

The World Bank Experience in Firm Surveys (Alex Ivaschenko)

CEDEFOP Skillsnet workshop:
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1. Business Environment and Enterprise Performance Survey (BEEPS)

- Objective – to assess the environment for private enterprise and business development
- Geographic coverage – 27 countries of the Central and Eastern Europe (CEE) and Commonwealth of Independent States (CIS); 7 comparator countries (including six OECD countries) were surveyed in 2005
- Total sample size – 4,000 enterprises in 1999-2000 (1st round), 6,500 enterprises in 2002 (2nd round), 9,500 enterprises in 2005 (3rd round)
- Sample size per country – in the range of 200-550 enterprises
- In 7 of the countries the survey also included an additional sampling overlay of the manufacturing sector

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Stratification of the sample:

- Sector – no farming (but includes agro-processing), proportional distribution between manufacturing and services (based on their contributions to GDP)
- Enterprise size – small (2-49), medium (50-249), and large (250+) enterprises; at least 10% of small and large each
- Ownership – at least 10% of firms with foreign control (over 50% of shareholding), and 10% with state control
- Exporters – at least 10% of firms are “heavy” exporters (exports are above 20% of total sales)
- Location – at least 10% of firms are located in small city/countryside
- Note: strata quotas often need to be eased given the structure of the economy

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Some key challenges:

- Sample frame – careful consideration should be given to the source of information used to develop the sample frame (statistical agency, tax authorities, yellow pages, enterprise registers, etc.)
- Panel component – the 2002-2005 component suffered from a low interview completion rate (30%)
- Interview completion rate – 37.7% (due to refusals, wrong contact details, firm no longer existing, firm no longer eligible under stratification criteria); refusal to provide financial information about the firm
- Duration – a key for success is to have a reasonable length (40-50 minutes max)
- Results – make results available for respondents

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Survey instrument:

- Many attitudinal questions (rated on a scale), for example on corruption, lobbying activities, legal system, infrastructure, etc.
- The survey provides only very limited information about skills (a single question (Q54) “How problematic are these different factors for the operation and growth of your business?” – category “skills and education of available workers”)
- In addition to that question, the survey instrument asks about: (i) full (part)-time employment 3 years ago vs. currently; (ii) composition of employment by job level (managers, professionals, skilled, unskilled, administration) 3 years ago vs. currently; (iii) composition of employment by education (primary, vocational, secondary, university) 3 years ago vs. currently – but not matched to the job level; (4) average time it takes to fill a vacancy at a given job level; (5) whether the firm offers any formal training

2. The survey of Skills/Labor Demand and Job Vacancies (conducted in Kazakhstan)

- Objective - to identify human resource requirements and skill gaps from the viewpoint of employers, and to use this information to inform the debate on the demanded quality of skills/education and required education reforms
- Main strength – the survey instrument tries to dig deeper into skills/competences vs. formal education, and to differentiate between technical and “soft” skills
- Geographic coverage – all regions
- Sample size – 500 firms stratified by size, sector, form of ownership, location
- Quantitative vs. qualitative – quantitative survey was supplemented by the qualitative study based on 30 in-depth interviews with policy makers, recruitment agencies, etc.

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Main modules

- Firm characteristics – include the question on main impediments to developing business (question from BEEPS on ranking of the “lack of skills/education of available workers”, to compare with other factors)
- Labor turnover (last 12 months, and plans for the next 6 months) – by job title/education level, both hiring and firing;
- Vacancies – by job title/education level, proposed monthly salary, period of search; extent of difficulty (scale) to fill in vacancies for various job categories (managers, specialists, etc.); the ranking of various causes of the identified shortage of skills
- Recruitment practices – (i) what are the usual means of filling vacancies?; (ii) what are the alternatives? (iii) the importance of the personal characteristics, basic skills and job-related skills that the firm looks for in potential employees; (iv) how the skills of the applicant for the job position are assessed?; (v) have skill requirements in your firm increased over the last 2 years? (vi) the reasons for skill requirements in the firm to increase;
- Views about the Education and Training System – (i) how would you evaluate the quality of education and training in the public and private education institutions respectively?; (ii) identify the main strength and weakness of the public and private education and training system;

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Some key findings (from Kazakhstan):

- Insufficient education/skills of the available labor force is sighted as the 3rd most important factor affecting the potential for business development (after macroeconomic instability and excessive tax rates)!
- The skill requirements definitely increase over time; 40% of firms in Kazakhstan report having increased skill requirement over the past 2 years!
- In recruiting specialists/skilled workers among “basic” skills the firms value most: ability to work independently, written language and communication skills, analytical and problem solving skills!
- In recruiting specialists/skilled workers in terms of qualifications/experience the employers value most the relevance of education to the position and evidence of the actual skills!
- Finding specialists is harder than finding managers!
- Insufficient quality of education/training provided by local (Kazakhstan) institutions is reported as the main reason why firms face difficulties in finding specialists with required skills! (63% of firms site it as an important factor)

Conclusions:

- The need for surveys that better capture skills and competencies is high!
- There are already some good examples of survey instruments that do that, but those often need to be tailored to research questions and country circumstances
- Yet there are some questions that may work pretty well across the countries, and result in interesting and policy-relevant findings!

Thank you!

