two earlier Regions.

7.32 Businesses are often facing difficulties to find the applicants with the right skills/criteria. More often these difficulties are related to the professional skills of candidates (54.8% of the businesses), Work experience (45.4%) and Correctness/Integrity 44.8%.

Vocational Training Needs

7.33 Almost all companies (94.4%) facing skills shortage of the existing employees, undertake at least one action to address these shortages through training. However, *training on Vocational schools or centers contracted by the company* is rarely considered by businesses.

7.34 The results show that the *Training from the supplier of technology* is very important for the Medium and Large size businesses. Previous studies clearly indicate that a considerable amount of training is delivered in these companies in the form of technical assistance in the framework of the contracts for the technology transfer with the supplier companies. The expertise is mostly provided in the premises of companies in Albania, but there are many cases when they invite Albanian technicians abroad.

7.35 The company itself results to be the main funder of the training for all groups of professions. The cases that the training is financed by the company itself are 3 to 6 times more frequent than all the other alternatives of financed training combined.

7.36 It is expected that the majority of the Medium and Large size companies have their own training structure and about one third of them have a separate training budget item. However, there is a very poor collaboration of businesses with the existing VET system and especially with universities. Cooperation with universities is almost fully located in the Central Region.

7.37 The results from the regional viewpoint indicate that businesses operating in the Southern Region have a slightly different approach from the rest of Albania. In this region there is a relatively high percentage of companies with training structures, but a low percentage of companies with a training budget item.

Barriers to training

7.38 About one third of the businesses do not see any important barrier that hinders the staff training. The relative weight of companies with no barriers for trainings' provision in the Central Region is four times higher than in the Northern Region.

7.39 The lack of training funds is considered by businesses as the most important barrier to training. This concern is especially related to the businesses in the Northern Region. A little better than in the North, but still problematic, is the situation in the Southern Region. Lack of courses and lack of suitable instructors has been selected as the second barrier to training especially in the Central Region. This concern is identified as an important barrier for the Northern and Southern Regions as well.

8. RECOMMENDATIONS

8.1 General Recommendations

8.1.1 There is a small presence of foreign businesses in the economy of Albania. The Government is working in a focused way in this respect; however the identified concerns of the foreign businesses regarding their employees and the labor market should be addressed as a paramount measure to improve the business environment and make it more attractive to the foreign investors in Albania.

8.1.2 Work culture and attitudes results to be one major concern for most of businesses in Albania. This concern is present even more than the unsuitable qualification of the employees, which in fact has been the biggest concern declared by the businesses in all previous studies. There should be very complex root causes behind such considerations regarding the work culture and attitudes and a more in depth analysis is needed in this respect. However, an immediate action plan as a joint initiative should be undertaken by the Education and VET institutions to address this concern.

8.1.3 Unsuitable qualification is another major concern for all sectors of the economy, which should be immediately addressed through the Education and VET in terms of enhanced curricula but also with the direct involvement and inputs from the social partners. The priority should be the sectors of mining, electricity and gas. Particular contacts should be established with the businesses with foreign ownership that are very sensitive in this respect.

8.1.4 Small size businesses (with 5-19 employees) have more difficulties regarding Human Resources in terms of recruitments, trainings etc. As such is the case, the role of intermediary institutions such as NES employment offices might have a specific role to assist the recruitment/training needs of small size businesses.

8.1.5 The Southern Region should have a focused action plan due to the fact that many aspects of this study seem to be worse when compared to other regions, such as the following: problematic situation declared regarding the economic indicators (employment, turnover, investments), work culture of the employees, employment fiscal burden, the effect of the low salaries in the performance of the employees etc. The Ministry of Social Welfare and Youth should raise the awareness of all related ministries and other government institutions on the results of SNA 2014 in general, and regarding the regional findings in particular.

8.1.6 Training courses should be organized to address the skills' deficiencies of the waiters, bartenders, construction workers and shop salespersons. Particular focus should be given to the South region in this respect in cooperation with the industrial sectors involved. A financing program through EPP could be used for this purpose.

8.1.7 Courses on communication skills should be provided for the waiters, bartenders, cooks and hostess. In the touristic areas the provision of such courses should be a priority. In addition, courses to increase the ability for team work, should be provided with a focus on salespersons.

8.1.8 The professions that seem to be in high demand in terms of new recruitments are waiters, bartenders, cooks, cooks' assistants and security guards. VET institutions should provide courses in this respect, however the NES employment offices should be aware of the professions that will have new recruitments according to this study and use it during the assistance they provide regarding the unemployed jobseekers. In this respect, the employment offices should improve the communication and cooperation they have with the businesses with regards to new recruitments.

8.1.9 The role of the VET system in addressing skills shortage of the companies is almost not considered at all. This problem should be urgently addressed with a clear plan designed by NES on increasing awareness to the businesses about its role and services. Also, it is highly important the improvement of the VET system's performance and image so that its role is properly fulfilled.

8.1.10 Ameliorated cooperation should be established between businesses and educational and VET institutions in the North and South regions, in terms of training, especially in areas where there is more evident lack of funds for training and lack of instructors, too.

8.2 Methodological Recommendations for future surveys

8.2.1 SNA 2014 provided valuable information with respect to sample design on the quality of the sampling Frame and the difficulty in reaching all sample enterprises drawn from the Business Register. For some 238 enterprises or more than 10% of the sample, no information could be obtained despite different attempts to reach them. It would be important in future surveys to document the types of attempts made for reaching the sample enterprises and in each case to explain the reasons for failure. The information would be crucial to develop appropriate procedures for minimizing the number of enterprises with no information in the sample.

8.2.2 Another area for future improvement is the distinction between employed persons and employees. The scope of the survey focuses on employees of enterprises but neither the sampling frame, nor the questionnaire clearly defines the concept. It is recommended that employees should in principle include all permanent and temporary employees, and exclude owner-managers and the self-employed persons.

8.2.3 Considering that in the businesses derived sample also appear religion entities, NGOs and other institutions such as Courts that are unrelated to the purpose of the survey, INSTAT and NES should consider the option to go up to three digit NACE specification and exclude the irrelevant subjects.

8.2.4 Regarding the fieldwork, it would be helpful if it is worked individually with the interviewers to make a clear distinction between blanks and zeros when filling up the questionnaire. Those data are processed differently. The same also applies for the data-entry operators. This distinction is important in the calculation of response rates and sampling weights, as well as in the estimation of percentages with tabulated data.

8.2.5 The option of using the CSPro application for the data-entry and processing should be considered. This due to the fact that it is a public domain software (i.e. freeware) compared to the expensive SPSS, and furthermore it is more reliable than EXCEL in terms of data-entry.

8.2.6 The NACE and ISCO codification process was performed by INSTAT staff, and a second round of check-and-repair procedure was performed by the ILO-IPA 2010 local experts. The quality of NACE and ISCO coding affects significantly the quality of the statistics. In particular NACE impacts directly the weighted (extrapolated) results and the rate of statistical error calculated. ISCO and NACE Coding processes can continue to be realized by INSTAT's specialized staff and double checked by INSTAT/NES before the start of data processing.

8.2.7 The NES key staff in charge of human resources and statistics is very professional, with a long experience in SNA design and implementation. However, some additional support is needed particularly regarding data integrity check, data processing and report writing.

8.2.8 The methodological issues are well settled in the framework of SNA 2014 and the quality of the questionnaire is considered to be very high. The next step for NES could be skills development for implementing additional tools regarding labor market information such as sectoral SNAs or other approaches.

8.2.9 The cooperation between NES and INSTAT resulted to be very good, however it would be better if a long-term Collaboration Agreement is signed between NES and INSTAT specifying the role of each institution regarding SNA, as well as the cooperation modalities.

8.2.10 REDs and LEOs have good capacities regarding the implementation of the fieldwork. However, training is needed to develop REDs and LEOs capacities in using the SNA results and findings in their daily activities.

8.2.11 In the course of SNA's implementation, cooperation was established with the General Taxation Directorate and its regional offices regarding the identification of contact information for detached businesses. The tax authorities resulted very cooperative, but a signed Collaboration Agreement is recommended to institutionalize such cooperation.

Annex 1: Methodological Note

The sample and the questionnaire of SNA 2014 were designed through a series of consultations taking into account the experience gained during the previous surveys and the comments received from reviewers of the results of SNA 2012 and users of SNA data in Albania. The SNA 2014 survey is based on a probability sample of 2058 active enterprises with at least one employee representing all regions of Albania and covering all branches of economic activity with a few exceptions.

a. Sample design

The sample design consisted on the scope of the survey and the corresponding sampling frame, regions as reporting domains, the determination of the sample size and the sample allocation among strata, the sample selection and the final composition of the sample.

- **Scope of the survey.** The scope of the survey is all active enterprises with at least one employee in INSTAT's business and engaged in all branches of economic activity except agriculture, forestry and hunting; public administration, defense and compulsory social security; education, human health and social work activities, activities of households as employers; undifferentiated goods- and services- producing activities of households for own use; and activities of extraterritorial organizations and bodies.

INSTAT's business register is constructed on the basis of a combination of administrative sources the main ones of which are the General Directory of Taxation (GDT) and since 2007 the National Registration Centre of new businesses (NRC). The business register is updated yearly based on administrative sources including GDT, NRC, Value-Added Tax files, and published or released annual accounts of enterprises as well as statistical sources such as on-going surveys of newly created enterprises, annual structure survey, quarterly surveys of establishments, production price survey and other surveys and censuses of establishments.

The basic unit of the register is an enterprise defined as "the smallest combination of legal units that is an organizational unit producing goods or services that benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations (local units). In practice, an enterprise of the business register corresponds either to a legal unit or a combination of legal units.

The enterprises in the register are classified according to their current status: active; closed; closed without liquidation; inactive or dormant; suspended; under liquidation; and under bankruptcy proceedings. At the time of sample design (18 June 2014), the business register contained a total of 203'410 records, 111'154 of which concerning active enterprises and 111'008 excluding embassies and other extraterritorial bodies.

The register covers enterprises engaged all branches of economic activity, but no information is available on the degree of coverage. It was decided to exclude agriculture enterprises from the scope of SNA because production units in agriculture are in fact holdings and differ from the production units in non-agriculture activities, and agriculture holdings are badly covered or not covered at all by INSTAT's Business Register. The total number of agricultural units in the register was found to be less than 2000 including those with no employees. There were 738 units in agriculture, 146 in forestry and 806 in fishery.

It was also decided to exclude enterprises involved in both education and health services, as the analyses of skill requirements in private-sector education and health institutions was considered specialized topics within the mandate of the ministries of education and of health, not that of the National Employment Service. Furthermore, the number of such units in INSTAT's Business Register was very low, their coverage complicating the sample design if sufficient number of units were to be drawn in the sample. For example, the register contained a total of only 2342 units in human health and social work activities.

Finally, it was decided to limit the survey to enterprises with at least one employee, thus excluding enterprises without employees. Although, the result of the earlier SNA survey in 2012 showed that almost all micro enterprises with 1 to 4 employees expressed no skill shortages among their employees, given that these enterprises may still find skill shortages for expansion, it was decided to include them within the scope of the forthcoming survey, thus covering enterprises with at least one employee including micro enterprises.

- **Sampling frame.** The sampling frame in its final form contained 46'556 active enterprises of INSTAT's Business Register. The distribution of the enterprises by branch of economic activity is shown in Table 1. Similarly, the distribution of the sampling frame by size of enterprise, measured in terms of number of employees is shown in Table 2.

Table A1.1: Sampling frame by section (NACE Rev. 2)

Section code and description (NACE Rev. 2)	Enterprises	%
B Mining and quarrying	656	1.4%
C Manufacturing	5'467	11.7%
D Electricity, gas, steam …	278	0.6%
E Water supply, sewerage, waste management …	311	0.7%
F Construction	3'980	8.5%
G Wholesale and retail trade, repair …	15'524	33.3%
I Accommodation and food service activities	1'219	2.6%
H Transportation and storage	9'757	21.0%
J Information and communication	1'163	2.5%
K Financial and insurance activities	678	1.5%
L Real estate activities	343	0.7%
M Professional, scientific and technical activities	2'423	5.2%
N Administrative and support service activities	1'336	2.9%
R Arts, entertainment and recreation	578	1.2%
S Other service activities	2'843	6.1%
Total	**46'556**	**100.0%**

Table A1.2: Sampling frame by size of enterprise

Size of enterprise	Number of enterprises	%
1 employee	23’949	51.4%
2 employees	7’988	17.2%
3 employees	3’645	7.8%
4 employees	2’076	4.5%
5-9 employees	4’349	9.3%
10-19 employees	2’346	5.0%
20-49 employees	1’304	2.8%
50-99 employees	497	1.1%
100+ employees (max = 4’472 employees)	402	0.9%
Total	**46’556**	**100.0%**

For calculating the figures in Table 2, a new field on number of employees was constructed, as the Business Register did not have a field containing data on number employees. The new field is based on information on number of employed persons in the enterprise (Pun-azh) using the relationship with legal status for determining the number of employees of the enterprise:

- Number of employees = Number of employed persons (Pun-azh) - 1 if the legal form is a physical person (formaleg_azh = 1), otherwise
- Number of employees = Number of employed persons (Pun-azh) if the legal form is different than a physical person (formaleg_azh ≠ 1).

- **Regions as reporting domains.** The domains of a survey are the elements for which data with sufficient precision should be reported. In SNA 2014, the reporting domains are the sub-national geographical breakdown of the country. It was decided to use three regions as reporting domains as defined by INSTAT for statistical purposes. These regions have been approved by the European Commission for compilation of regional data of Albania in line with regional data of other countries. Also, the count of Business Register enterprises by region shows a balanced distribution. The resulting geographical composition of the sampling frame is shown in Table 3 below.

Table A1.3: Sampling frame by region

Region	Number of enterprises	%
North	9’570	20.6%
Central (Tirana, Elbasan)	26’696	57.3%
South	10’290	22.1%
Total	**46’556**	**100.0%**

Note: The definitions of the regions are based on prefecture level classifications.

- **Sample size.** The sample size of SNA 2012 was 1000 enterprises, with a reserve or alternative list to cover the cases that for certain reasons were not possible to interview. The SNA 2012 report however does not describe the procedure used to determine the sample size. In the absence of information on design effect and other survey parameters, it is decided to determine the sample size of SNA 2014 on the basis of the number of reporting domains and the minimum number of

observations required per domain and branch of economic activity and size group of enterprises. With 3 domains, 8 branches of economic activity, and 2 size groups of enterprises (small and large), the required sample size was calculated as:
-

$$1440=3x8x2x30$$

where 30 is the average number of observations considered necessary for providing sufficiently accurate estimates per reporting cell. In this scheme, it is assumed that small branches of economic activity will be merged with others to form sufficiently large branches of economic activity for reporting purposes.

Allowing for the possibility of 30% non-response, non-contact and out-of-scope enterprises the effective sample size was calculated as

$$2058 = \frac{1440}{(1 - 0.3)}$$

Inflating the sample size to allow for cases that for reasons interview cannot be conducted avoids the bias that could be introduced through substitution.

- **Stratification.** There are three main dimensions along which the sample was stratified:
- Explicit stratification by region and within regions by prefecture.
- Implicit stratification by branch of economic activity by sorting the sampling frame according to the 4-digit code of NACE rev 2 within each region.
- Stratification by size of enterprise, resulting from the method of sampling, namely, systematic probability proportional to size, size measured in terms of number of employees.

The sample size was allocated among the regions by square-root allocation, leading to the following distribution of the sample enterprises:

Region: North	423 enterprises
Region: Tirana, Elbasan	1'180 enterprises
Region: South	455 enterprises
Total sample	2'058 enterprises

The square-root allocation is a compromise between equal and proportional allocations, avoiding larger prefectures with higher number of enterprises to receive an excessive share the sample, while small prefectures with lower number of enterprises receiving insufficient share of the sample.

- **Sample selection.** In the last stage of sample design, sample selection was carried out by systematic pps (probability proportional to size - number of employees) after sorting the enterprises according to their 4-digit industry code NACE Rev. 2. The Tille algorithm of sample selection[38] was used as follows:

- Start with a negative random number between -1 and 0, e_0=-rand()
- Sequentially add the random number to the probability of selection of each enterprise (π_k) in the sorted file $e_k = e_{k-1} + \pi_k$
- Sample enterprise k is selected if the integer parts of e_k and e_{k-1} differ,

[38] Yves Tillé, *Sampling Algorithm*, Springer Series in Statistics, 2006, pp. 124-127.

$$\mathrm{Int}(e_k) \neq \mathrm{Int}(e_{k-1})$$

- To ensure that the probabilities are between 0 and 1, the values of π_l were computed by $\pi_k = \min(1, \theta_h x_k)$ where the proportionality factor θ_h was obtained by Newton approximation so that the sum of the probabilities in each region h is equal to the sample size in that region. The resulting probability sample of 2'058 enterprises with their corresponding identification information was stored in a special file at INSTAT.

- **Sample composition.** The composition of the national sample by branch of economic activity and size group of enterprises is given in Table 4 below, followed by the corresponding three regional compositions (Tables 4a, 4b and 4c).

Table A1.4: Composition of national sample

Nace Rev 2	Size group of enterprise (number of employees)						
	1-4	5-9	10-19	20-49	50-99	100+	Total
B Mining and quarrying	6	7	5	13	8	11	50
C Manufacturing	58	27	48	75	103	124	435
D Electricity, gas, steam …	5	1	2	3	1	5	17
E Water supply, sewerage, waste …	3		2	17	15	25	62
F Construction	45	38	68	60	49	40	300
G Wholesale and retail trade, repair …	204	68	72	56	33	43	476
I Accommodation and food services	9	7	12	21	5	13	67
H Transportation and storage	127	13	16	10	5	13	184
J Information and communication	15	8	6	6	11	17	63
K Financial and insurance activities	13	1	1	2	4	25	46
L Real estate activities	3	2	4	3	1	1	14
M Professional, scientific and technical	34	9	10	10	10	7	80
N Administrative and support services	17	9	14	29	26	45	140
R Arts, entertainment and recreation	3	6	4	11	5	10	39
S Other service activities	43	15	7	8	6	6	85
Total	**585**	**211**	**271**	**324**	**282**	**385**	**2058**

Table A1.5: Composition of regional sample (North)

Nace Rev 2	Size group of enterprise (number of employees)						
	1-4	5-9	10-19	20-49	50-99	100+	Total
B Mining and quarrying	1	3	4	4	6		18
C Manufacturing	15	5	11	23	36	43	133
D Electricity, gas, steam …	1					1	2
E Water supply, sewerage, waste …			1	6	2	5	14
F Construction	9	12	12	13	13	4	63
G Wholesale and retail trade, repair …	38	18	11	13	2	6	88
I Accommodation and food services	2	3	4	5	4	5	23
H Transportation and storage	21	3	3	1	2		30
J Information and communication	2			2			4
K Financial and insurance activities	2						2
L Real estate activities	1				1		2
M Professional, scientific and technical	4			1	1		6
N Administrative and support services	1	2	3	6	6	5	23
R Arts, entertainment and recreation	1	1		2	1		5
S Other service activities	5	4	1				10
Total	**103**	**51**	**50**	**76**	**74**	**69**	**423**

Table A1.6: Composition of regional sample (Tirana-Elbasan)

Nace Rev 2	Size group of enterprise (number of employees)						
	1-4	5-9	10-19	20-49	50-99	100+	Total
B Mining and quarrying	3	2		7	1	6	19
C Manufacturing	24	13	19	29	47	57	189
D Electricity, gas, steam …	3		2	3	1	4	13
E Water supply, sewerage, waste …	3		1	3	4	10	21
F Construction	24	14	35	28	26	29	156
G Wholesale and retail trade, repair …	109	34	47	31	27	33	281
I Accommodation and food services	5	3	2	8	1	7	26
H Transportation and storage	77	8	12	6	3	13	119
J Information and communication	10	7	6	4	10	17	54
K Financial and insurance activities	8	1	1	2	3	25	40
L Real estate activities	2	2	3	2		1	10
M Professional, scientific and technical	26	8	10	9	8	7	68
N Administrative and support services	15	6	6	17	13	36	93
R Arts, entertainment and recreation	2	3	4	4	3	10	26
S Other service activities	34	9	5	5	6	6	65
Total	**345**	**110**	**153**	**158**	**153**	**261**	**1180**

Table A1.7: Composition of regional sample (South)

Nace Rev 2	Size group of enterprise (number of employees)						
	1-4	5-9	10-19	20-49	50-99	100+	Total
B Mining and quarrying	2	2	1	2	1	5	13
C Manufacturing	19	9	18	23	20	24	113
D Electricity, gas, steam …	1	1					2
E Water supply, sewerage, waste …				8	9	10	27
F Construction	12	12	21	19	10	7	81
G Wholesale and retail trade, repair …	57	16	14	12	4	4	107
I Accommodation and food services	2	1	6	8		1	18
H Transportation and storage	29	2	1	3			35
J Information and communication	3	1			1		5
K Financial and insurance activities	3				1		4
L Real estate activities			1	1			2
M Professional, scientific and technical	4	1			1		6
N Administrative and support services	1	1	5	6	7	4	24
R Arts, entertainment and recreation		2		5	1		8
S Other service activities	4	2	1	3			10
Total	**137**	**50**	**68**	**90**	**55**	**55**	**455**

b. Questionnaire design

The questionnaire of SNA 2014 was designed to meet the specific objectives of the survey, namely:

- Skill and employee profile shortages in the labour market
- Occupations for which current employees lack necessary skill or profile
- Occupations for which recruitment of new employees found to be difficult
- Extent of training provision in enterprises
- Nature of training needs by occupation
- Extent of relationship between enterprises and relevant state institutions

- **Questionnaire contents.** In line with these measurement objectives, the final questionnaire after field-testing contained 36 questions organized in five parts: Part A inquiring general information on the sample enterprise (8 questions); Part B on abilities and skills of existing staff (5 questions); Part C on recruitment for new vacancies (8 questions); Part D on training (9 questions) and Part E on miscellaneous information on relationship with the National Employment Office, status of the enterprise, the position of the respondent and the response indicator (6 questions). A specimen of the English version of the questionnaire is reproduced in Annex 2 of the present report.

- **Occupation as basic unit of measurement.** A major feature of the questionnaire is the introduction of occupation as the basic unit of measurement. Given that the survey aims at identifying skills, competences and qualifications needed at the workplace, from the perspective of employers, its main focus must be on working tasks performed at the workplace, their change in importance and the preparedness of the workforce to cope with tasks that are becoming more important. Occupation is accordingly the natural unit of data collection. Occupation is also the proper unit for policy intervention at the national and regional level. The National Employment Service (NES) has been insistent on the importance of occupation both as the unit of data collection and as the unit of analysis and policy formulation. Occupation and occupational group has also been a key feature of the recommendations of the European guidelines on skill needs surveys.[39] The focus on occupations as opposed to professional categories implied additional survey operations as interviewers were asked to record the occupation titles in text for subsequent coding in the office. Coding was carried out by INSTAT according to the occupational classification categories (ISCO).

- **Gender dimension.** Another feature of SNA 2014 was the introduction of a question on number of female employees engaged in the enterprise. This change permits the derivation additional gender-based results such as: Gender composition of employees of the enterprises by region, branch of economic activity and size of enterprise; Extent and nature of skills and personal profile shortages in female-dominated enterprises as compared to other enterprises; and Differences in methods of recruitment, training participation and needs, and relationship with state institutions in female-dominated enterprises as compared to other enterprises.40

Still another gender feature of the SNA 2014 is the possibility of identifying female-headed enterprises, a new variable available in the Business Register. The variable was constructed by INSTAT on the basis of the female or male nature of the name of the owner/manager of the enterprise, as recorded in the Business Register. To the extent that names correctly reflect the gender of the individual and the reported names are in fact those of the owner/manager of the enterprise, one can trust the accuracy of the new variable.

The transfer of this gender variable into the sampling frame and the sample database provides the opportunity to obtain a new range of gender-based results such as: Number of female-headed enterprises and their perception about employment and economic trends of their enterprise; Extent and nature of skills and personal profile shortages in female-headed enterprises as compared to male-headed enterprises; Differences in methods of recruitment, training participation and needs, and relationship with state institutions in female-headed enterprises as compared to male-headed enterprises.

c. Fieldwork and data processing operations

The fieldwork was conducted from the middle of July to the end of September 2014 by NES. The interviewers were selected and trained among the regional staff of the National Employment Service. Data entry was realized by the NES operators with a high quality. Data processing of the survey results was carried out with the assistance of the local experts assigned by ILO-IPA 2010 Project.

- **Fieldwork.** The interviews during the field work were carried out by RED and LEO staff. The interviewers were trained with groups on regional basis according to the questionnaire guidelines which were distributed to them as a reference during the fieldwork (see Annex). Check with my last comment!

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[39] *Op. cit.* pp. 11-13.

[40] Female-dominated enterprises may be defined as enterprises in which the majority of the employed persons are women. Alternatively it may be defined as enterprises in which the percentage of women workers is higher than the average in the corresponding branch of economic activity.

Tirana and Elbasan had 1180 businesses to interview which were distributed in all territory of the districts many of them in the periphery area. In order to facilitate the work of interviewers in Tirana in affording long distances to reach the businesses, they were advised to contact the interviewees in advance by phone in order to fix up the appointment, while the questionnaire was sent by e mail in order for the owners/administrators to get prepared for the interview. During the fieldwork there were cases that interviewers were in difficulty to make the interview and NES experts' team provided the guidance to the interviewers how to solve each case. Thus:

- ✓ Businesses refused to contact/respond- no further effort made by the interviewer;
- ✓ Businesses appeared to be in other locations- NES headquarters asked the related RED of LEO to complete the interview;
- ✓ Lack, wrong or outdated information about the companies in the INSTAT database-alternative ways were used to get the right contact information about companies such as websites of the companies or facebook information, National Registration Center, Tax Directorates. NES headquarters facilitated the institutional communication in this respect;
- ✓ The businesses resulted inactive at the time of the fieldwork- no further effort made by the interviewer;
- ✓ There was a lack of time by the general managers/owners, lack of willingness to provide information about the company, lack of interest etc. - no further effort made by the interviewer;
- ✓ The state owned companies asked for official letters– NES prepared an official letter for the directors of state owned companies;
- ✓ There were NGOs, courts, religious institutions etc. included in the sample list, which were agreed to be excluded. INSTAT was requested to check the reasons and it resulted that they appeared with a different NACE code. The decision was to continue the interviewing process.

Prior to the start of interviews INSTAT produced for each sampled business a sticking label with data about the name, address, president, sector of the company and the Tax ID (called NIPT) in order to facilitate the completion of general information on the questionnaire, but also to guarantee the correspondence between the questionnaires' codes with those used for drawing the sample.

- **Data entry and survey validation Fieldwork.** *Data entry* was conducted by NES operators trained by the ILO –IPA experts. The data entry was done in Excel files and SPSS. After the data entry process, 5% random questionnaires, organized in 3 batches x 35, were re-entered for checking the data entry (keying) accuracy. After batches have been keyed by the verifier (a second person), the data were compared with the original units. The level of error resulted to be quite low (0.3%-0.6% of cells) and the major part of found keying errors were considered detectable by the last level of data control. The data-entry was performed into the NES offices under the supervision of the ILO –IPA experts.

Performing the data-entry by the NES staff was important for them to better understand the process in the view of future surveys, but also it resulted to be faster and easier for them to perform the visual control.

Visual and casual control: Trained controllers checked the technical quality of the submitted questionnaires, including the identification of missing data, incorrectly filled in data, obvious illogical data, verification of the status of the companies for any company in the sample list, elimination of few questionnaires which were duplication or were not in the sample at all.

One important step done in this phase, which may looked as not useful manual work but which is very important for the efficiency of the following steps prior to data processing, was the manual sorting of all the questionnaires according the their questionnaire code.

Parallel and after the first quality control, about 9% of the interviewed businesses were contacted by phone and/or consulted their online NCR (National Commercial Registry) records to check the quality and accuracy of interviewers work as well as to complete certain missing information. That includes that part of businesses contacted during the data integrity control.

Data integrity control: Trained persons went through the questionnaire in order to check that the information in different sections was coherent and integral. There were identified few cases with integrity problems of data for which the questionnaire was sent back for resolution or businesses were phoned for further clarifications. For some missing values of the starting year of activity or the economic sector of operation the data from National Registration Center were used.

Enhanced data quality control: This was the longest and the most complicated phase of data control. This control was realized through filters, pivot tables and descriptive statistics separately and combined through all fields of the questionnaire. The result of this phase was the further identification of data entry errors, identification of missing values and identification of outliers.

NACE and ISCO coding: The coding was done in two levels of control. Coding was initially performed by the INSTAT staff, and a second round of check-and-repair procedure was performed by the ILO-IPA 2010 local experts. The quality of NACE and ISCO coding affects significantly the quality of the statistics. In particular NACE impacts directly the weighted (extrapolated) results and the rate of statistical error calculated. The high rate of errors observed from the first round of coding, articulates the necessity of using experienced people and cautiousness work during both rounds of coding process.

d. Sampling weights

The sampling weights permit the derivation of national and regional estimates based on the sample results. The calculation of the sampling weights involves three major steps: the design weights; adjustment of non-response; and calibration to known values.

Design weights. The design weights are meant to extrapolate the sample results to total population of enterprises and therefore to compensate for the fact that the observations were made on sample enterprises rather than on all the population units. The design weights are the inverse of the probability of selection. Thus, the sampling weight of the sample enterprise k is

$$DesignWeight = w_k = \frac{1}{\pi_k}$$

Where π_k is the probability of selection of enterprise k in the sample.

The average design weight was 23, indicating that on average a sample enterprise represents about 23 enterprises in the target population. The minimum design weight was 1 and the maximum 121. There were 336 enterprises with design weight 1. These are the very large enterprises with about 100 and more employees selected with probability 1 in the sample.

- **Adjustment for non-response.** From the total of 2058 sample enterprises, data were successfully obtained for 1518 active and responding enterprises. Some 46 enterprises refused to participate in the survey or could not be contacted or were not yet in operation. In addition, 95 enterprises were currently inactive (sleeping), and 122 had closed. There were also 277 enterprises for which no information at all could be obtained.

Table 5 below shows the activity status and response status of the sample enterprises obtained from the questions E5 and E6 of the questionnaire. The data show that the overall response rate (i.e., the ratio of the number of responding enterprises to the number selected in the sample design) was about 74%, slightly higher than the 70% response rate envisaged in the sample design.

Table A1.8: Activity status and response status of sample enterprises

		Response	Refusal	No contact	
E5	**E6**	1	2	3	**Total**
1	Active	1518	28	8	**1554**
2	Not yet started	5	5	0	**10**
3	Sleeping	29	62	4	**95**
4	Closed	32	10	80	**122**
5	No information	0	39	238	**277**
	Total	**1584**	**144**	**330**	**2058**

The design weights were adjusted for non-response by inflating the weights with the inverse of the response rate within each region,

$$Non - response\_adjustment\_factor = \frac{1}{r_h}$$

where r_h is the response rate for region h, h=1 (North), h=2 (Tirana-Elbasan) and h=3 (South). In line with the methodology on sampling in establishment surveys,[41] the response rate r_h was calculated differently for enterprises selected with probability less than 1 and those selected with probability 1.

For enterprises selected with probability less than 1, the response rate r_h was calculated as the ratio of the number of responding active enterprises in the region h to the total number of enterprises selected in the sample in the corresponding region. There were in total 1722 enterprises selected with probability less than 1 in all three regions out of which 1227 were active and responding in the survey.

For the very large enterprises selected with probability 1, the response rate r_h was calculated as the ratio of the total number of employees in the responding and active enterprises in each region h to the total number of employees in the selected enterprises in the sample in the corresponding region. There were in total 336 enterprises selected with probability 1 in all three regions out of which 291 were active and responding in the survey.

Calibration: The adjusted sampling weights are in general further adjusted to conform to known results on auxiliary variables. This process of adjustment is called calibration. Calibration means using calibrated weights such that the application of these weights to the auxiliary variables will give estimates exactly equal to the known aggregate values of the auxiliary variables.42

[41] Verma, Vijay, *Sampling Methods*, Manual for Statistical Trainers Number 2 Revised, Statistical Institute for Asia and the Pacific, Tokyo, June 2002, Chapter 13 Sampling in establishment surveys, pp. 13.5.

[42] Särndal, Carl-Erik, and Jean-Claude Deville, "Calibration Estimators in Survey Sampling," *Journal of the American Statistical Association*, June 1992, Vol. 87, No. 48, pp. 376-382.

Here calibration was carried out at two levels. First, the design weights were calibrated to match the total number of enterprises in the frame. Accordingly, the design weights were adjusted by a uniform factor so that their sum equals to 46556, the total number of enterprises within the scope of the survey. The unadjusted design weights added to 47001, so the uniform adjustment factor was simply 0.99=46556/47001.

The second level of calibration was the adjustment of the final weights to ensure that the estimated average size of enterprises based on the sample is equal to the average size of the enterprises in the sampling frame. The auxiliary variables used was therefore $1-\alpha x_k$ where α denotes the average size of the enterprises, size being measured in terms of number of persons engaged in the enterprise. To avoid negative weights, the calibrated weights less than 1 were replaced by a scaled value of their original design weights. The scaled value was determined such that the targeted average size of enterprises is maintained.

The distribution of the resulting final weights indicated that the average final weight is 24, slightly higher than the average design weight 23 to compensate for non-response and other sample distortions. The minimum value was 0.21 and the maximum 265.42. The final weights were calculated in a special Excel file and the results sent to HDPC for use in the tabulation of the survey results.

e. Sampling errors

Like in all sample surveys, the results of the SNA survey are subject to sampling errors. Sampling errors arise due to the fact that the survey does not include all enterprises within the scope of the survey, but only a selected portion. The sampling error of an estimate is based on the difference between the estimate and the value that would have been obtained on the basis of a complete count of the enterprises under otherwise identical conditions.

Information on sampling errors is used for interpreting the survey results. It provides an assessment of the precision of the estimates and on the degree of confidence that may be attached to them. In the same vein, it allows decision on the degree of detail with which the survey data may be meaningfully tabulated and analyzed. Information on sampling errors can also be used for determining whether the survey estimates of change over time or the estimates of differences between two or more subgroups are statistically significant. Finally, information on sampling errors may be used for future sample design. Rational decisions on the choice of sample size, sample allocation among strata, clustering and estimation procedures, can only be made on the basis of detail knowledge of their effect on the magnitude of sampling errors in the resulting statistics obtained from the survey.

The calculation of the sampling errors of SNA 2014 was based on the approximate variance estimators for balanced sampling in the form,[43]

$$\mathrm{var}(y) = \sum_{k \in s} c_k \frac{(y_k - x_k^{'} b)^2}{\pi_k}$$

where y is the total value of the variable of interest, y_k is the observed value for enterprise k in the sample s, π_k is the probability of selection of enterprise k, x_k is the vector of balancing variables x_k=(δ_{1k},

[43] Deville, Jean-Claude and Yves Tillé, *Variance approximation under balanced sampling*, Journal of Statistical Planning and Inference 128 (2005), pp. 569-591.

δ_{2k}, δ_{3k},x_k), where δ_{hk}=1, if enterprise k is in region h and δ_{hk}=0, otherwise, and x_k is the size of the enterprise. The approximate coefficients c_k are given by,

$$c_k = \frac{n}{(n-p)}(1-\pi_k)$$

where n is the sample size and p is the number of balancing variables (here p=4), and finally the vector b is given by the matrix formulae,

$$b = (\sum_{k \in s} c_k \frac{x_k x_k^{'}}{\pi_k})^{-1} \sum_{k \in s} c_k \frac{x_k y_k}{\pi_k}$$

In the present context, the probability π_k is the implied probability of selection calculated as the inverse of the final weight of enterprise k.

For the variable y = estimated total number of employed persons in the enterprises within the scope of the survey, the regional estimates and their corresponding sampling errors expressed in terms of standard errors are presented in Table 6 below.

Table A1.9: Standard errors of estimate of total number of employed persons by Region

	Region	Estimate	Standard errors	Relative standard errors (%)
	Total	**319,739**	15,667	**4.9%**
1	North	68,322	4,578	6.7%
2	Tirana-Elbasan	191,550	14,175	7.4%
3	South	59,867	2,455	4.1%

Thus, the estimate of the total number of employed persons in enterprises within the scope of the survey is 319,739 with standard error 15,667. The relative standard error of the estimate is 4.9%. The estimate of the total number of employed persons is relatively more precise in the South (relative standard error, 4.1%) than in North (relative standard error, 6.7%) or Tirana-Elbasan (relative standard error, 7.4%).

Another use of the standard errors is for the calculation of confidence intervals. Under certain broad assumptions, it can be stated that the true value of the variable of interest lies in between the survey estimate and a multiple of the standard error, with certain degree of probability. Thus, referring to the results shown in Table 6, it can be stated, for example, that the true value of the total number of employed persons in Tirana-Elbasan is within the interval,

$$191{,}550 - 2 \times 14{,}175 \leq \theta \leq 191{,}550 + 2 \times 14{,}175$$

$$163{,}200 \leq \theta \leq 219{,}900$$

where the multiplicative factor 2 is the rounded value of the standard normal distribution corresponding to 95% confidence probability and 14,175 is the standard error of the survey estimate of the total number of employed persons in Tirana-Elbasan 191,550.

Tables 7 and 8 give the standard errors of the estimates of number of enterprises and of the number of employed persons by branch of economic activity. In addition to the standard errors for the specific variables by region and branch of economic activity, approximate standard errors have been calculated for general variables. These generalized variances are given in Tables 9 and 10, for estimates of number of enterprises and of employed persons, respectively.

Table A1.10: Standard errors of estimates of total number of enterprises by Economic sector

Branch of economic activity (ISIC Rev 4)	Estimate	Standard error	Relative standard error (%)
Total	**35,816**	**-**	**-**
B Mining and quarrying	297	68	23.0%
C Manufacturing	4,451	512	11.5%
D Electricity, gas, steam …	247	126	50.9%
E Water supply, sewerage, waste …	94	12	13.0%
F Construction	2,460	312	12.7%
G Wholesale and retail trade, repair …	12,762	727	5.7%
I Accommodation and food services	639	149	23.3%
H Transportation and storage	7,532	731	9.7%
J Information and communication	785	177	22.5%
K Financial and insurance activities	494	144	29.2%
L Real estate activities	83	44	53.4%
M Professional, scientific and technical	2,320	478	20.6%
N Administrative and support services	803	176	21.9%
R Arts, entertainment and recreation	207	71	34.2%
S Other service activities	2,642	608	23.0%

Table A1.11: Standard errors of estimates of total number of employed persons by Economic sector

Branch of economic activity (ISIC Rev 4)	Estimate	Standard error	Relative standard error (%)
Total	**319,739**	15,667	**4.9%**
B Mining and quarrying	9,616	789	8.2%
C Manufacturing	73,076	12,423	17.0%
D Electricity, gas, steam …	8,096	623	7.7%
E Water supply, sewerage, waste …	8,249	470	5.7%
F Construction	33,786	3,852	11.4%
G Wholesale and retail trade, repair …	62,313	3,116	5.0%
I Accommodation and food services	10,672	1,366	12.8%
H Transportation and storage	33,966	3,566	10.5%
J Information and communication	8,340	717	8.6%
K Financial and insurance activities	12,200	561	4.6%
L Real estate activities	1,168	444	38.0%
M Professional, scientific and technical	13,063	2,456	18.8%
N Administrative and support services	22,666	1,473	6.5%
R Arts, entertainment and recreation	6,796	618	9.1%
S Other service activities	15,734	3,477	22.1%

The standard errors for estimates of levels in Tables 9 and 10 are calculated using the generalized variance equation:

$$\frac{\mathrm{var}(y)}{y^2} = a + \frac{b}{y}$$

where a and b are the regression parameters estimated, respectively, on the basis of the values given in Table 7 for number of enterprises (a=-0.0076 and b=115.9 with R^2=96%) and on the basis of the values given in Table 8 for number of employed persons (a=0.0029 and b=166.0 with R^2=80%).

Table A1.12: Generalized variance estimates of standard errors of number of enterprises

Number of enterprises	Standard error	Relative standard error (%)
30,000	523	1.7%
20,000	698	3.5%
10,000	629	6.3%
7,500	663	8.8%
5,000	623	12.5%
2,500	492	19.7%
1,000	329	32.9%
750	287	38.3%
500	237	47.3%

Table A1.13: Generalized variance estimates of standard errors of number of employed persons

Number of employed persons	Standard error	Relative standard error (%)
300,000	17,609	5.9%
200,000	12,202	6.1%
100,000	6,747	6.7%
75,000	5,359	7.1%
50,000	3,941	7.9%
25,000	2,441	9.8%
10,000	1,396	14.0%
7,500	1,186	15.8%
5,000	950	19.0%

The use of the generalized standard errors is illustrated with a few numerical examples. Thus, according to Table 9, an estimated value of about 30,000 enterprises of any type has an approximate standard error of 523 corresponding to a relative standard error of about 1.7%. Similarly, an estimated value of about 10,000 enterprises has an approximate standard error of 629 corresponding to a relative standard error of about 6.3%. For small cells with estimates of approximately 1000 enterprises, the approximate standard error is about 329 corresponding to a very high relative standard error of about 32.9%.

The results may also be used as follows. Suppose, for example, that the survey estimates the number of enterprises with recruitment difficulties in a particular region to be 8,500. The corresponding approximate standard error of the estimate may be calculated from Table 9 by interpolation,

$$Std\_error = 629 + \frac{663-629}{7500-10000}(8500-10000) = 649$$

The generalized variance estimates of standard errors given in Tables 9 and 10 indicate that any estimate of number of enterprises below 2,500 and any estimate of number of employed persons below 5,000 do not enjoy a sufficient degree of precision, as their relative standard errors reach above a threshold level of 20%.

Annex 2: The Questionnaire

Questionnaire for the enterprises -2014
"Labour force skills needs survey from the enterprises' viewpoint"

Company Name ___________________________ Tel: ____________________

Location __________________________________ Region: _________________

Q. Code

Section A General Information

A1. Describe with few words which is the main activity/ economic sector your company operates?

____

NACE

A2. When did the activity of your company started (specify the year)?______________

A3. Which is the status of your enterprise in terms of ownership:

A branch of a foreign company	100% Albanian owned	A joint venture
1	2	3

A4. How many people are employed in your company? (at the moment of the interview) ___________

A5. How many of them are part-time employees? ____________________

A6. How many of them are female employees? ____________________

A7. How many of them are disabled? ____________________

A8. In your general opinion, which are the major concerns of employment in the economic sector where your company is operating? **(you can choose up to 3)**

Unsuitable qualification level of labour force	1
Loss of professional skills due to long term unemployment	2
The Education System doesn't meet the needs of economy for skills	3
Low salaries in the company	4
Attitude of jobseekers / work culture	5
High fiscal burden regarding employment	6
Others (Please specify)	7

A9. According to the below indicators, which has been the economic trend in your enterprise in the last 2 years:

	Increasing	Decreasing	Unchanged
Turnover	1	2	3
No. of Workers	1	2	3
Investments	1	2	3

Section B: Abilities and skills of existing staff

B1. Are there any tasks which your current workers are not able to implement or are not to implement well enough due to lack of relevant skills?

YES ☐ **NO** ☐ **→ if NO go to section C**

B2. Please list the type of professions where the skills'shortages are more noticeable for your company.

No.	Type of Profession/ Occupation *ISCO code*
1	
2	
3	
4	
5	

B3 Regarding the professions you labeled above with skills shortages, what are the leading causes that your staff is not enough qualified in carrying out their job? **(keep the same order of professions as in B2)**

		Profession 1	Profession 2	Profession 3	Profession 4	Profession 5
1.	Insufficient knowledge already at the time of recruitment	1	1	1	1	1
2.	Lack/ insufficient of the job training	2	2	2	2	2
3.	Wrong Recruitment	3	3	3	3	3
4.	Frequent change of jobs	4	4	4	4	4
5.	Insufficient capacity to learn	5	5	5	5	5
6.	Lack of experience / recently recruited	6	6	6	6	6
7.	Lack of motivation	7	7	7	7	7
8.	Other (specify)	8	8	8	8	8

B4. Which are skills and other requirements that you think are lacking? **(the order of professions as in B2)**

No.	Skills	Profession 1	Profession 2	Profession 3	Profession 4	Profession 5
	SKILLS					
1	Professional skills	1	1	1	1	1
2	Reading and official writing skills	2	2	2	2	2
3	Communication skills	3	3	3	3	3
4	Creativity	4	4	4	4	4
5	Computer skills	5	5	5	5	5
6	Organizational skills	6	6	6	6	6
7	Ability to work in a Team	7	7	7	7	7
8	Ability to learn	8	8	8	8	8
9	Foreign languages knowledge	9	9	9	9	9
	Personal Profile Criteria					
10	Appropriate level of education	10	10	10	10	10
11	Work experience	11	11	11	11	11
12	Correctness/Integrity	12	12	12	12	12
13	Outer appearance	13	13	13	13	13
14	Age	14	14	14	14	14
15	Gender	15	15	15	15	15

B5. What actions do you undertake to address skills' shortage of existing staff? **(you may choose up to 3)**

Staff replacement	1
Improvement of recruitment procedures	2
Increase trainings	3
Out source services to specialized experts/companies outside the enterprise	4
Find a solution within the enterprise (new organization)	5
Application of a state employment/training scheme	6
Others (Please specify)	7

Section C: Recruitment for new vacancies

C1. How vacancies are usually filled up in your business **[PLEASE CHOOSE 2 MOST USED METHODS]**

	First	Second	Third
Announcements in newspaper, Job portals, Company's Website etc.	1	1	1
From education/training institutions	2	2	2
From public employment offices	3	3	3
Acquaintances, relatives and friends	4	4	4
Promoting other existing workers in the enterprise	5	5	5
Other, specify _____________	6	6	6

C2. When recruiting a new employee, how important are the following skills and personal profile criteria?

1-unimportant or N/A; 2- somewhat important; 3- important; 4- very important

No.	SKILLS and Personal Profile Criteria	High Specialists and Administrate with high education				Implemen-tation Technicians and specialists				Sales and services employees				Craftsmen, handcraft men and relevant professions				Assemblage workers, maintenance workers and machinery workers				Workers (elementary jobs)			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Professional skills	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
2	Reading & official writing skills	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
3	Communication skills	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
4	Creativity	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
5	Computer skills	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
6	Organizational skills	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
7	Ability to work in a Team	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
8	Ability to learn	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
9	Foreign languages knowledge	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
10	Formal Education	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
11	Work experience	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
12	Correctness/Integrity	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
13	Outer appearance	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
14	Age	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
15	Gender	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

C3. According to your experience, in general which specific skills and criteria are difficult to be found in applicants? **(choose more than one)**

1	Professional skills	1	**SKILLS**
2	Reading and writing skills/official writing	2	
3	Communication skills	3	
4	Creativity	4	
5	Computer skills	5	
6	Organizational skills	6	
7	Ability to work in a Team	7	
8	Ability to learn	8	
9	Foreign languages knowledge	9	
10	Education	10	**PERSONAL PROFILE CRITERIA**
11	Work experience	11	
12	Correctness/Integrity	12	
13	Outer appearance	13	
14	Age	14	
15	Gender	15	

C4. Do you plan to introduce the following in the next 12 months?:

	Yes	**No**	**Don't know**
New Products	1	2	9
New Services	1	2	9
New Technologies	1	2	9

C5. Do you foresee recruitment of new staff in the incoming 12 months?

YES ☐

NO ☐ → **MOVE TO QUESTION D1**

C6. For which professions do you anticipate recruitment in the next 12 months? What is the expected number of employees for each of them. Is it difficult according to your experience, to find the appropriate people to fill that specific job vacancy?

No.	**Type of Profession** *ISCO code*	**Number of recruitments**	**Is it difficult to find?** *1*	*2*	*3*
1	|_|_|_|_|		*Yes*	*No*	*D/K*
2	|_|_|_|_|		*Yes*	*No*	*D/K*
3	|_|_|_|_|		*Yes*	*No*	*D/K*
4	|_|_|_|_|		*Yes*	*No*	*D/K*
5	|_|_|_|_|		*Yes*	*No*	*D/K*

C7. Based on your expectations, which specific skills and criteria will be difficult to be found in job applicants for each type of profession listed in above question? **(the order of professions as in C6; choose more than one).**

No.	Skills	Profession 1	Profession 2	Profession 3	Profession 4	Profession 5
	SKILLS					
1	Professional skills	1	1	1	1	1
2	Reading and official writing skills	2	2	2	2	2
3	Communication skills	3	3	3	3	3
4	Creativity	4	4	4	4	4
5	Computer skills	5	5	5	5	5
6	Organizational skills	6	6	6	6	6
7	Ability to work in a Team	7	7	7	7	7
8	Ability to learn	8	8	8	8	8
9	Foreign languages knowledge	9	9	9	9	9
	Personal Profile Criteria					
10	Appropriate level of education	10	10	10	10	10
11	Work experience	11	11	11	11	11
12	Correctness/ Integrity/ Temperament	12	12	12	12	12
13	Outer appearance	13	13	13	13	13
14	Age	14	14	14	14	14
15	Gender	15	15	15	15	15
	Other causes of difficulties to find appropriate people					
16	Lack of interest /motivation for the kind of job	16	16	16	16	16
17	Insufficient salary at the company	17	17	17	17	17
18	Uninteresting working conditions	18	18	18	18	18
19	Lack of career development perspective	19	19	19	19	19
20	Low education level / qualification	20	20	20	20	20
21	Other, please specify ________ ___________________________	21	21	21	21	21

C8. If vacancies cannot be filled with new applicants, what is the approach to be followed by your company to address this issue? **(you may choose more than one answer)**

Possible Solutions	
Invest on training of existing staff by hiring private training providers	1
Increase the salary and benefits to make the job more attractive	2
Out sourcing of other experts/companies to undertake the job	3
Investment in technology	4
Enhancement of recruitment procedures / ways	5
Application to a state employment/training scheme	6
Others, please specify _______________	7

SECTION D: TRAINING

D1. Generally speaking, which kind of training is provided and how important is for your company?

1- unimportant; 2- somewhat important; 3- very important

Type of Training	NA	Training Importance/relevance		
		1	**2**	**3**
On the job training from experienced staff of the company	9	1	2	3
Training from the supplier of technology	9	1	2	3
Training, inside Albania, from private training Experts/Institutions	9	1	2	3
Training, inside Albania, on Vocational schools/ centers contracted by the company	9	1	2	3
Training from a public training institution	9	1	2	3
Training abroad (other than from supplier)	9	1	2	3
Other trainings, specify________________	9	1	2	3

D2. Who is paying for training?

No.	Skills	High Specialists and Administrate with high education	Implemen-tation Technicians and specialists	Sales and services employees	Craftsmen, handcraft men and relevant professions	Assemblage workers, maintenance workers and machinery workers	Workers (elementary jobs)
1	The enterprise	1	1	1	1	1	1
2	Employees	2	2	2	2	2	2
3	Suppliers	3	3	3	3	3	3
4	The government	4	4	4	4	4	4
5	Others, please specify	6	6	6	6	6	6

D3. What barriers do you think exist that hinder the continuous training of your staff in order to have a team of skilful employees in the future? **(you may choose more than one option)**.

Lack of training funds	1
Lack of courses and lack of suitable instructors	2
Lack of staff motivation regarding training	3
Frequent Mobility of labour force	4
Lack of time for training	5
There are no barriers	6
Others (Please specify) _______________________	7

D4. Is there a training structure within your enterprise?

1-Yes	2-No

D5. Do you have a separate item (fund) in your budget regarding training?

1-Yes	2-No

D6. Has your enterprise collaborated either with the vocational education system or with the vocational training system**? (you may choose more than one)**

No cooperation	1
With secondary vocational schools (in terms of practice exercised in the enterprises)	2
Vocational training centers (in terms of training, etc.)	3
Instructors of vocational schools /centers have been invited for training in the enterprise	4
Experienced staff of the company are engaged in vocational schools and centres	5
With universities	6
Others, please specify ___________________________________	7

D7. How many workers of your company have been provided with (formal and informal) training in the last 12 months? ________________________ **[If 0, MOVE ON TO E1]**

D8. List the trainings that have been delivered to the employees of your company in the last 12 months?

No.	**Type of Profession** *ISCO code*	**Field of Training**	**Total time spent on training**
1	| | | |		____ *weeks*
2	| | | |		____ *weeks*
3	| | | |		____ *weeks*
4	| | | |		____ *weeks*
5	| | | |		____ *weeks*

D.9. What kind of specific training is mainly needed by your employees in terms of the main professions?

No.	**Main Professions** *ISCO code*	**Training needs**
1	| | | |	
2	| | | |	
3	| | | |	
4	| | | |	
5	| | | |	

SECTION E: THE END

E1. Do you have relations with the Employment office?

YES ☐

NO ☐ → **MOVE ON TO QUESTION E3**

E2. How can you classify your relation with regard to the Employment Office? **(you may choose more than one)**.

On recruitment of new staff	1
On staff training	2
On the participation of employment promotion programs	3
On labour market information	4
Declaring of employees	5
Other, specify_______________________________	5

E3. What are the reasons for which you have no relations with the Employment Office? **(you may choose more than one of the below options).**

Missing information about it	1
Lack of quality services delivered by the office	2
Lack of needs for the services they offer	3
Others, please specify ___________________	4

E4. Interviewee ____ Position:_______________________

E5. Status of the company

Active	1
Not started yet the activity	2
Sleeping (Passive)	3
Closed	4

E6. Status of answering of interviewee:

Responded by completing the questionarire	1
Refusal	2
Could not be contacted / Did not exist	3

Interviewer	________________________(name and surname) _________________________ Tel. Number of the interviewer
Interview Date Number of visits Time to reach the place Time at the start of interview Time at the end of interview	_____________/_______/______ ________ Time__________ Time __________

THANK THE INTERVIEWEE AND CLOSING OF THE INTERVIEW