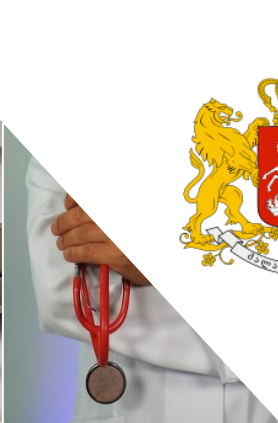




Ministry of Economy and Sustainable Development of Georgia

2020

Survey of Business Demand on Skills



**LABOUR MARKET
INFORMATION SYSTEM**
Plan the future

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Introduction

The growth of employment is one of the main tasks of the Georgian economy and, therefore, is one of the priorities of the country's economic policy. For the purpose of implementation of effective economic policy aimed at reduction of unemployment and increase of employment, significant role is allocated to the analysis of the labour market of Georgia, study of the trends of the labour market demand and identification of challenges faced by it. Due to above-mentioned **“Survey of Business Demand on Skills - 2020”** was conducted which aims at revealing enterprises' demand patterns on human capital skills, consideration of which will decrease existing disbalance between supply and demand and improve economic effect of skills consumption in the labour market.

This report represents an analysis of the statistical „Survey of Business Demand on Skills“, which analyses the changes in the workforce by the years of 2018-2019, the number of employees by occupations (in accordance with the major and minor groups of International Standard Classification of Occupations – ISCO 08), by Classification of Economic activities (NACE rev. 2), region, enterprise size, achieved level of education (secondary, vocational and higher), and gender.

The Survey also covers the problems that accompany the hiring of the personnel by occupational groups. The survey analyses the source from which the enterprises recruit personnel, skills shortages of jobseekers, and the measures taken by the enterprises for the development of workforce skills. The survey also reveals the possibilities for employment of new staff by occupational groups, the number of available vacancies, growth and reduction trends in demand of workforce by occupational groups and their causes, the employment index for people with vocational education, forms of cooperation of enterprises with vocational institutions and their attitude towards vocational education. The trends for employment of foreign nationals in enterprises by occupational groups and reasons for their employment, attitude of enterprises towards the first-time job seekers.

The present survey, in comparison to the 2017 “Survey of Business Demand on Skills”, has studied in more detail the structure of employment and opportunities by occupational groups.

General Information, Methodology and Sampling of the Survey

In 2007 Ministry of Economy and Sustainable Development of Georgia assumed the function of labour market demand survey and analysis. The methodological framework and questionnaire for the Survey of Business Demand on the Skills was prepared in accordance with the experience of European Training Fund (ETF), International Labour Organization (ILO) and the European Centre for the Development of Vocational Training (CEDEFOP), the final version of which was agreed with the state institutions (Ministry of Education, Science, Culture and Sport of Georgia and Ministry of Internally Displaced Persons from Occupied Territories, Labour, Health and Social Affairs) within the format of cooperation

Accordingly, in 2017, in order to study trends of the labour market demand, the Ministry of Economy and Sustainable Development of Georgia conducted „the Survey of Business Demand on Skills“¹, which in 2018-2019 was followed by implementation of the survey on the labour market demand component within the sectoral framework . In particular, the Survey of Labour Market Demands in the Tourism Industry² and the Survey of Labour Market Demands in the Construction Industry³ was conducted.

At the end of 2019, the relevant questionnaire was developed, in order to carry out the Survey of Business Demand on Skills and the survey has been launched. Selection of enterprises for survey was carried out using a random stratified sampling method by the size of enterprises⁴, types of economic activities (NACE Rev.2) and regions.

The database of non-financial and financial corporations operative in Georgia was used to select enterprises for survey.

For the sake of keeping margin of error of the survey results at the level of the sections not higher than 4%, it became necessary to conduct 9000 interviews across the country for achieving 95% reliability. The survey covered all large (380 enterprise) and medium-sized (1,717 enterprise) enterprises, while small enterprises were selected by a random stratified sampling method.

¹ LMIS.GOV.GE – „Survey of Business Demand on Skills“

² LMIS.GOV.GE - „Survey of Labour Market Demands in the Tourism Industry“

³ LMIS.GOV.GE - „Labour Market Demands in the Construction Industry“

⁴ An enterprise is defined as the **large** enterprise where the average annual number of employees is greater than 249 persons or average annual turnover exceeds 60 million GEL; An enterprise is defined as the **medium** enterprise where average annual number of ranges from 50 to 249 persons, while the average annual turnover is between 12 million GEL and 60 million GEL; An enterprise is defined as the **small** enterprise where the average annual number of employees is not more than 50 employees and the average annual turnover does not exceed 12 million GEL.

This number of selected enterprises gives the possibility to keep margin of error of received results not more than 4% at the level of the sections by classification of economic activities (NACE Rev.2), while countrywide - not more than 2%.

The following formula was used to determine the sample size required for the study:

$$n = \frac{p(1-p) * N * Z_{(1+q)/2}^2}{p(1-p) * Z_{\frac{1+q}{2}}^2 + N * d^2} * deff$$

where:

N – Population Size;

d – A Maximum Standard Error;

q – Confidence Level;

$Z_{\frac{1+q}{2}}^2$ - Quantities of Standard Normal Distribution (1+ q) / 2;

deff - A Design Effect Signification

The National Statistics Office of Georgia carried out the survey-related field works, created an electronic database of results, cleaned the database and eliminated the gaps and inaccuracies in it and made generalizations based on the survey results. **The analysis of spread sheets and the report was prepared by the Ministry of Economy and Sustainable Development of Georgia.**

Goal of the Survey

The goal of the survey is to gather the information and study Business Demand on Skills. Based on the data obtained through survey, we studied the basic requirements related to human capital in enterprises, identified the required skills, necessary for the employment of personnel for the purpose of support of decrease existing disbalance between the supply and demand in skills in the labour market, improvement of the economic effect of skills consumption in the labour market and private sector investment in education and vocational retraining.

Object of the Survey

The object of the survey is to study those occupational skills which are demanded by the employer and necessary for employment of personnel.

Objectives of the Survey

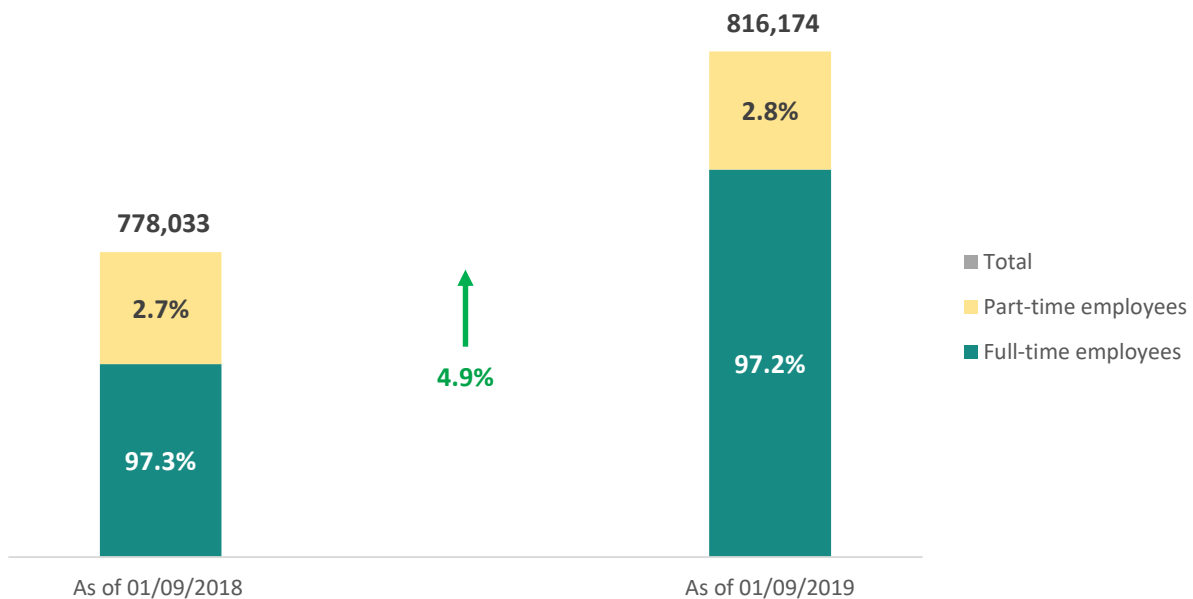
- Survey of structure and characteristics of the workforce by duration of working time, education levels achieved, gender and occupational groups. Survey of the occupational groups in accordance with the elementary occupational groups (fourth level) of the International Employment Classifier (ISCO-08). Survey of the average monthly nominal salaries of wage employees in the enterprise according to the elementary occupational groups;
- Evaluation of workforce skills by employer, according to the elementary occupational groups of the International Employment Classifier (ISCO-08);
- Identification of difficulties in filling up vacancies in accordance with the elementary occupational groups;
- Survey of growth and / or reduction trends in demand of employees in enterprises and their causes;
- Survey of enterprises-driven measures for development of workforce;
- Identification of employment trends of people with vocational education, also trends of cooperation of enterprises with vocational institutions;
- Collection of information on the employment of foreign nationals in enterprises;
- Collection of information on the employment of foreign nationals in enterprises;
- Identification of trends in employment of the first-time job seekers.

Survey Report

Section 1: Basic information on the structure and characteristics of work force

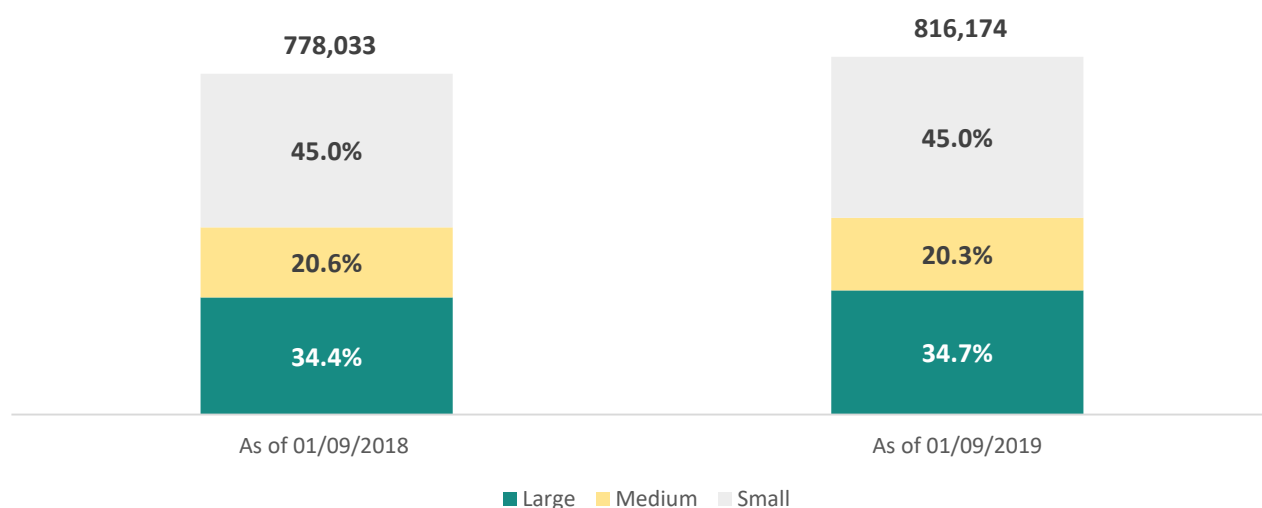
As of 1st September 2019, number of employees employed in enterprises amounted to **816,174** people, which is higher by **4.9%** in comparison with the indicator of the same period of the last year (by 1 September 2018, the number of employees amounted to 778,033 people). Out of which **97.2%** of the employees were full-time workers (793, 697 employees), while **2.8%** - part-time (22, 477 employees). In comparison with the indicators from last year the number of full-time employees is higher by **4.9%** and the number of part-time employees is higher by **5.3%**.

Diagram 1. Share of Full-time and part-time employees



Regarding the Employees' share **by the size of enterprises**, the survey revealed that, as of 1 September 2019, 65% of employees work in small and medium enterprises and share of these enterprises are **45%** (367,235 Employee) and **20%** (165,430 Employee) respectively. In accordance with the survey the 35% of employees work in large-sized enterprises.

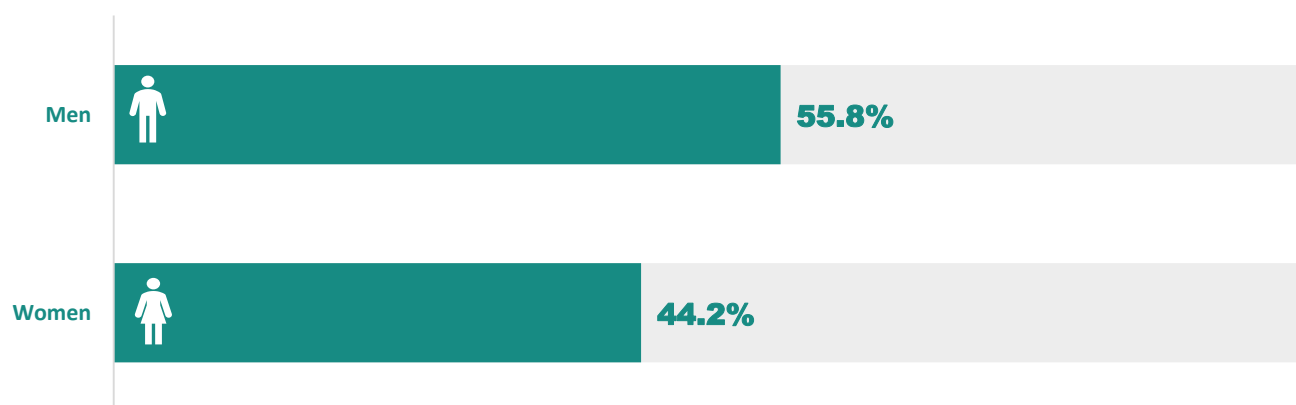
Diagram 2. Share of Employees by the size of enterprises



Number of employees as of September 1, 2019, compared to the indicator of the same period of the last year, has increased most in large enterprises (+ 6%), followed by small enterprises (+ 4.8%) and medium-sized enterprises (+ 3.3%). At the same time, 773 people are averagely employed in one large enterprise, 92 in the medium-sized enterprises, and 7 in the small one.

Share of employees **by gender** is characterized by the advantage of men and amounted to 55.8% (455,673 employees) and 44.2% (360,501 employees), respectively.

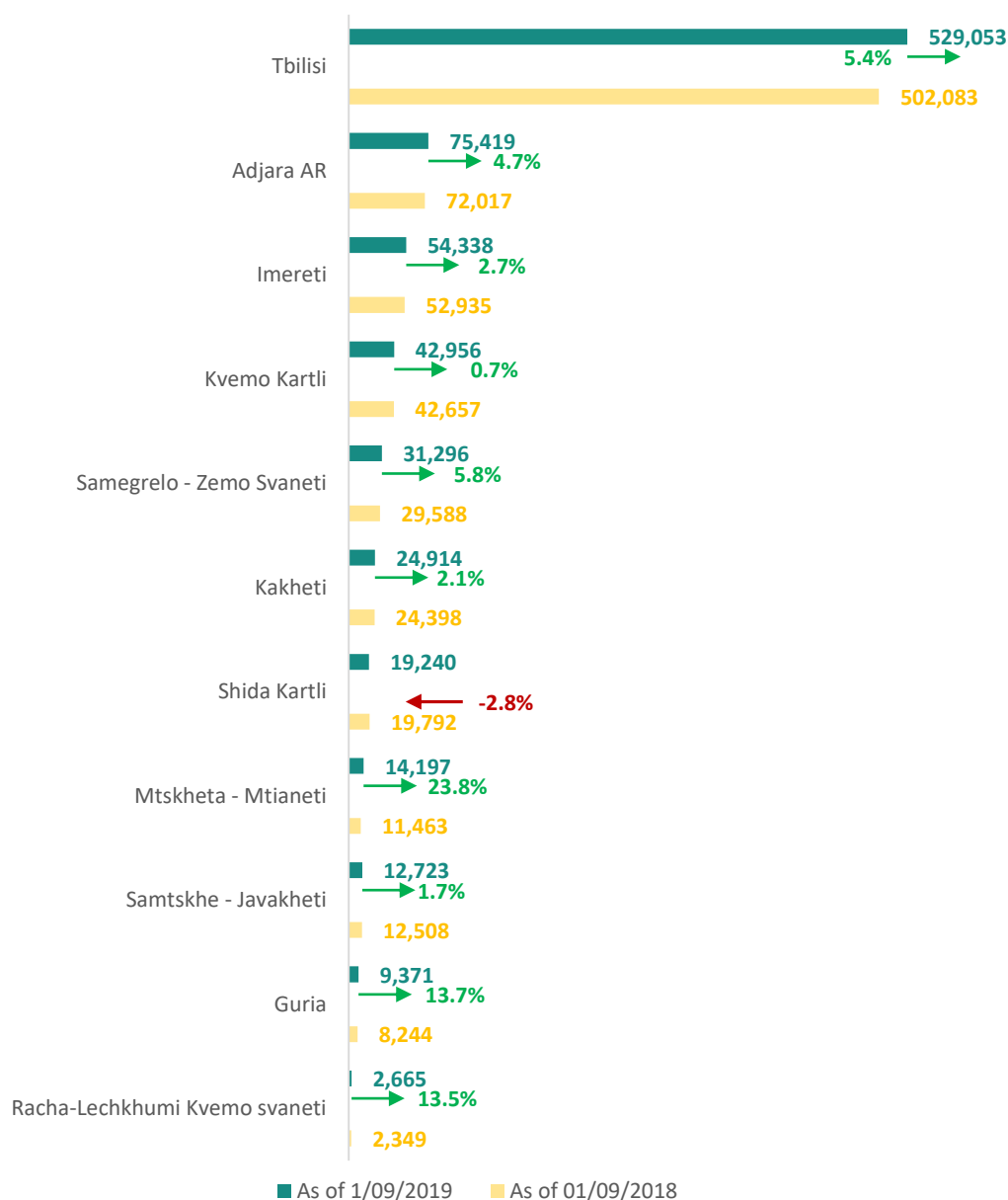
Diagram 3. Share of employees by the Gender



It should be noted that as of September 1, 2019, the number of employed women increased by 8.6% compared to the indicator of the same period of the last year, as for men - by 2.2%.

As of September 1, 2019, large share of the employment takes place in Tbilisi (64.8%). According to other regions, share of employees gave us the following picture: 9.2% of employees in Adjara, 6.7% - Imereti, 5.3% - Kvemo Kartli, 3.8% - Samegrelo, 3.1% - Kakheti, 2.4% - Shida Kartli, 1.7% - Mtskheta-Mtianeti, - 1.6% in Samtskhe-Javakheti, 1.1% - Guria and 0.3% - Racha-Lechkhumi.

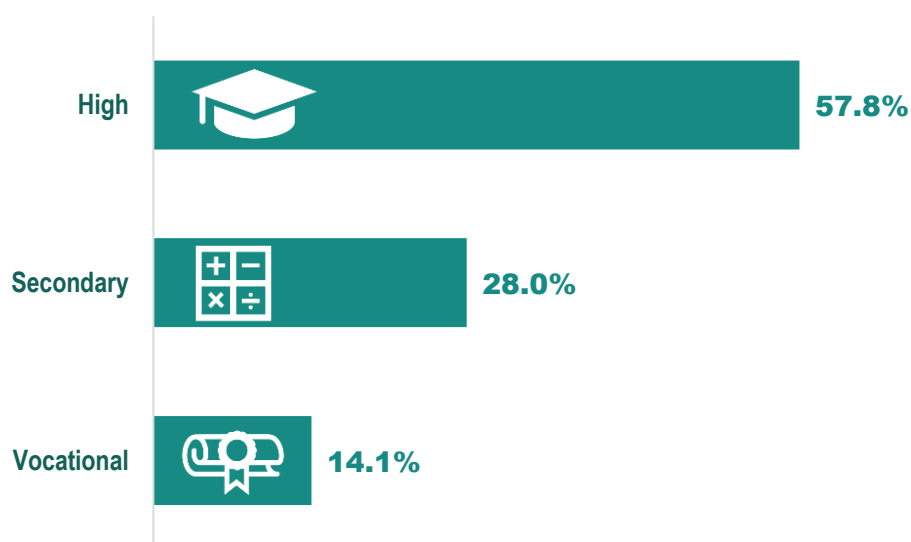
Diagram 4. Share of employees by regions



It is also noteworthy, that compared to the same period of the last year, the highest increase in number of employees was observed in the Mtskheta Mtianeti region (+ 23.8%), followed by: Guria (13.7%) and Racha-Lechkhumi Kvemo-Svaneti (13.5%). Number of employees in the capital has increased by 5.4%. The only region where, as of September 1, 2019, compared to the same period of last year, number of employees has reduced is Shida Kartli (-2.8%).

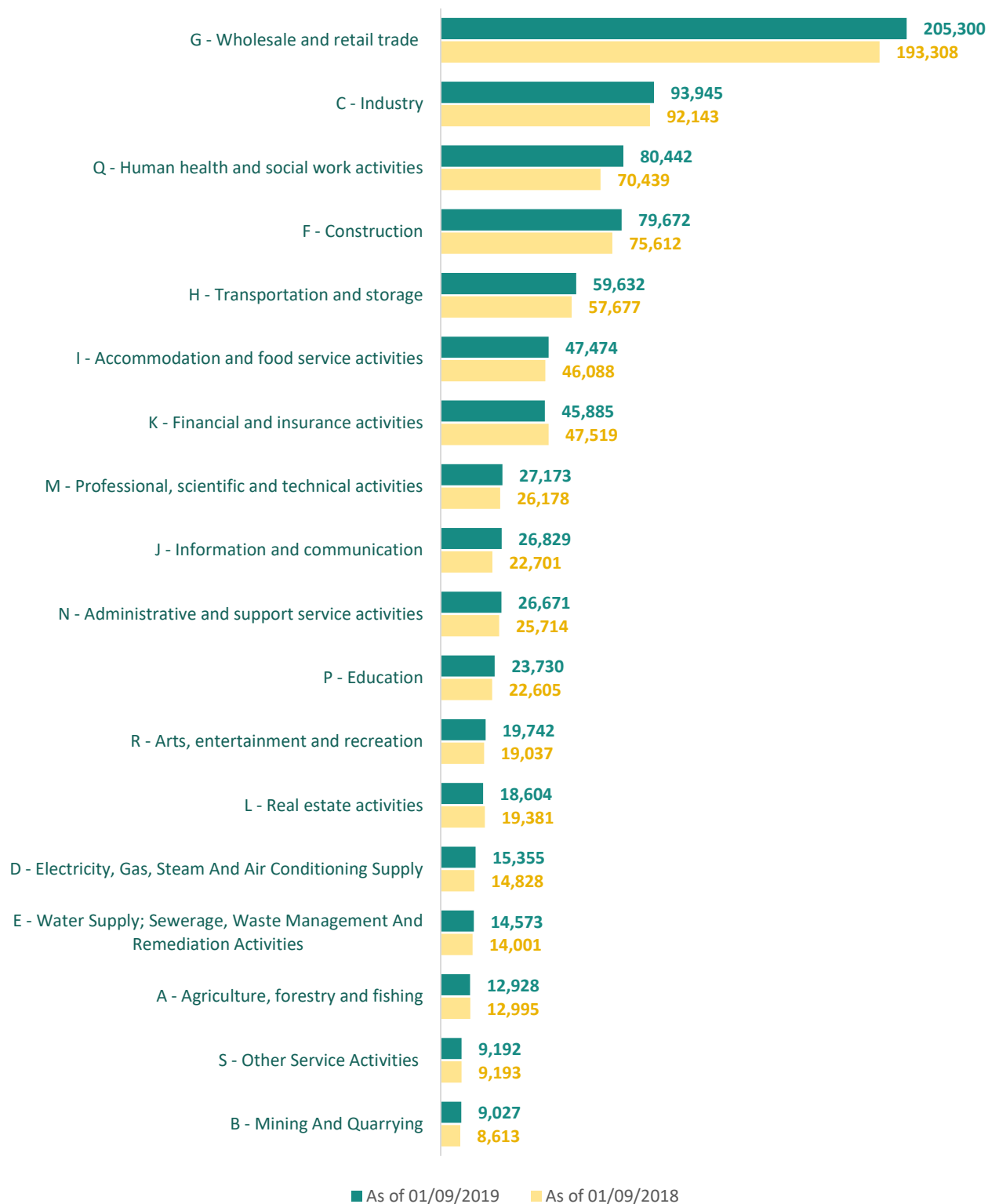
The survey by the **achieved level of education showed** that the largest share among employees has higher education (57.8 %), which is followed with employees who have general secondary education (28%), and the least represented are those with vocational education (14.2 %).

Diagram 5. Share of employees by the achieved level of education



Employment by economic sectors showed that wholesale and retail trade sector is distinguished by the high share of employment 25.2%. It is noteworthy that the number of employees has increased by 6.2% compared to the same period of the last year. It is followed by the Manufacturing sector - 11.5%, the human health and social work activities sector- 9.9%, the construction sector - 9.8%. Other service activities (1.1%) and mining and quarrying (1.1%) sectors are distinguished by the lowest share of employees.

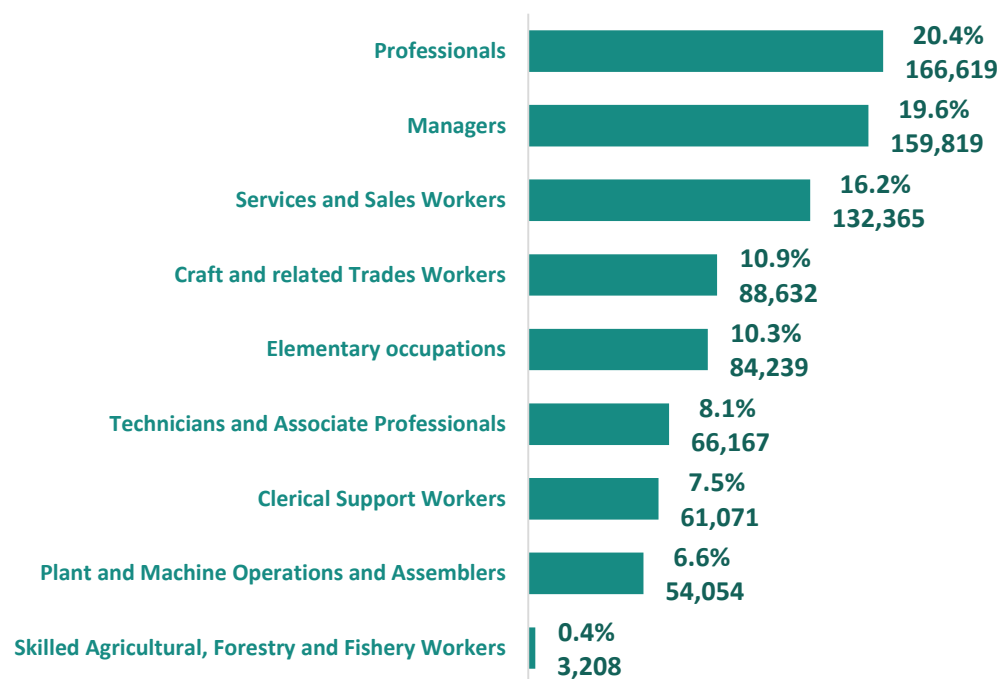
Diagram 6. share of employees by economic sectors



Number of employees increased the most in the ICT sector (18.2%). Also, double-digit growth was observed in the healthcare sector - 14.2%. Decrease in number of employees was observed only in 2 sectors, real estate (-4%), financial and insurance activities (-3.4%).

According to the survey, as of 1 September 2019 employment structure by the major occupational groups of the International Standard Classification of Occupations ISCO 2008 gives the following picture: **Professionals** (20.4% - 166,619 people), **Managers** (19.6% - 159,819 people), **Services and Sales Workers** (16.2% - 132,365 people), **Craft and Related Trades Workers** (10.9% - 88,632 people) and **Elementary Occupations** (10.3% - 84,239 people).

Diagram 7. Number of Employees by the Major Groups of International Standard Classification of Occupations (ISCO 08)



■ As of 01/09/2019

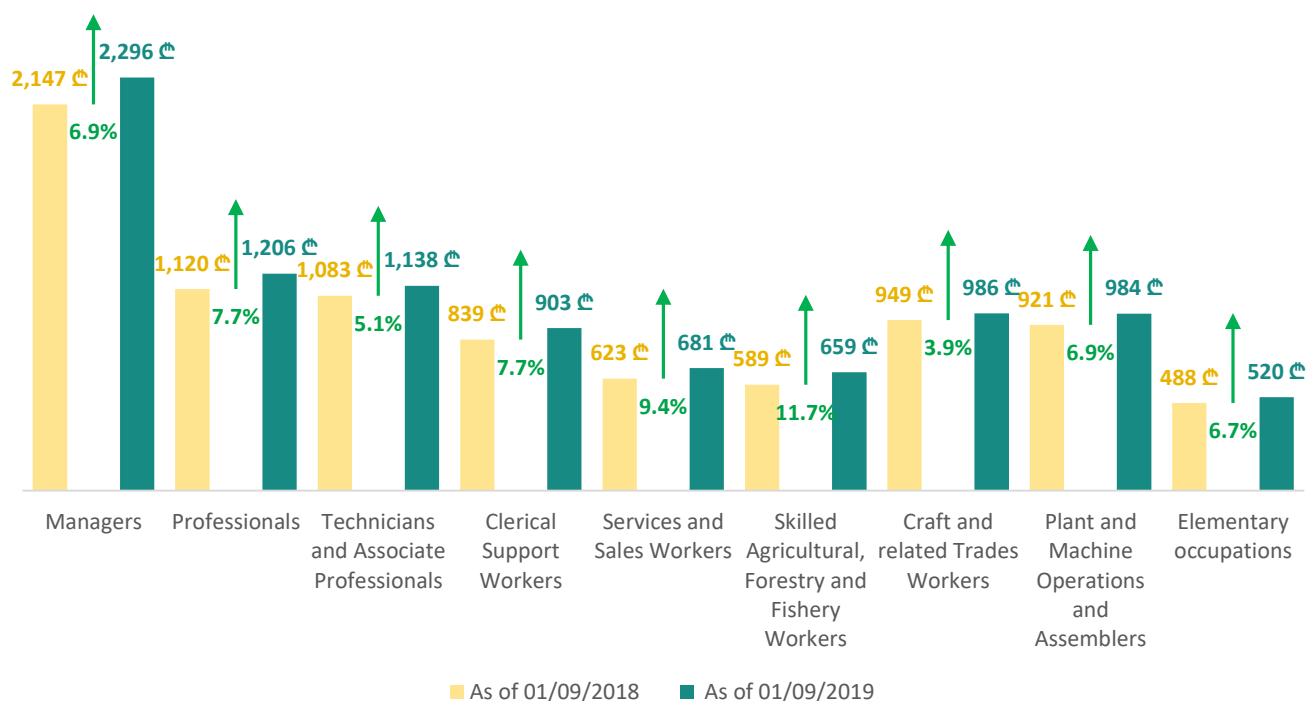
In each major groups the following elementary occupational groups are leading in terms of **quantity**:
In Managers - Managing Directors and Chief Executives (61,037); **In Professionals** - Accountants (39,647); **In Technicians and Associate Professionals** - Process Control Technicians Not Elsewhere Classified(5,961); **In Clerical Support Workers** - Clerical Support Workers Not Elsewhere Classified (11,415); **In Services Sales Workers** - Shop Sales Assistants (27,439); **In Skilled Agricultural Forestry and Fishery Workers** – Mixed Crop and Animal Producers (698); **In Craft and Related Trades Worker** - Building Frame and Related Trades Workers (19,923); **In Plant and Machine Operators** and

Assemblers – Heavy Truck and Lorry Drivers (15,057); **In Elementary occupations** - Cleaners and Helpers (27,461).

Based on the total indicator, in accordance with the **ISCO 2008 elementary occupational groups**, Managing Directors and Chief Executives stand out among the employees, with the number of 61,037 employees, which amounts to 7.5% of the total employees, followed by Accountants - 39,647 (4.9%), Helpers and Cleaners in Offices, Hotels and Other Establishments - 27,461 (3.4%) and Shop Sales Assistants - 27,439 (3.4%).

As of September 1, 2019, , according to **the major occupational groups of ISCO**, managers have the highest **average monthly nominal salary** - 2,296 GEL, which is 6.9% higher compared to the index for the same period of last year. Representatives of the Elementary Occupation Group have the lowest average monthly nominal salary - 520 GEL (+ 6.7% compared to the previous year).

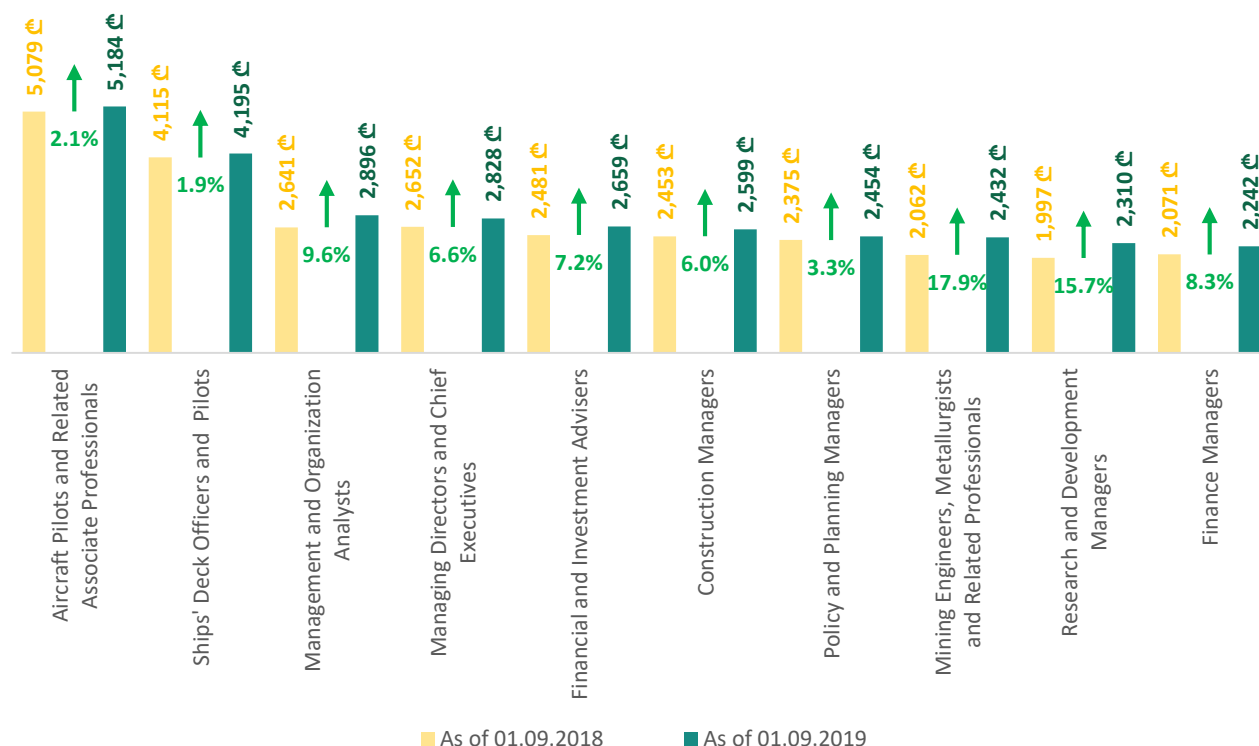
Diagram 8. Average wages of employees by the major occupational group of ISCO 08



It should be noted that as of September 1, 2019 the average monthly nominal salary of employees by major professional groups, , has increased for all groups compared to the same period of the last year: for managers + 6.9% (GEL 149), for Professionals + 7.7% (GEL 86), for technicians + 5.1% (GEL 56), for office clerks + 7.7% (GEL 64), for Service Workers and Shop and Market Sales Workers

+ 9.4% (GEL 58), for skilled agricultural workers + 11.7% (GEL 69), for workers in crafts and related professions + 3.9% (37), for Plant and Machine Operators and Assemblers + 6.9% (GEL 64), for Elementary occupations + 6.7% (GEL 32).

Diagram 9. Average wages of employees by the elementary occupational group of ISCO 08



The following elementary groups are leading in the major occupational groups of ISCO 2008 with the highest average monthly salary: **Managers** - Managing Directors and Chief Executives (GEL 2,828); **Professionals** - Management and Organization Analysts (GEL 2,896); **Technicians** - Aircraft Pilots (GEL 5,184); **Clerical Support Workers** - Inquiry Clerks (GEL 1,608); **Services and Sales Workers** - Travel Attendants and Travel Stewards (GEL 1,651); **Skilled Agricultural Workers** - Forestry and Related Workers (GEL 1,211); **Craft and Related Trades Workers** - Metal Polishers, Wheel Grinders and Tool Sharpeners (GEL 1,750); **Plant and Machine Operators and Assemblers** - Chemical Products Plant and Machine Operators (1,542 GEL); **Elementary Occupations** - Fast Food Preparers (1,070 GEL);

The highest average monthly nominal salary, according to elementary occupational groups, is given to Aircraft Pilots - 5,184, and the lowest - to Door-to-door Salespersons - 207 GEL.

Besides pilots, the following elementary occupational groups are distinguished by high average monthly salaries: Ship's Deck Officers and Pilots - 4,115 GEL, Management and Organization

Analysts - 2,641 GEL, Managing Directors and Chief Executives - 2,652 GEL, Financial and Investment Advisors - 2,481 GEL.

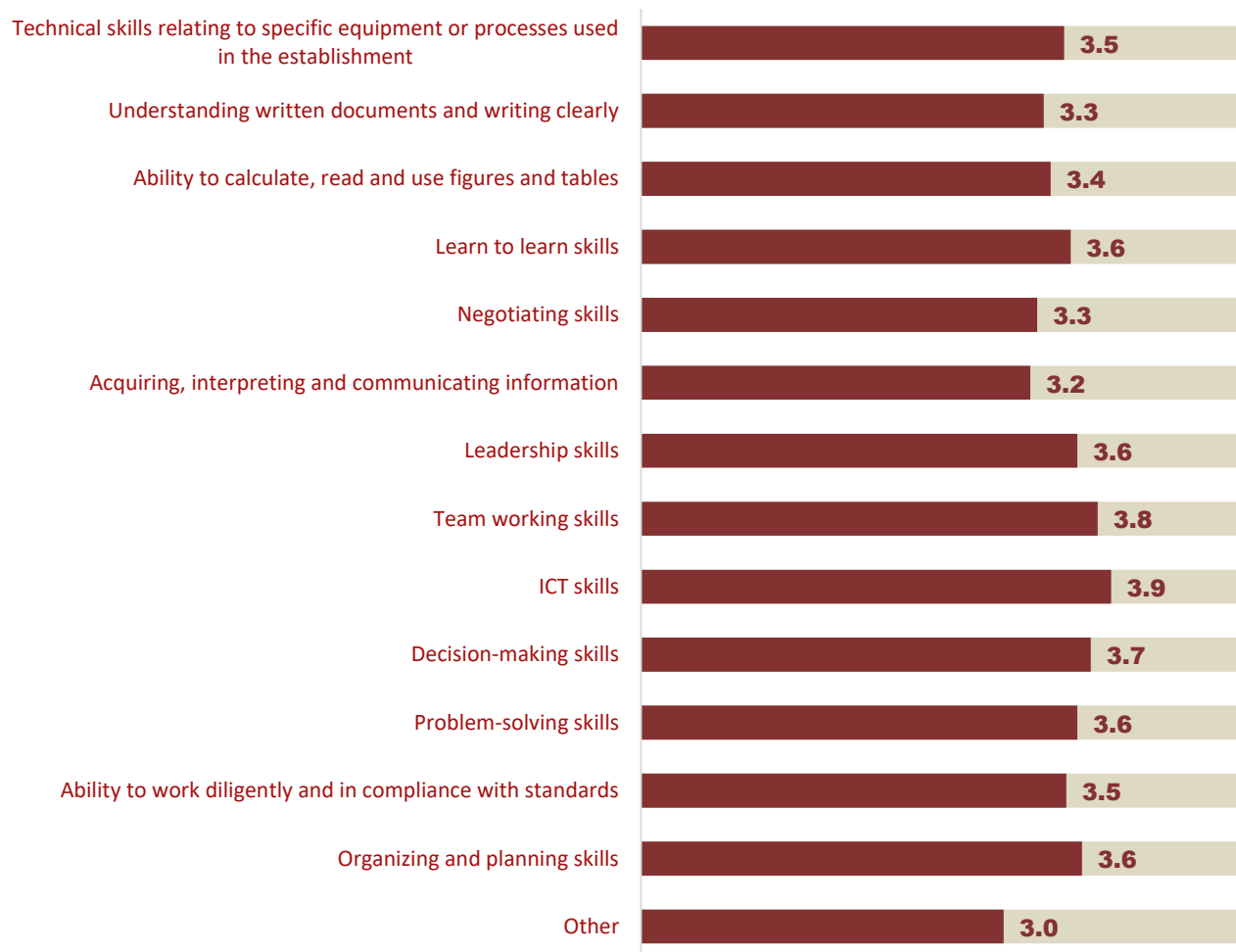
The top ten highest average nominal earnings, according to the elementary occupational groups, looks in the following way:

In the top ten, compared to the index of the same period of the last year, the average monthly nominal salary of Mining Engineers, Metallurgists and Related Professionals has mostly increased (+ 17.9%), which is followed by the average monthly nominal salary of Research and Development Managers (+ 15.7%) and the average monthly nominal salary of Management and Organization Analysts (9.6%).

Section 2: Assessment of Professional Skills of Employees

According to the survey, employers evaluated employees on the basis of such skills as: technical skills related to specific equipment or processes used in the enterprise; understanding written documents and writing clearly; ability to calculate, read and use figures and tables; learn to learn skills; negotiating skills; acquiring, interpreting and communicating information; leadership skills; team working skills; ICT skills; decision-making skills; problem solving skills; ability to work diligently and in compliance with the standards; as well as organizing and planning skills (assessment was carried out through a 5-point scale system. 1- "Significantly incompetent" and "5" - competent).

Diagram 10. Employees' Skills Assessment (Average Score)



Employers rated employees' ICT skills with the highest average score - 3.9 points. It should be noted that according to the 2017 Survey of Business Demand on Skills, average rate of employees' information and technology skills was "2.9" points which is the lowest index.

The high average rating of employees in Team working skills - 3.8 points and decision-making skills - 3.8 points are also noteworthy.

The lowest average grade was given to the ability of employees to acquire, interpret and communicate information - 3.2 points.

According to the major occupational groups, the highest average score was given to the **Services and Sales Workers** - 4.4 points, and the lowest average score was given to the group of **Technicians and Associate Professionals** - 1.6 points.

Diagram 11. Assessment of the employees' skills by the major occupational groups



According to the Survey results:

- **The major Occupational group of Managers** was rated with an average of 4.2 points. (The highest scores were observed in 7 out of 13 skills). Out of **elementary occupational groups**, the highest - 4.6 points average was given to the Mining Managers and were distinguished in such skills as: leadership, decision-making, organizing and planning skills and etc. The lowest average score in this major group was 1.6 points - Human Resource Managers and Information and Communication Technology Services Managers;
- **The major occupational group of Professionals** was evaluated with an average of 3.8 points. (Highest score - 5 points were observed in 3 skills out of 13). **From elementary occupational groups**, the highest average score of 5.0 points was given to the representatives of the group of **Mining Engineers, Metallurgists and Related Professionals**, and the lowest average score - 1.2 points, was received by **Engineering Professionals Not Elsewhere Classified** (highest average score in team work skills - 4 points);
- **The major occupational group of Technicians and Associate Professionals** was evaluated with average of 1.6 points. (Highest grade - 4 points were observed in technical skills and

organizing and planning skills). From **elementary occupational groups**, the highest average score of 5.0 points was given to the Process Control Technicians, and the lowest average score of 1.6 points was given to the **Telecommunications Engineering Technicians** (the highest average score of 4 points was given in the technical skills);

✚ The **major professional group of Clerical Support Workers** was rated with average 3.5 points. (Highest grade - 5 points in ICT skills). From elementary occupational groups, the highest - 4.4 points on average was received by Secretaries and Client Information Clerks. Secretaries received high marks in skills such as: technical skills relating to specific equipment or processes used in the establishment, understanding written documents and writing clearly, and skills for acquiring new information and skills. Client Information Clerks were evaluated with the highest scores in terms of ability to work diligently and in compliance with standards. And the lowest average rating - 1.6 points was given to Hotel Receptionists;

✚ The **major occupational group of Service and Sales Worker** was rated with average score of 4.4. (the highest rating - 5 points were observed in 13 skills out of 5). From **elementary occupational groups**, the highest - 4.5-point average was given to Security Guards. They received high score in problem solving and Ability to work diligently and in compliance with standards. Shop Supervisors received the lowest average rating - 1.2 points;

✚ The **major occupational group of Skilled Agricultural, Forestry and Fishery Workers** were evaluated with average of 3.9 points. From **elementary occupational groups**, the highest average score of 3.9 points was received by Forestry and Related Workers, and the lowest average score of 2.8 points was received by Poultry Producers;

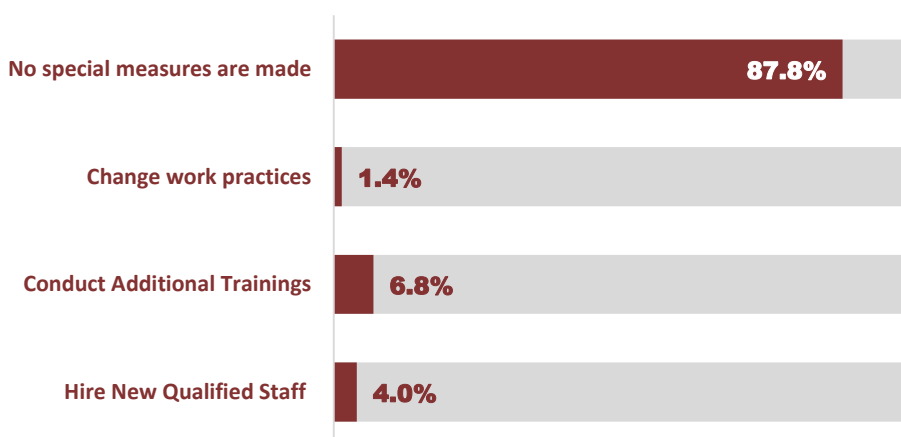
✚ The **major occupational group of Craft and Related Trades Workers** was evaluated with average of 2.6 points. Their evaluation results in teamwork skills and organizing and planning skills were high. They were awarded lowest 1-point in technical skills, also the lowest marks in Acquiring new skills and information, negotiation skills and ability to work diligently and in compliance with standards. From **the elementary occupational groups**, the highest average score of 4.6 points was given to the **Handicraft Workers**, and the lowest average score of 1.6 points was given to the **Painters and Related Workers**, as well as **Electrical Mechanics and Fitters**;

✚ The **major occupational group of Plant and Machine Operators and Assemblers** were rated with average of 3.8 points. (Decision-making skills were rated with the highest 5 points). From **elementary occupational groups**, the highest average score of 4.5 points was received by **Lifting Truck Operators**, and **Railway Brake workers, Signal and Switch Operators** received the lowest average score - 1.2 points;

➤ The major occupational group of the **Elementary Occupations** was rated with average of 3.8 points (decision making was rated with the highest 5 points). From **elementary occupational groups**, the highest average score - 4.5 points were given to **Mining and Quarry Labourers, Hand and Pedal Vehicle Drivers and Refuse Sorters** and **Vehicle Cleaners** received the lowest average score - 2.8 points.

In General, Employers do not take special measures in order to eliminate the problems that are related to Skill - 87.8%. Only 6.8% of respondents apply for additional training, 4% choose to hire new skilled staff and 1.4% choose to change work practices.

Diagram 12. Measures to overcome problems related to professional skills

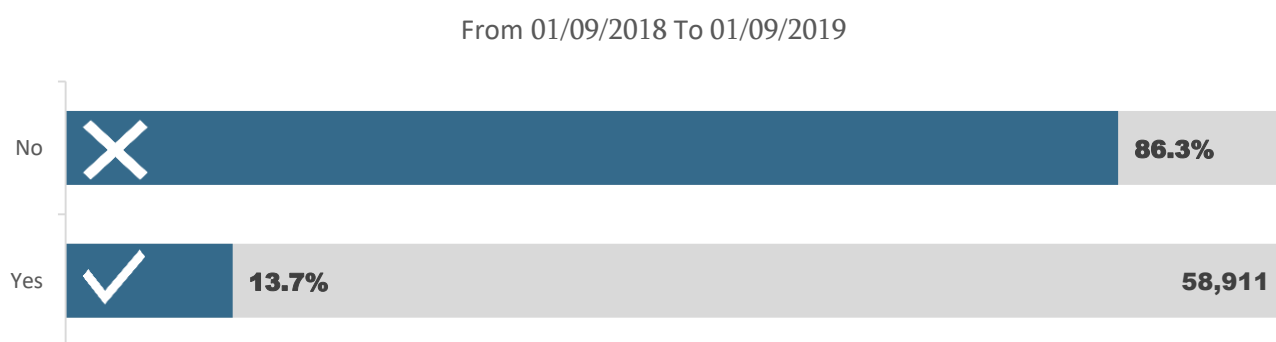


It should be noted that these data do not differ in the regional context. The rates are identical in Tbilisi as well as in all other regions. Breakdown of the data by types of economic activity is worthy of attention. According to the general data only 6.8% refer to the method of additional training, by the types of economic activities, this data are equal to 22% in the sector of **Water Supply, Sewerage, Waste Management and Remediation Activities**. This figure equals 14% in the **Electricity and Financial and Insurance Activities** sectors.

Section 3: Vacancies in Enterprises and Employment

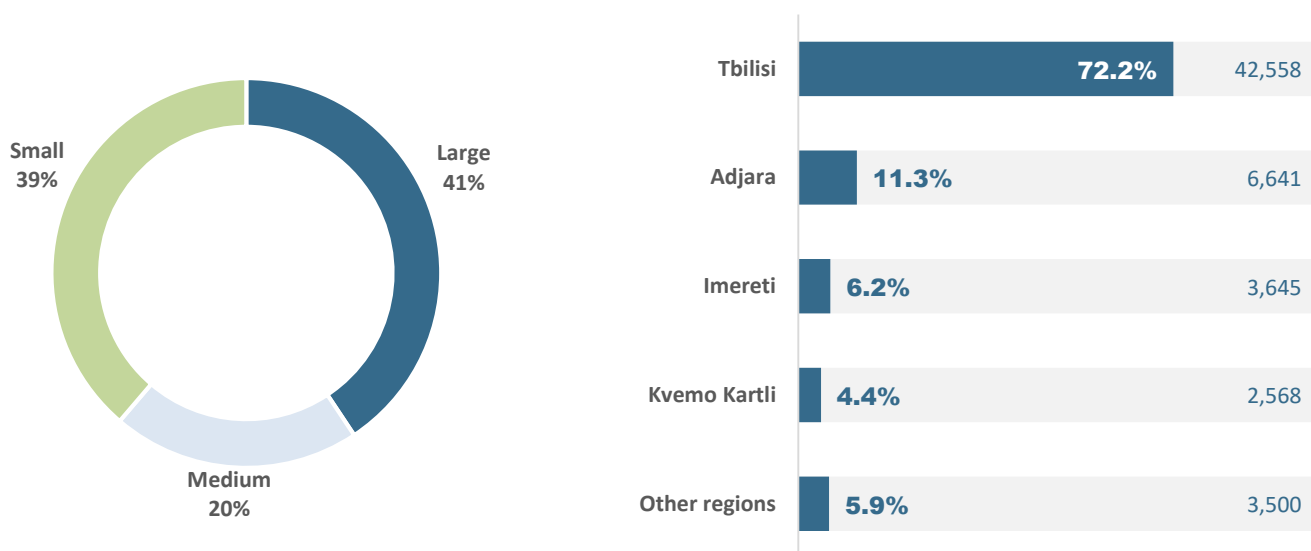
In order to determine labor demand component, one of the tasks of the survey was to study the number and characteristics of vacancies in enterprises. The survey analyzed vacancies by size of enterprises, regions, economic activities and occupational groups.

Diagram 13 Number of vacancies in enterprises



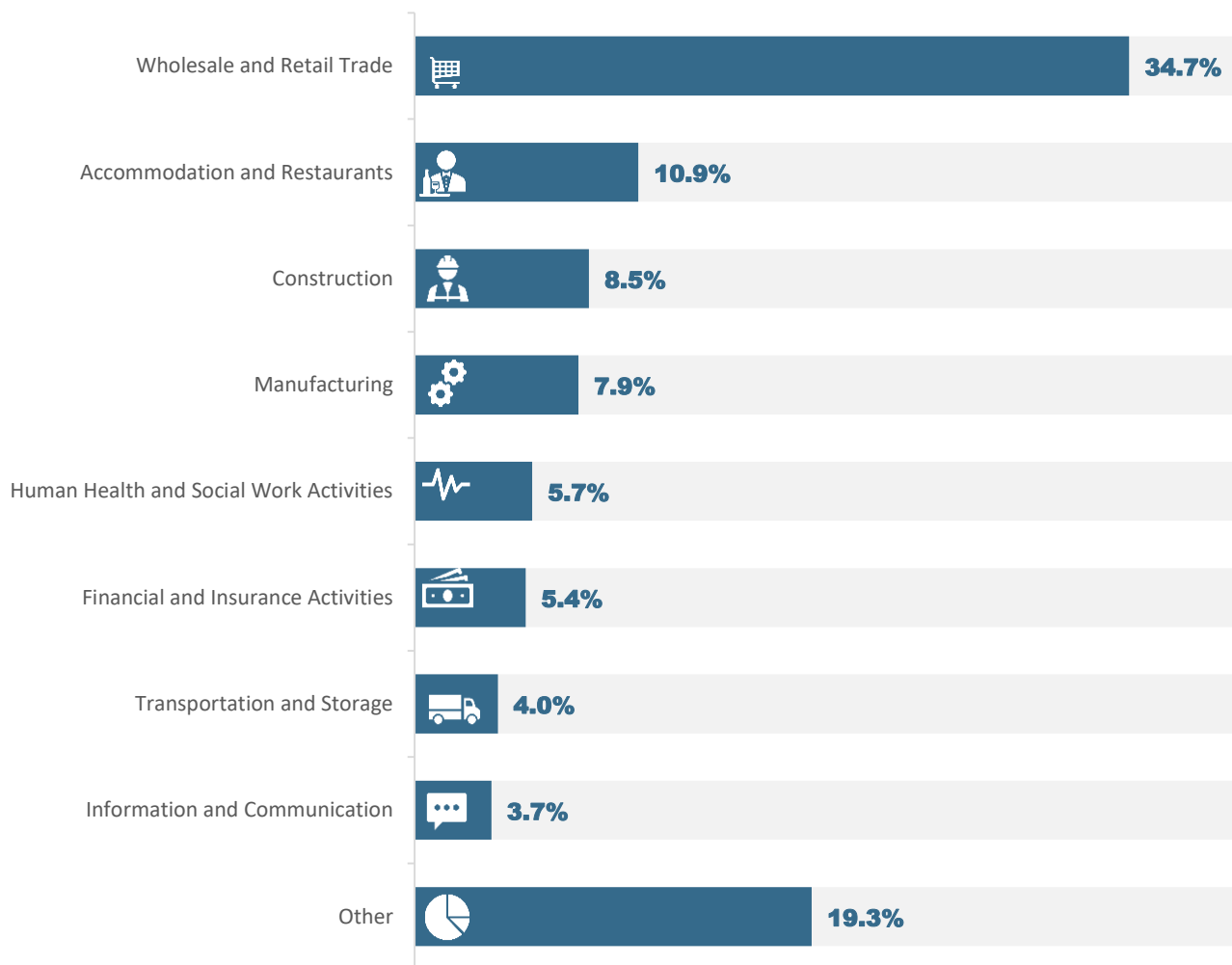
In the period from September 1, 2018 to September 1, 2019, **13.7%** of enterprises (**7,276 enterprises**) had **58,911** vacancies. From this, 40.7% of vacancies come from large enterprises, 20.6% - from medium-sized enterprises, and 38.7% - from small enterprises. At the same time, the share of vacancies in Tbilisi is 72.2%, followed by Adjara (11.3%), Imereti (6.2%), Kvemo Kartli (4.4%), and finally, the share of other regions taken altogether - 5.9%.

Diagram 14 Share of the vacancies by size of enterprises and regions



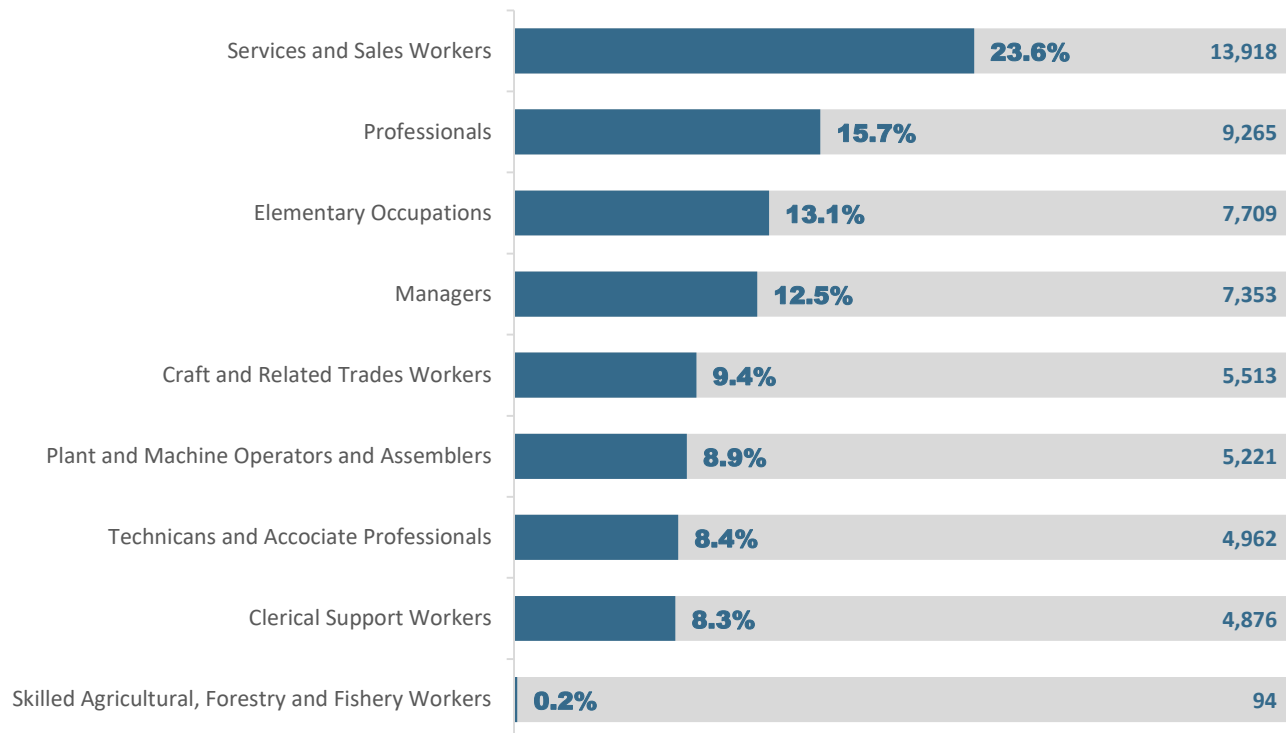
As of September 1, 2019, during the last year, most of the available vacancies by the **types of economic activities** were in **Wholesale and Retail Trade** - 34.7% (20,423 vacancies), followed by **Accommodation and Food Service Activities** - 10.9% (6,392 vacancies) and **Construction** - 8.5% (4,979 vacancies). The lowest number of vacancies were registered in **Agriculture** (515 vacancies) and **Mining** industry (347 vacancies).

Diagram 15. Share of vacancies by types of economic activities



According to **the major occupational groups**, most of the available vacancies are for **Services and Sales Persons** (13,918 vacancies; 23.9%), followed by **Professionals** (9,265 vacancies; 15.7%), **Elementary Occupations** (7,709 vacancies; 13.1%), **Managers** (7,353 Vacancies; 12.5%), **Craft and Related Trades Workers** (5,513 Vacancies; 9.4%), **Plant and Machine Operators and Assemblers** (5,221 Vacancies; 8.9%), **Technicians and Associate Professionals** (4,962 Vacancies; 8.4%), **Clerical Support Workers** (4,876 Vacancies; 8.3%), **Skilled Agricultural, Forestry and Fishery Workers** (94 vacancies; 0.2%).

Diagram 16 Existing vacancies by the major occupational groups

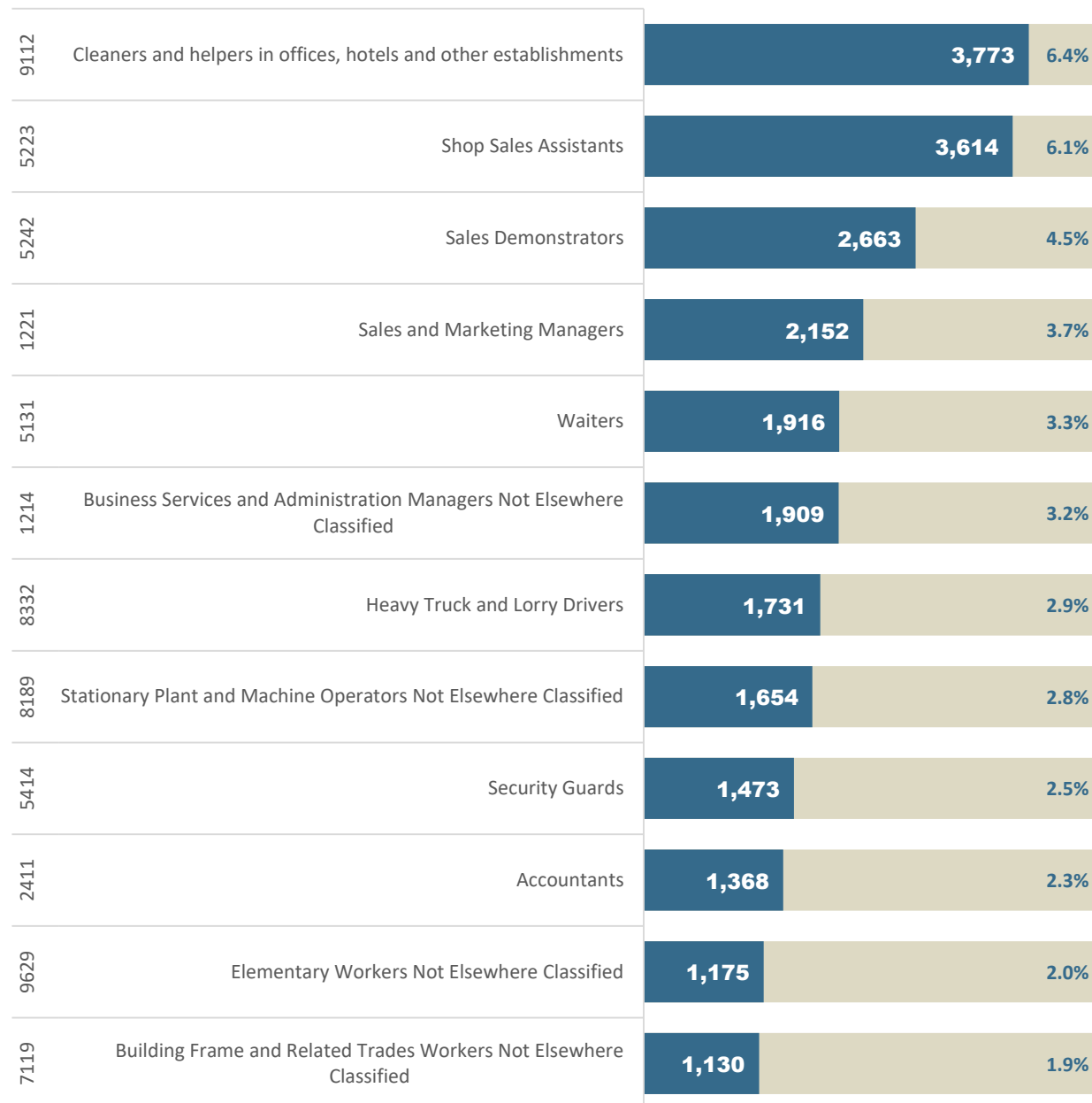


According to the survey, in each major occupational group, by the availability of vacancies the following elementary occupational groups has been distinguished: in the major occupational group of **Managers - Sales and Marketing Managers** (2,152 vacancies); In the major group of **Professionals - Accountants** (1,368 vacancies); In the major group of **Technicians and Associate Professionals - Process Control Technicians** (687 vacancies); In the major group of **Clerical Support Workers - Bank Tellers and Related Clerks** (888 vacancies); In the major group of **Service and Sales Workers - Shop Sales Assistants** (3,614 vacancies); In the major group of **Skilled Agricultural, Forestry and Fishery Workers - Field Crop and Vegetable Growers** (48 vacancies); In the major group of **Craft and Related Trades Workers - Building Frame and Related Trades Workers** (1,130 vacancies), in the major group of **Plant and Machine Operators and Assemblers - Heavy Truck and Lorry Drivers** (1,731 vacancies); In the major group of **Elementary Occupations - Cleaners and Helpers in Offices, Hotels and Other Establishments** (3,773 vacancies).

As for the number of available vacancies throughout one year, in general, according to the elementary occupational groups, the majority falls within the group of **Cleaners** - 3,773 vacancies (6.4%), followed by **Shop Sales Assistants** - 3,614 vacancies (6.1%); **Commercial Sales Representatives** - 5,663 vacancies (4.5%); **Sales and Marketing Managers** - 2,152 vacancies (3.7%); **Waiters** - 1,916 vacancies (3.3%); **Business Services and Administration Managers** - 1,909 vacancies (3.2%); **Heavy**

Truck and Lorry Drivers - 1,731 vacancies (2.9%); **Stationary Plant and Machine Operators** - 1,654 vacancies (2.8%); **Security Guards** - 1,473 vacancies (2.5%); **Accountants** - 1,368 vacancies (2.3%)

Diagram 17 Existing vacancies by the elementary occupational groups



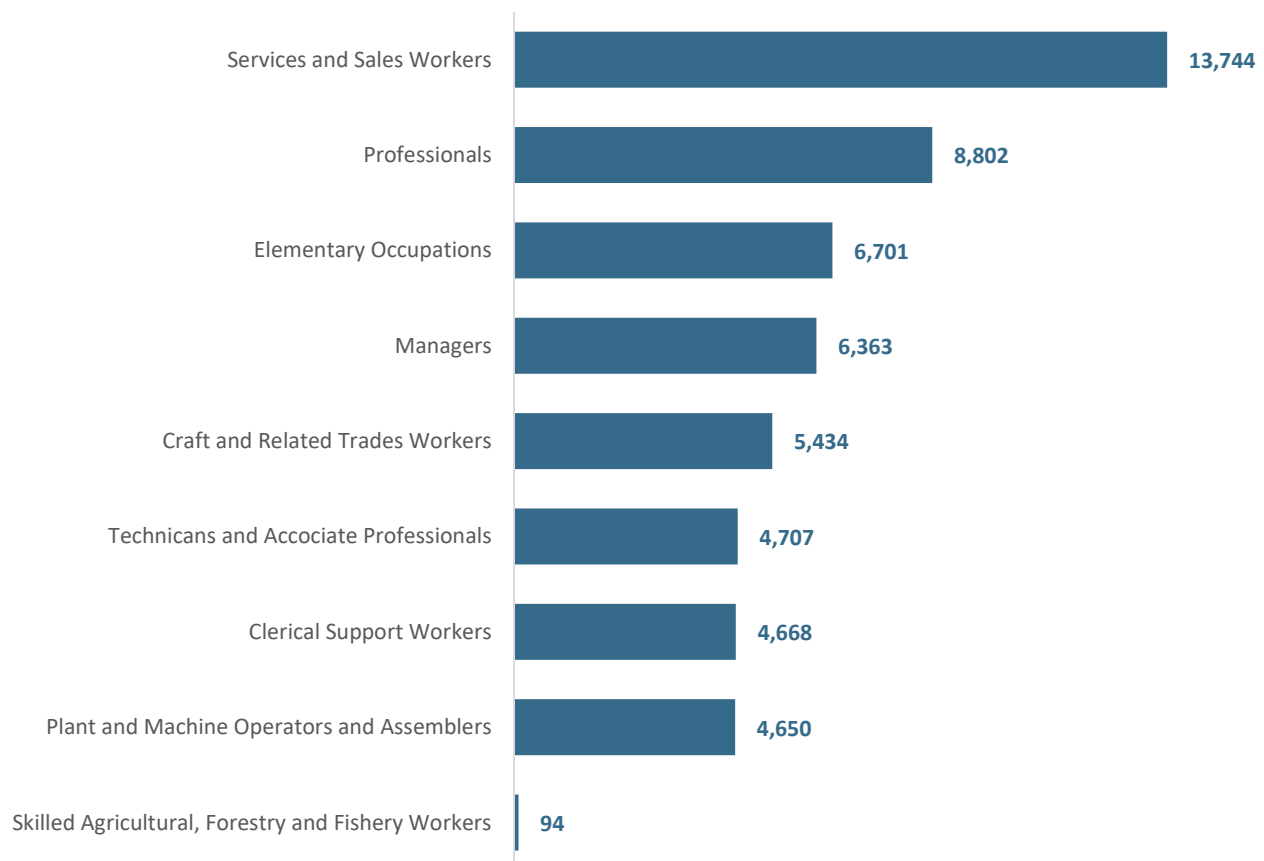
According to the survey, as of September 1, 2019, during last year, enterprises (7,276 enterprises) announced 93.6% of existing vacancies (55,163 vacancies).

Diagram 18 Share of vacancies announced during the last 1 year



The announced 55,163 vacancies were distributed according to the major occupational groups in the following way: **Service and Sales Workers** - 13,744 vacancies (98.7%); **Professionals** - 8,802 vacancies (95%); **Elementary Occupations** - 6,701 vacancies (86.9%); **Managers** - 6,363 vacancies (86.5%); **Craft and Related Trades Workers** - 5,434 vacancies (98.6%); **Technicians and Associate Professionals** - 4,707 vacancies (94.9%); **Clerical Support Workers** - 4,668 vacancies (95.7%); **Plant and Machine Operators and Assemblers** - 4,650 vacancies (89.1%); **Skilled Agricultural, Forestry and Fishery workers** - 94 vacancies (100%);

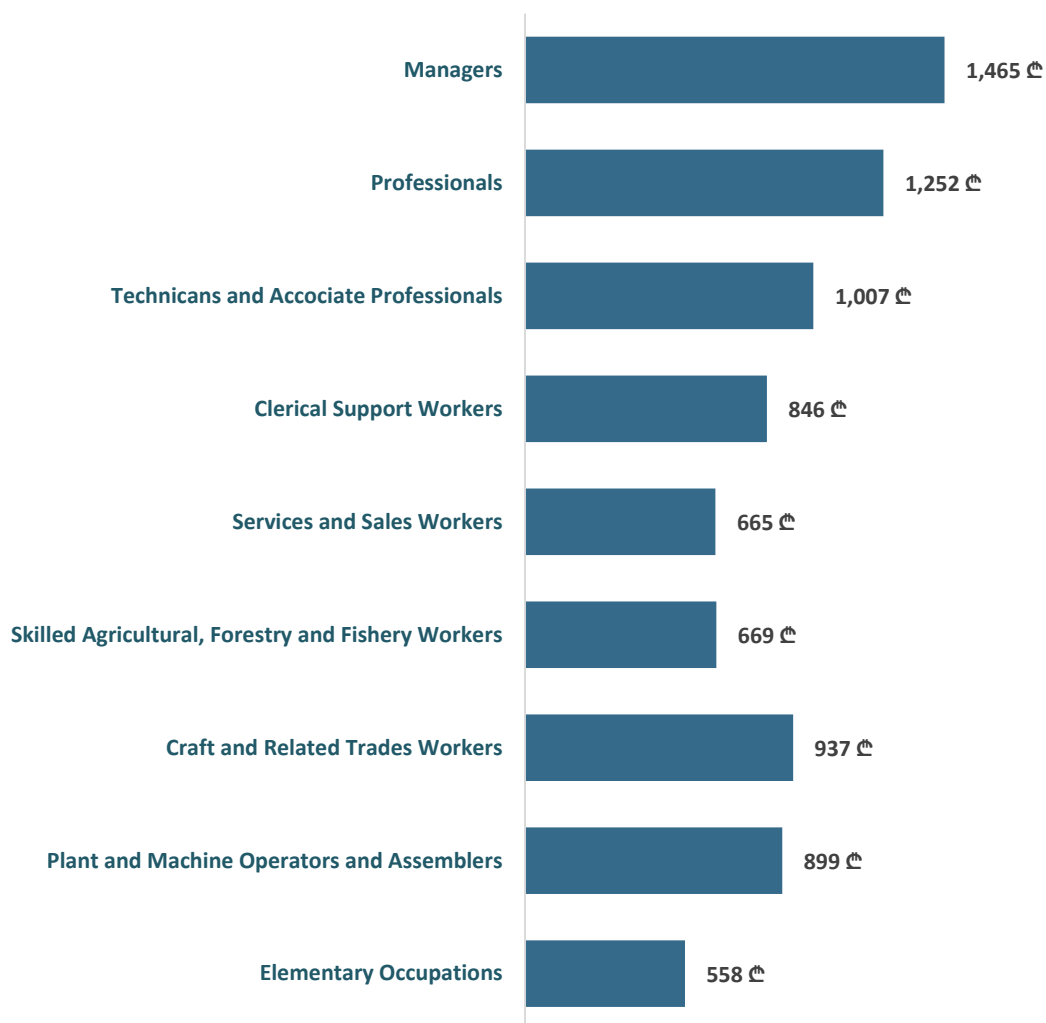
Diagram 19 Number of vacancies announced by the major occupational groups



7% of enterprises estimated duration of employment in the scope of announced vacancies up to 6-month period, the period from 6 months to 1 year - 33%, and 60% - more than 1 year.

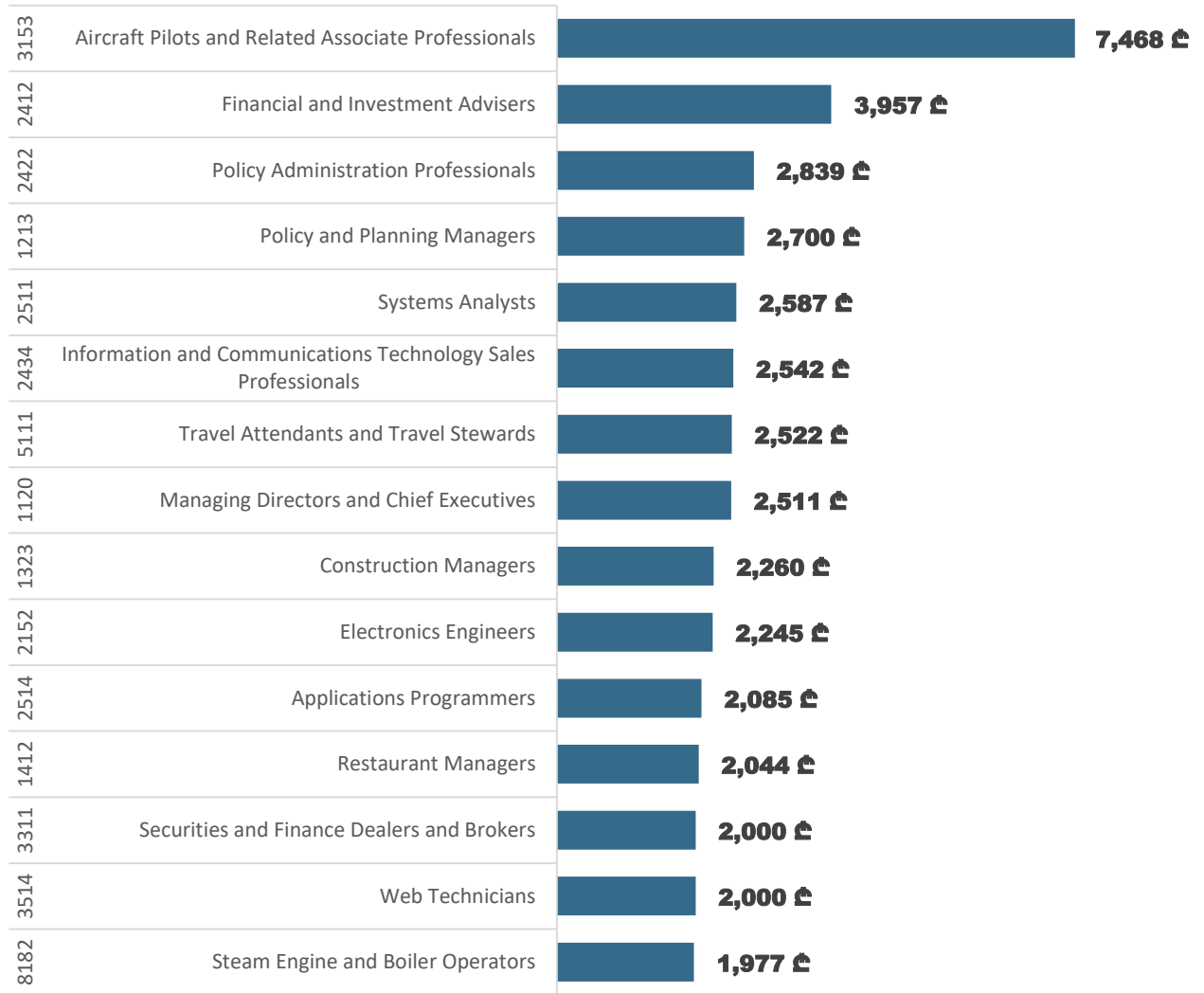
As of September 1, 2019, the average monthly nominal salary offered for the vacancies was the highest for the major professional group of **Managers** (GEL 1,465) and the lowest for **Elementary Occupations** (GEL 558).

Diagram 20 Average Salary offered for announced vacancies by the major occupational groups



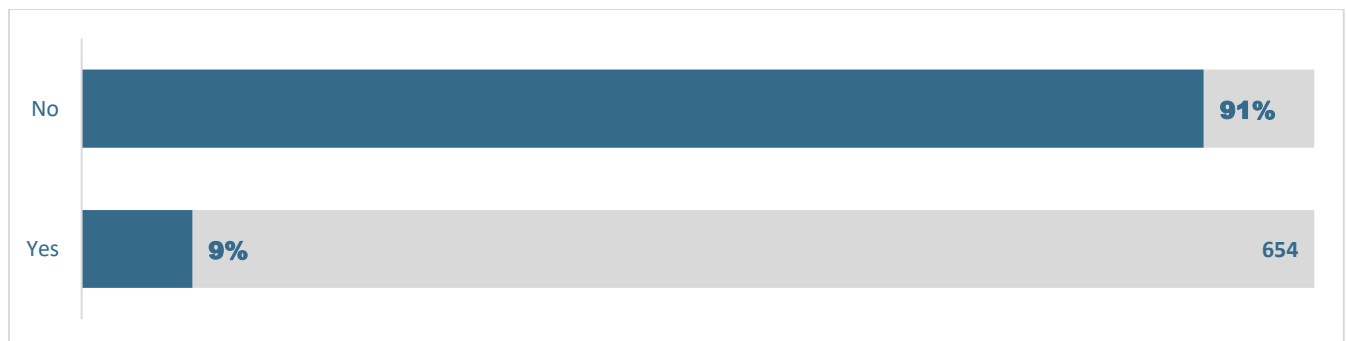
The average monthly salary offered for vacancies announced by the elementary occupational groups was the highest for Aircraft Pilots (GEL 7,468).

Diagram 21 Average salary offered for announced vacancies by elementary occupational groups



Out of the 7,276 enterprises that had announced vacancies, only 9% (654 enterprises) encountered hindering problems with filling vacancies.

Diagram 22 Have you ever encountered any problems with filling up vacancies?

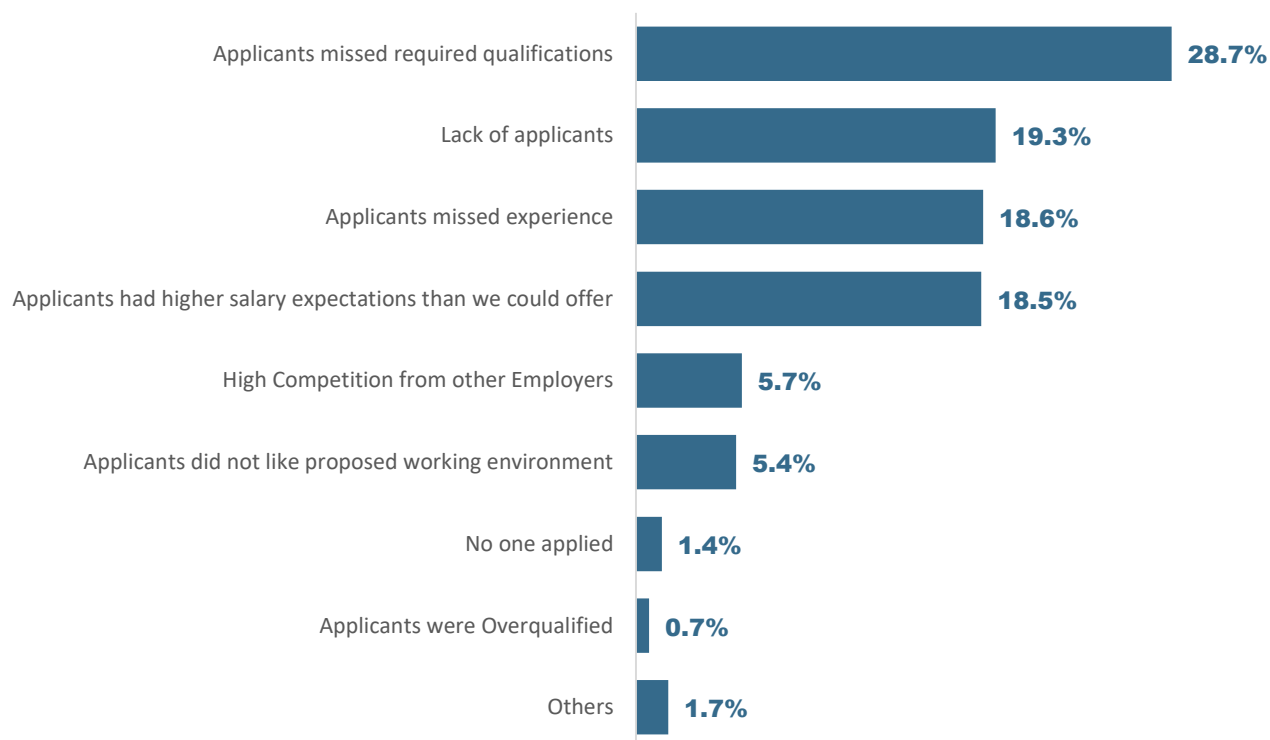


79% of the enterprises that had problems with filling the vacancies belong to small enterprises. 64.9% of the enterprises, that encountered hindering problems with filling the vacancy, are in Tbilisi.

33.8% of the problems encountered with filling the vacancies come from the **Wholesale and Retail Trade** sector. The sectors of Manufacturing (13%), **Information and Communication** (11.5%), **Accommodation and Food Service Activities** (11.2%) are also characterized by a double-digit percentage.

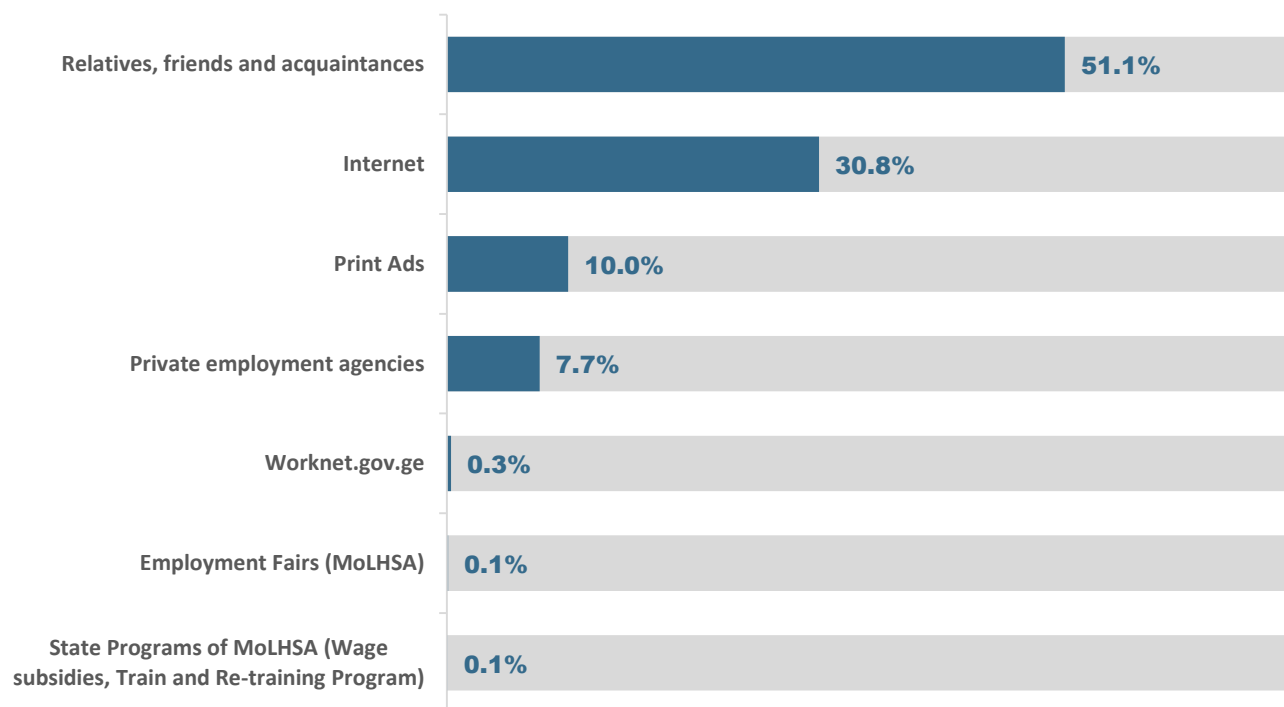
Among the difficulties related to filling vacancies were mainly the insufficient qualifications of applicants (28.7% of the answers), followed by the lack of applicants (19.3%), the insufficient experience of applicants - 18.6%, applicants' higher salary expectations (18.5%) unfavorable work environment for applicants (5.4%), over qualification of applicants (0.7%).

Diagram 23 Difficulties related with filling announced vacancies



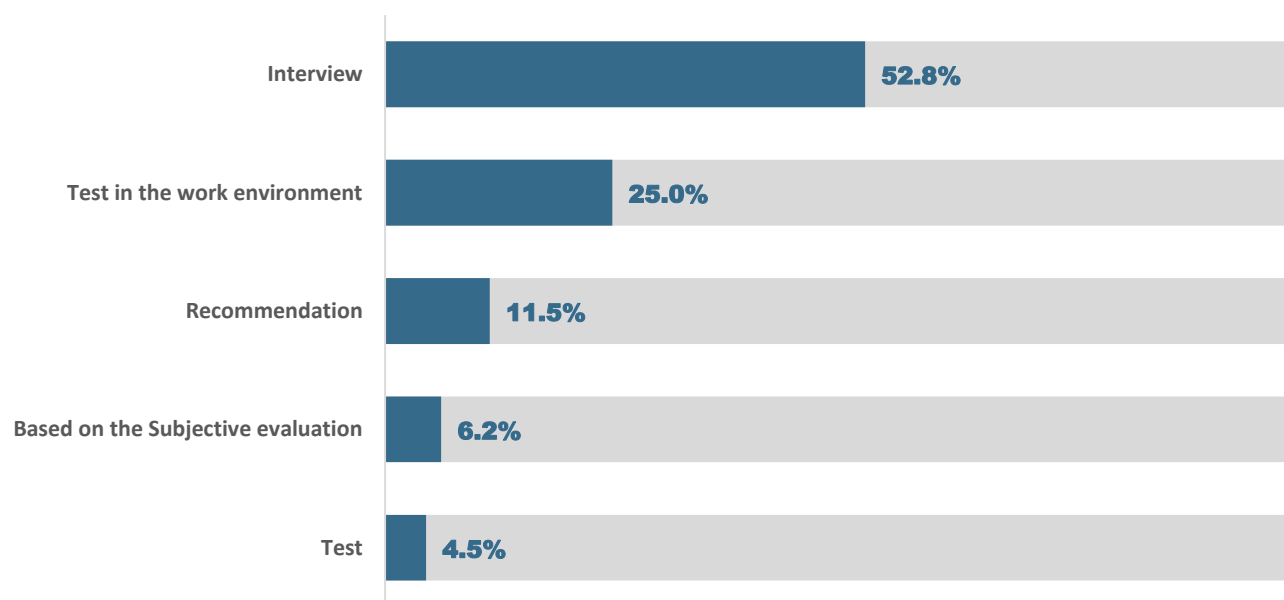
According to the survey relatives, friends and acquaintances, i.e. personal contacts, are the main source of hiring new staff (51.1% of respondents). The share of the internet (30.8%) is also quite large. That is followed by the share of print ads (10%). Private employment agencies are used by 7.7% of respondents, while 0.4% of enterprises use state programs of the Ministry of Internally Displaced Persons from Occupied Territories, Labour, Health and Social Affairs.

Diagram 24 Main Sources for hiring new staff



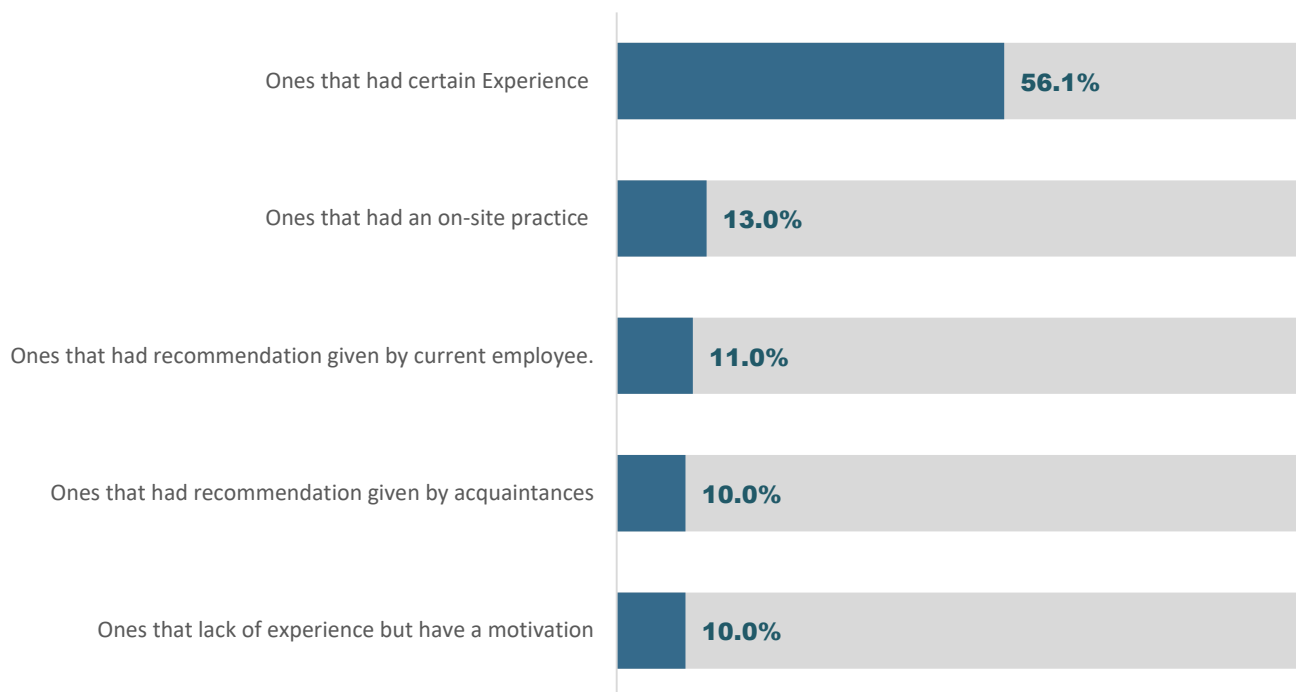
According to the survey results, the main basis for evaluating applicants is the interview (52.8% of respondents), test in work environment (25%) and recommendations (11.5%) are also used. Only 4.5% of respondents utilizes examination.

Diagram 25 Based on what are applicants evaluated?



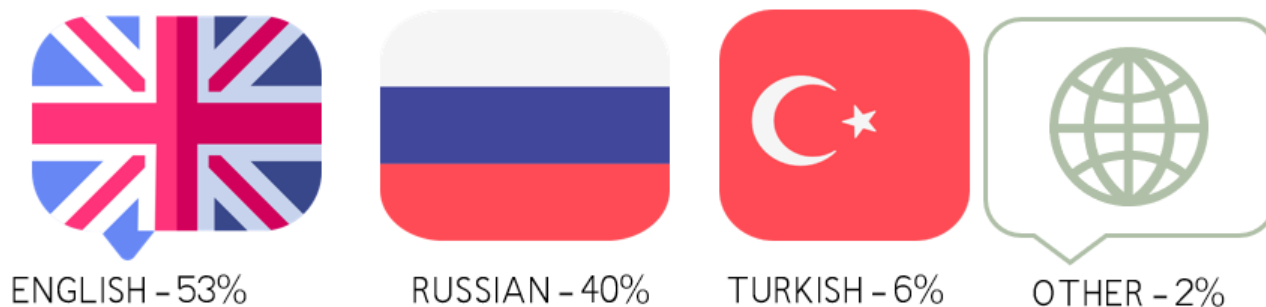
Experience (56.1%) is the main defining factor for hiring. On-site practice was found to be significant for 13% of respondents, while 11% of respondents stated a recommendation given by a current employee.

Diagram 26 Determinants of hiring



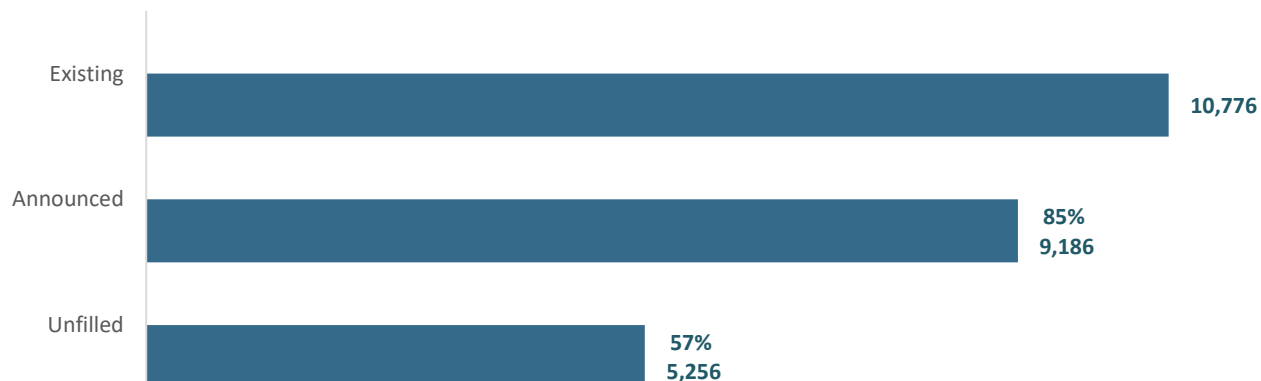
The survey showed that most enterprises (60%) do not request applicant to know any foreign language. In 40% of enterprises, knowledge of a foreign language is significant. Enterprises that require applicant's knowledge of foreign language focus on English language skills (53% of respondents), also on Russian (40% of respondents) and Turkish (6% of respondents). Only in 2% of the cases, enterprises requested applicants' knowledge of another foreign language.

Diagram 27 Which foreign language / languages do you focus on when hiring



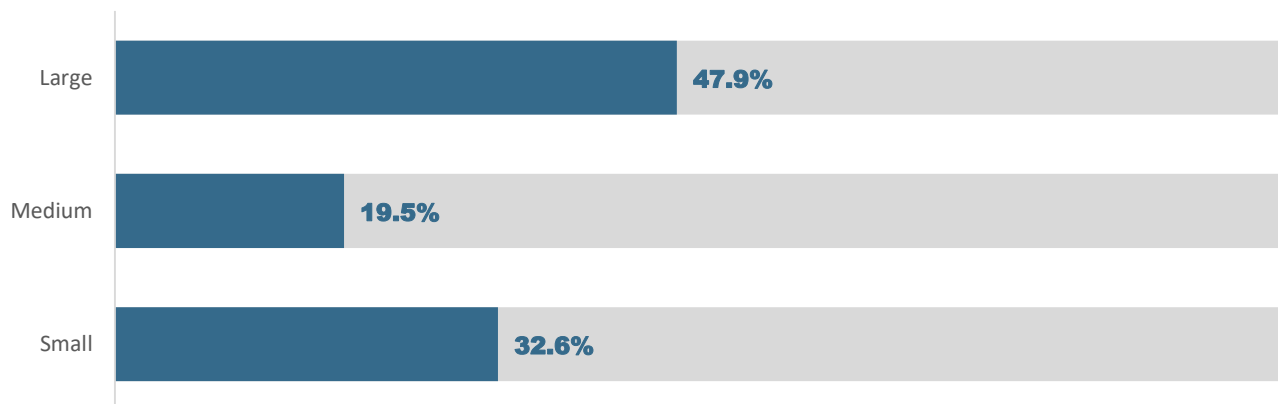
As of September 1, 2019, 2,095 enterprises had a **total of 10,776 vacancies** in the **last 3 months**, of which **85% (9,186 vacancies)** were announced, however **57% (5,256 vacancies)** could not be filled.

Diagram 28 As of September 1, the number of vacancies available in the last three months



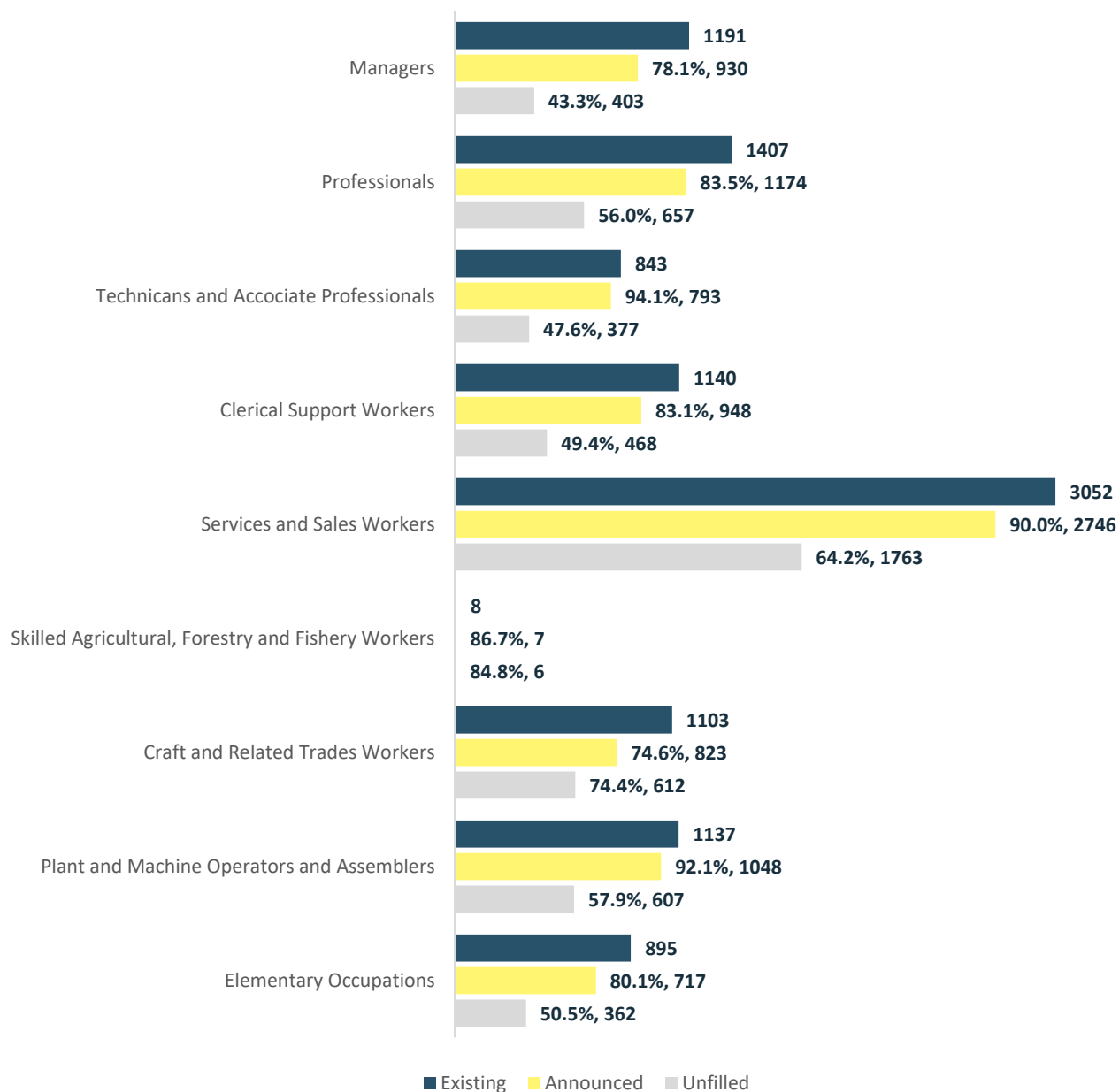
47.9% of vacancies came from large enterprises, 19.5% from medium-sized enterprises and 32.6% from small enterprises. The share of vacancies in Tbilisi is 79.3%, followed by Adjara (9.1%), Imereti (5.5%), Kvemo Kartli (3%) and Samtskhe-Javakheti (1.3%). The share of other regions taken together is 2.8%.

Diagram 29 Vacancies in the last three months by the size of enterprises



As of September 1, 2019, most of the vacancies announced were open for **Service and Sales Workers** - 2,746 vacancies. However, 64.2% of them remained vacant. The highest share of vacancies was for **Technicians and Associate Professionals** - 94.1%, and the vacant positions were for **Craft and Related Trades Workers**.

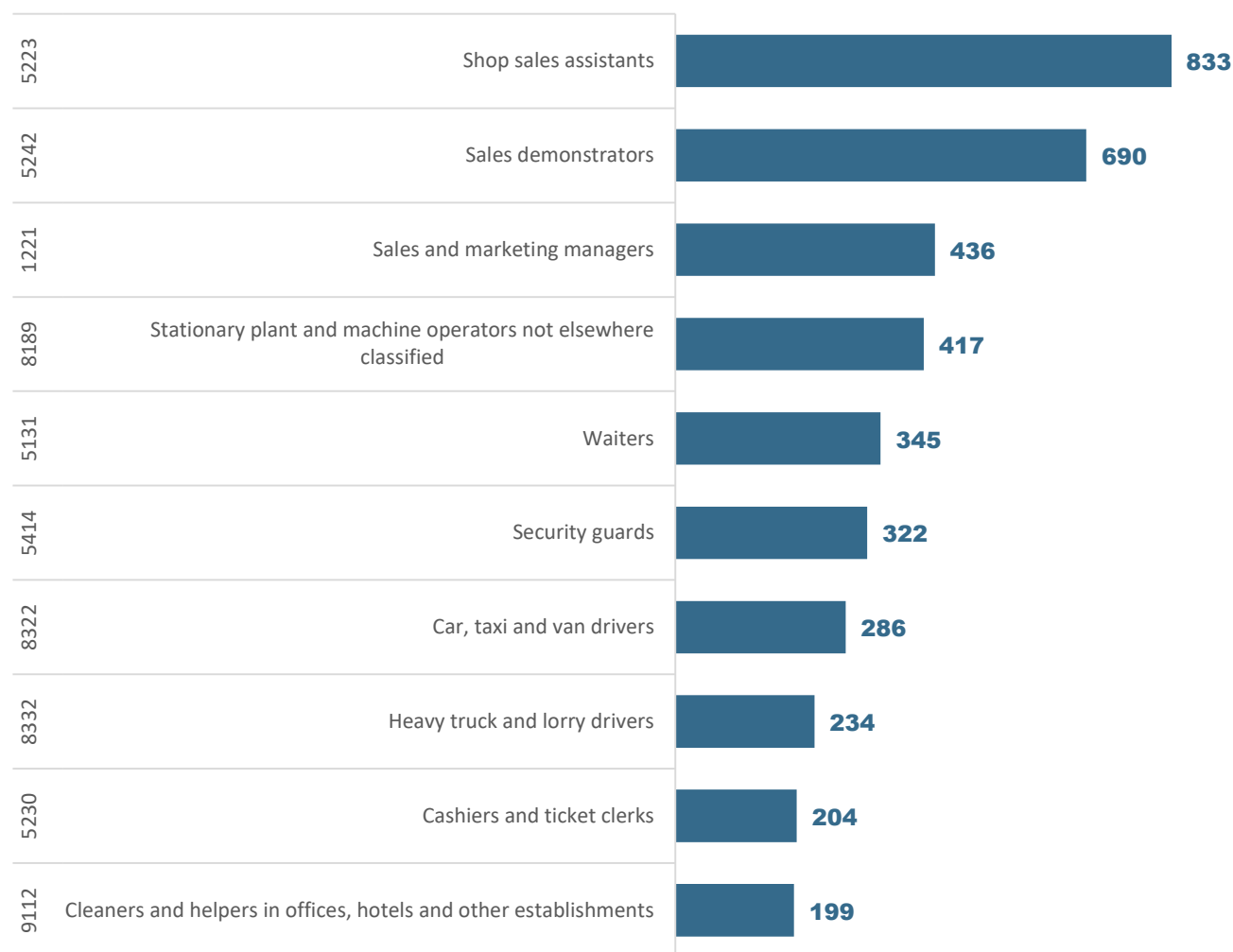
Diagram 30 Announced, unfilled Vacancies in the last three months by the major occupational groups



As of September 1, 2019, most of the vacancies available in the past 3 months, belonged to the shop sales assistants of the **Elementary Group** - 833 vacancies, followed by sales Demonstrators (690 vacancies) and sales and marketing managers (436 vacancies).

It should be noted that out of the top ten 5 elementary occupational groups belong to **Services and Sales Workers**.

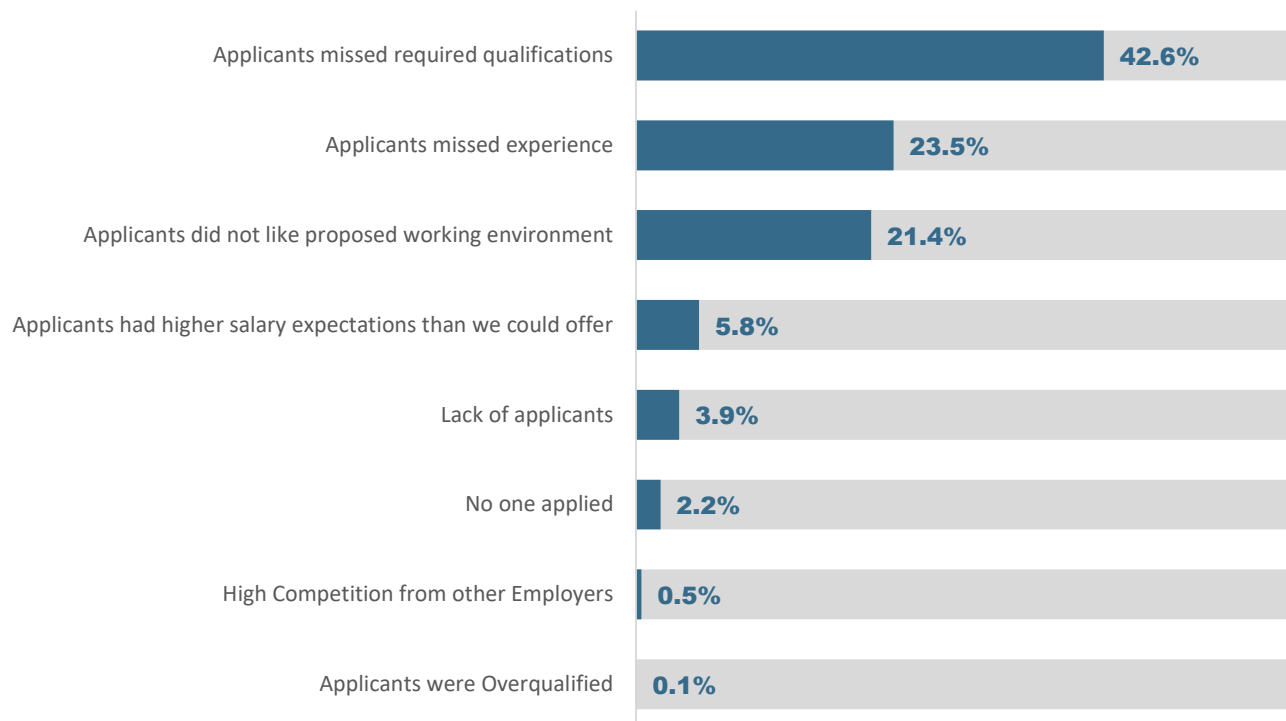
Diagram 31 Number of vacancies available in the last three months



It is noteworthy that, an average of 89.4% of the vacancies were announced, although the share of unfilled positions was also high. For example: A total of 719 vacancies were announced for **Shop Sales Assistants**, of which 66.8% remained unfilled. Out of the top ten vacancies **Car, Taxi and Van Drivers** are characterized by the highest share of unfilled positions - 95.4%. **Stationary Plant and Machine Operators** are characterized the lowest share - in this case the call for existing vacancies were fully open, and the share of unfilled vacancies constituted 27.9%.

As of September 1, 2019, the main reasons listed by employers for not filling the vacancies announced in the last 3 months was the insufficient experience of applicants (42.6% of the answers), followed by the low qualification of applicants (23.5%), applicants did not like the offered work environment (21.4%), applicants had high salary expectations (5.8%), no one applied (2.2%) and applicants were overqualified (0.1%).

Diagram 32 Main reasons for not filling vacancies announced in the last 3 months

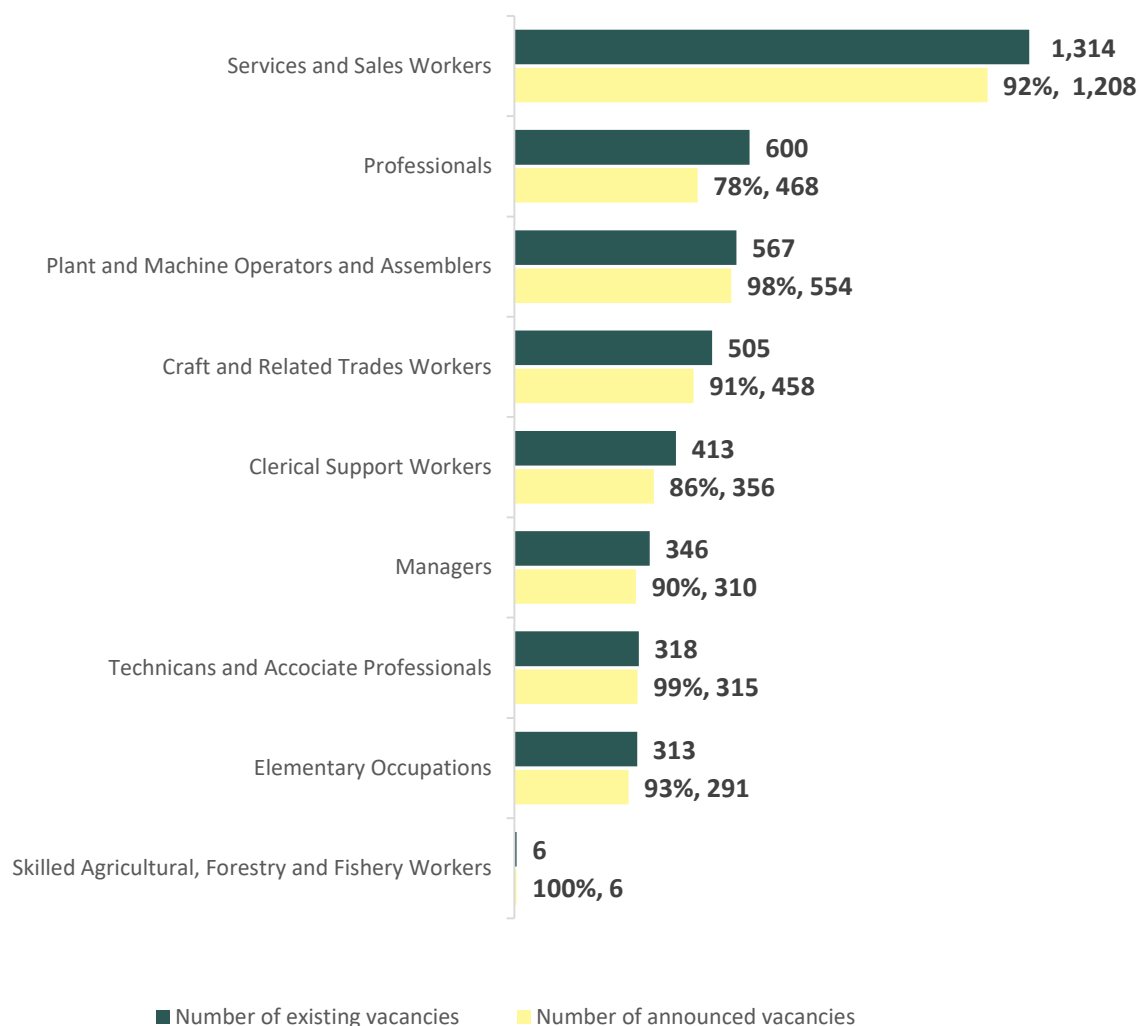


As of September 1, 2019, **990 enterprises** had a total of **4,509 vacancies**, 90% of which had been announced. 55.4% of vacancies come from large enterprises, 17% for medium-sized enterprises and 27.6% for small enterprises. The share of vacancies in Tbilisi is 79.4%, followed by Adjara (8.7%), Imereti (4.9%), Samtskhe-Javakheti (3%) and Kvemo Kartli (2.2%), while the share of other regions taken together is 2.4%.

As of September 1, 2019, the vacancies were distributed by the types of economic activities in the following way: the highest share is taken by the **Wholesale and Retail Trade** sector - 37.8% (1,703 vacancies), **Manufacturing** - 11.1% (500 vacancies), **Transport and Storage** - 9.1% (4), **Information and Communication** - 6.1% (276 vacancies), **Education** - 5.3% (237 vacancies), **Accommodations and Food Service Activities** - 4.7% (211 vacancies), **Electricity, Gas and Water Supply** - 4.6% (206 vacancies).

As of September 1, 2019, 32% of the vacancies are for **Service and Sales Workers** of the major occupational group and constitutes 1,442 units. That is followed by **Professionals** - 600 vacancies (13.3%), **Plant and Machine Operators and Assemblers** - 567 vacancies (12.6%), **Craft and Related Trades Workers** - 505 vacancies (11.2%), **Clerical Support Workers** - 413 vacancies (9.2%), **Managers** - 346 vacancies (7.7%), **Technicians and Associate Professionals** - 318 vacancies (7%), **Elementary Occupations** - 313 vacancies (7%), **Skilled Agricultural, Forestry and Fishery Workers** - 6 Vacancy (0.1%).

Diagram 33 Number of existing and announced vacancies as of September 1, 2019



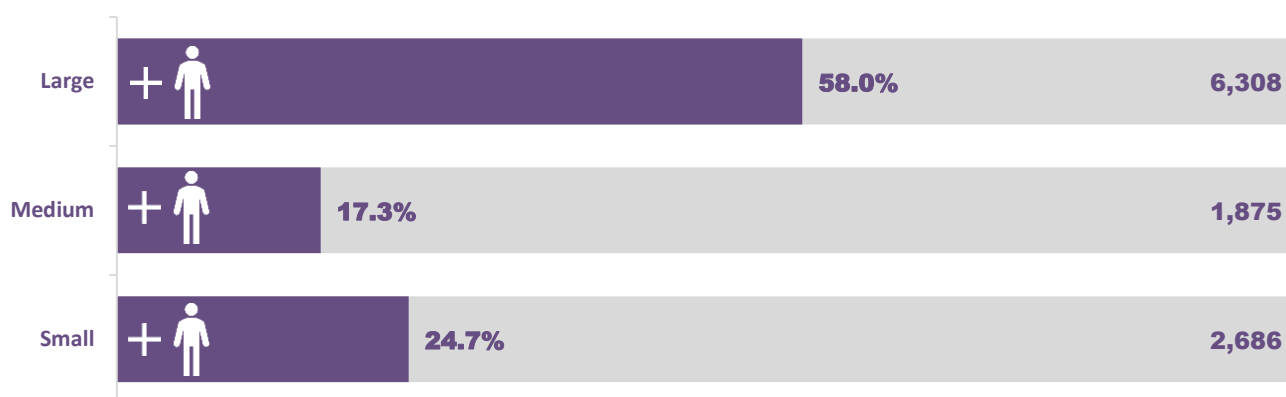
As of September 1, 2019 out of available vacancies the highest number of vacancies were recorded for **Commercial Sales Representatives** - 438 vacancies, followed by **Shop Sales Assistants** - 408 vacancies and **Car, Taxi and Van Drivers** - 270 vacancies. It should be noted that, four elementary occupational groups out of top ten belong to the major group of **Service and Sales Workers**.

Section 4: Request for Workforce

Enterprises were asked the question - "Are you going to increase the number of employees in the next 12 months?" within the framework of the surveyed, on which **3,388** enterprises (6.4%) gave a positive answer and at the same time, they indicated that it was planned to increase the workforce by **10,869** employees, out of which 70.7% was concentrated in Tbilisi and 12.1% in Adjara.

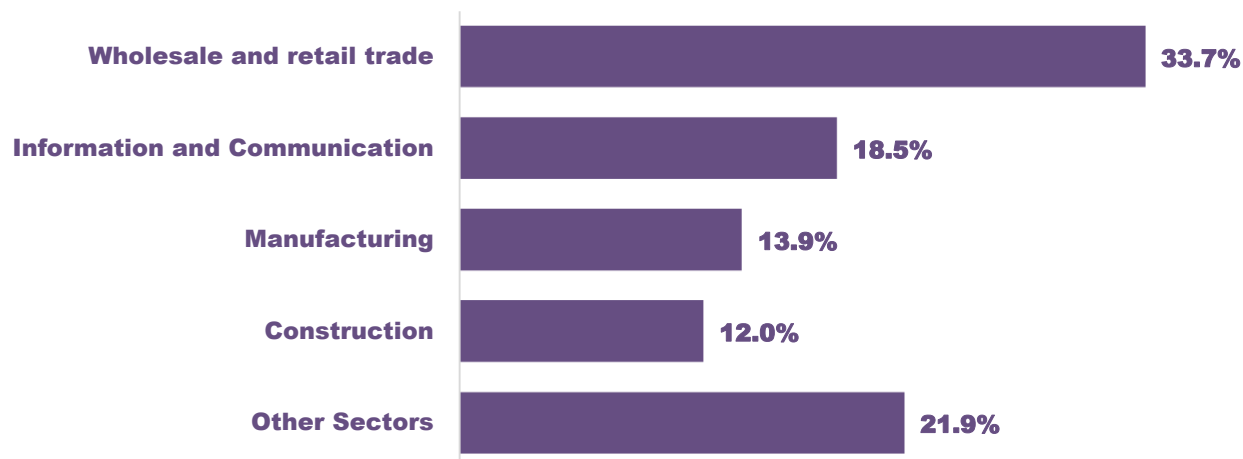
In large enterprises the number of employees is planned to be increased by 6,308 people (on average 69 employees in 1 enterprise), in medium enterprises by 1,875 (on average 10 employees), and in small enterprises by 2,686 people (on average 1 employee).

Diagram 34. Increase of the Number of Employees by the Size of Enterprises



The plans of the enterprises to increase the number of employees by the types of economic activities were distributed in the following way:

Diagram 35. Increase of number of Employees by the types of economic activities

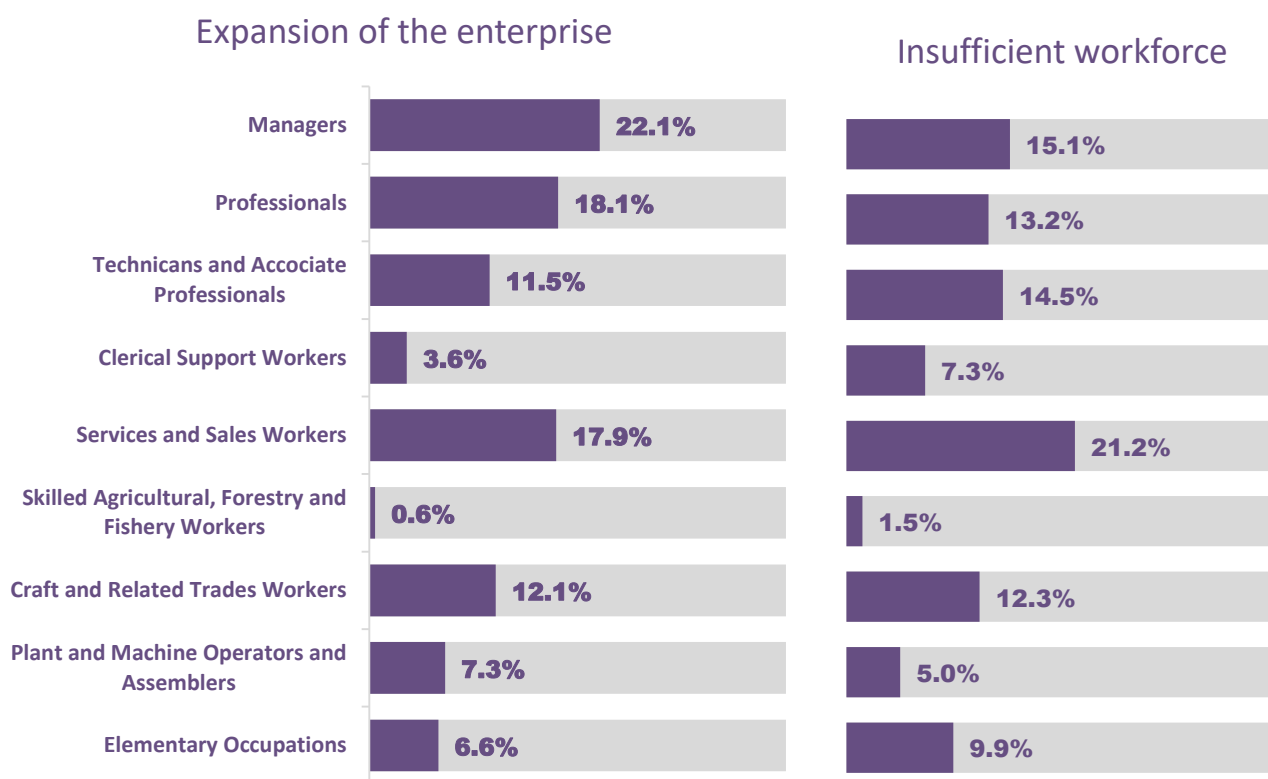


The enterprises intend to increase the number of employees by **10,869** people, out of which 33.7% (3,664 people) come from the **Wholesale and Retail Trade**, 18.5% (2,016 people) from the **Information and Communication**, 13.9% (1,509 people) from the **Manufacturing**. The **Construction** sector is also distinguished with double-digit percentage - 12% (1,303 people).

60% of respondents named the expansion of the enterprise as the main reason for increasing the number of employees, while 39% named insufficient number of labor force as the reason for increasing the number of employees.

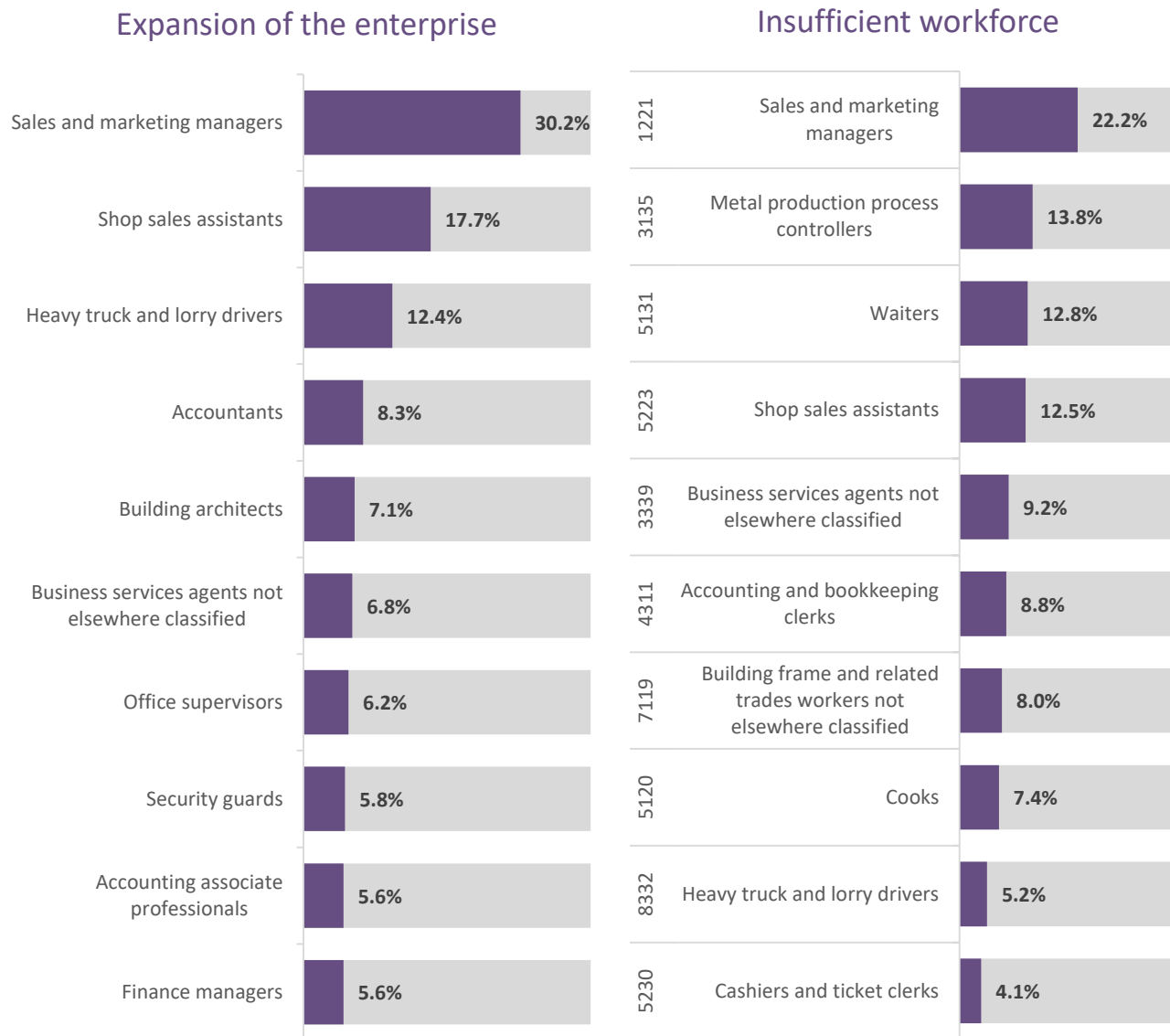
At the same time, the increase in the number of employees for the purposes of the expansion of enterprise was reflected mostly in the occupational group of **Managers** - 22.1% (591 answers), and the increase in the number of employees due to the insufficient workforce was reflected mostly in **Services and Sales Workers** - 21.2% (365 answers).

Diagram 36 Increase of number of employees by the major occupational groups



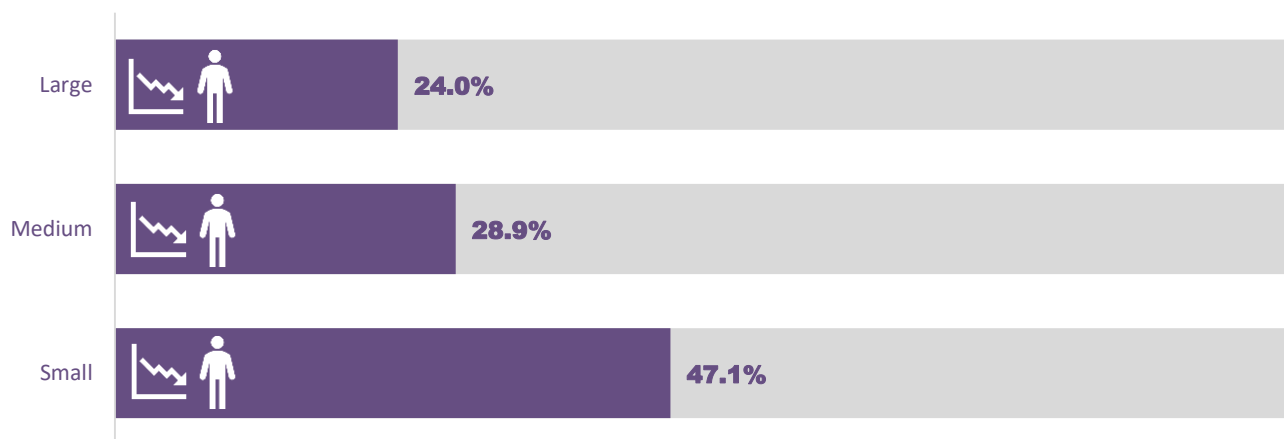
In the elementary occupational groups **Sales and Marketing Managers** employed due to "enterprise expansion" - 30.2% (329 answers) is significant. **Sales and Marketing Managers** also stand out in the case of "insufficient workforce" - 22.2% (166 responses).

Diagram 37. Increase of the number of Employees by Elementary Groups



To the question - "Are you going to reduce the number of employees next 1 year?" Only 2% of enterprises had positive answer, while 99.2% answered this question negatively. A very small number of enterprises (401 enterprises, 0.8%) indicated that they intend to reduce the labor force by **1,125 people**. Among them, it is planned to reduce the number of employees in large enterprises by 270 people (on average 14 employees in 1 enterprise), in medium enterprises - 325 (on average 2 employees), and in small enterprises by 530 people (on average 3 employees).

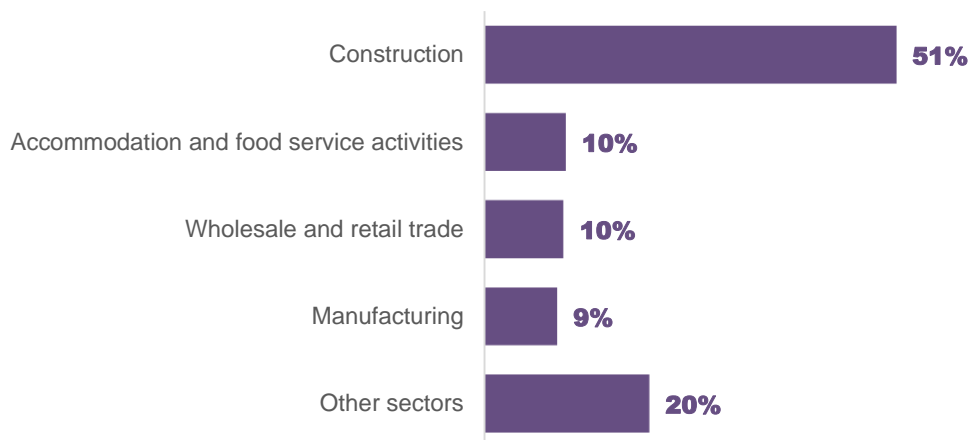
Diagram 38. Reduction of the number of Employees by the Size of enterprises



88% of the respondents named reduction of the production as the main reason for the reduction of labor force, while 9% named the structural change of the labor force as the reason for the reduction of the work force. It should be noted that only 0.6% named "changes in the used technologies" as the reason for the reduction.

According to the survey results, the **Construction** sector was named as the largest in the reduction of work force during the following year (51% of respondents), **Accommodations and Food Service Activities** are characterized with double-digit percentage, as well as **Wholesale and Retail Trade** (10% - 10%).

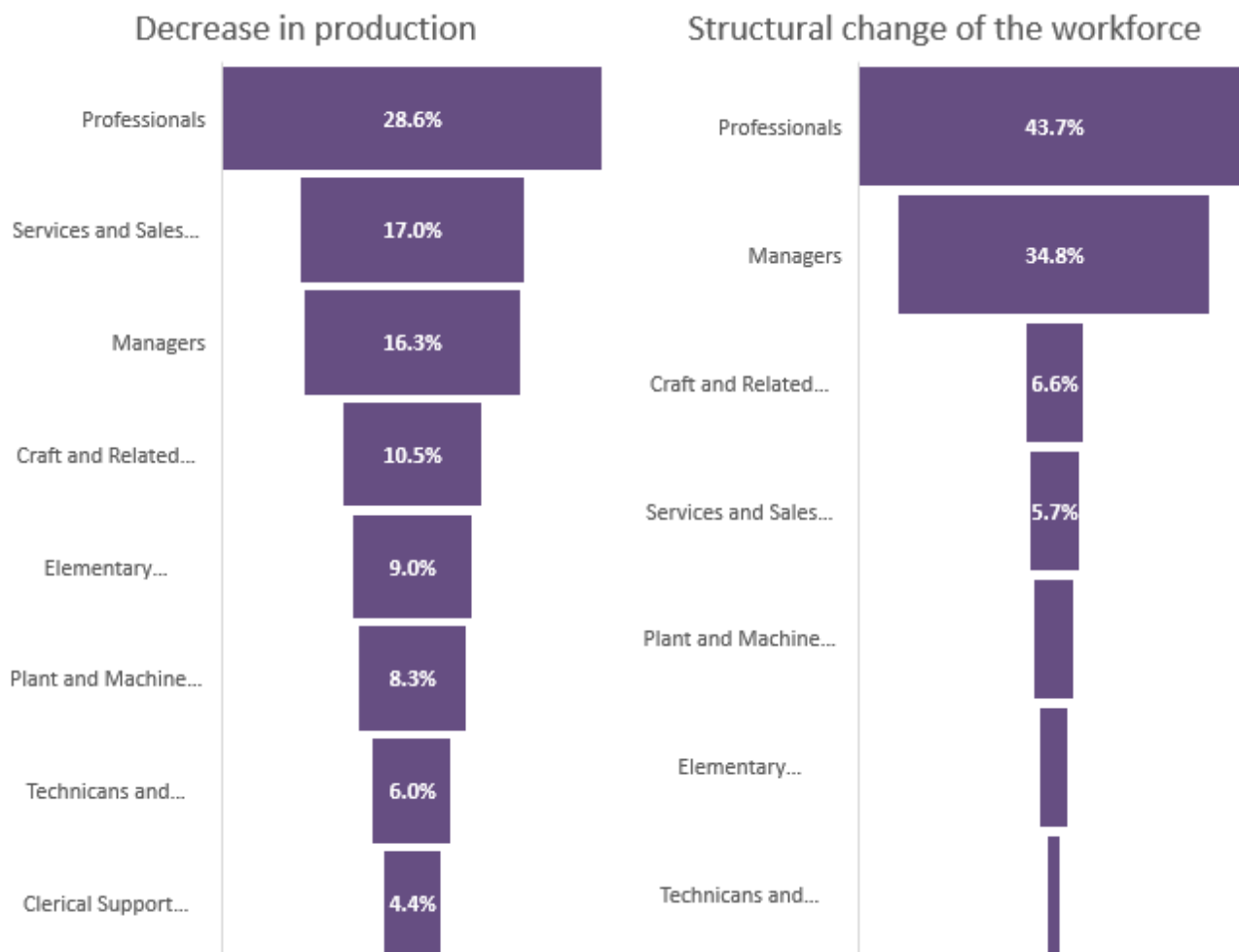
Diagram 39 Reduction of number of employees in enterprises by the types of economic activity



According to the survey, due to the decrease in production, the reduction of the work force was observed in the major occupational group of **Professionals** (28.6% of the respondents), followed by **Service and Sales Workers** (17%) and **Managers** (16.3%).

Structural change of the workforce is most reflected in the reduction of employees in **Professionals** (43.7%) and **Managers** (34.8%).

Diagram 40. Workforce reduction and causes by the major occupational groups



From elementary occupational groups **Accountants** have be mostly affected due to the dismissal of employees as a result of the reduction in production, followed by **Managing Directors and Chief Executives**, and **Sales and Marketing Managers**.

As a result of structural changes in the workforce, staff reductions are most likely to affect **Business Services and Administration Managers**, followed by **Software Developers** and **Public Relations Professionals**.

Section 5: Workforce Development

The involvement of enterprises in the development of the workforce is quite low. According to the survey, only 8% of enterprises (4,069 enterprises) provided training for their employees in the last 12 months. The total number of retrained constituted 33,910, out of which 55% were employed in large enterprises, 29% in small enterprises and 16% in medium enterprises.

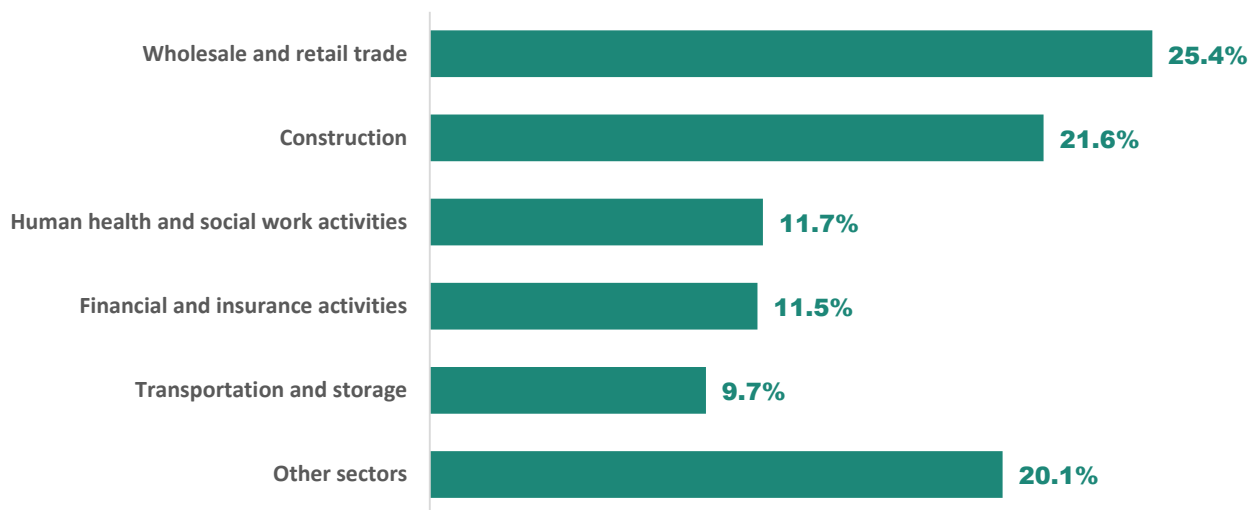
Diagram 41 Share of trained employees by the size of the enterprise



It should be noted that most of the retrained come from Tbilisi and Adjara. 73% of the retrained are employed in Tbilisi, 19% in Adjara and 8% in other regions.

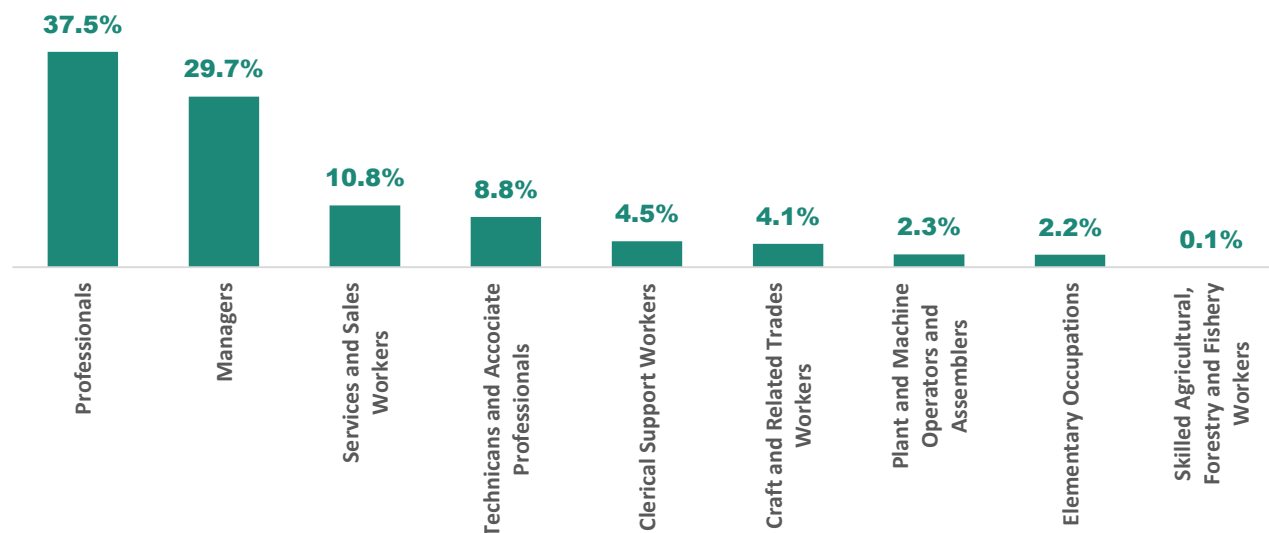
According to retraining of employees, the most active sectors are Trade (25.4% of retrained) and Construction (21.6% of retrained). Also, Healthcare (11.7% of retrained) and Financial sectors are characterized by double-digit percentage. Share of retrained employees in the Transportation and Storage sector is 9.7%.

Diagram 42. Share of participation of enterprises in trainings by the types of economic activities



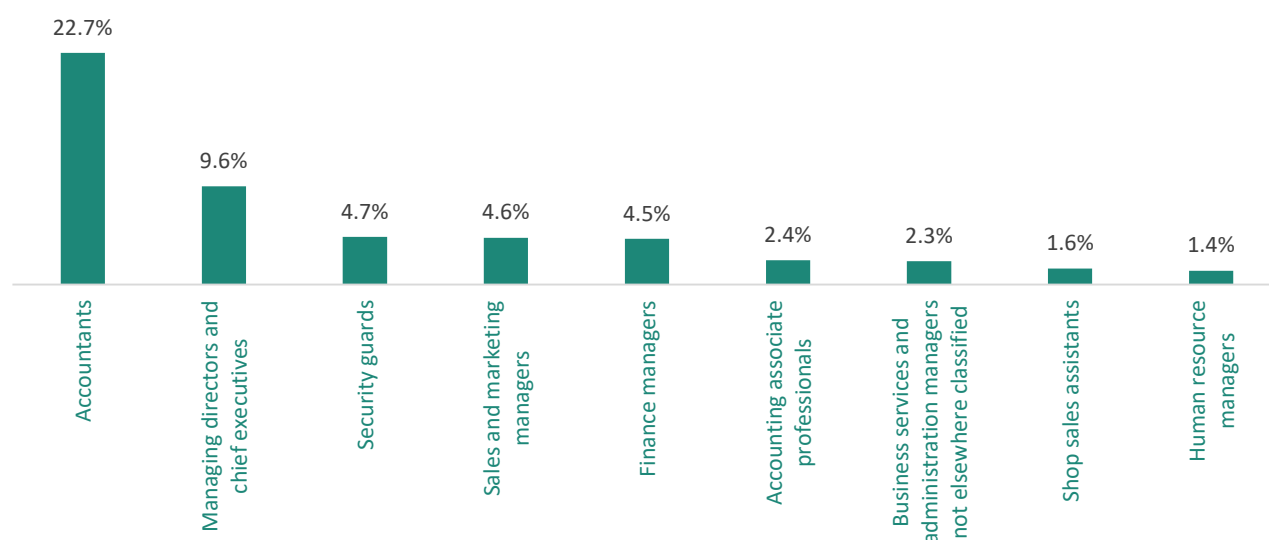
Professionals (37.5%), **Managers** (29.7%) and **Service and Sales Workers** (10.8%) have the largest share of retrained employees in the major occupational groups. Share of other major occupational groups is 21.9%.

Diagram 43. Share of retrained employees by the major occupational groups

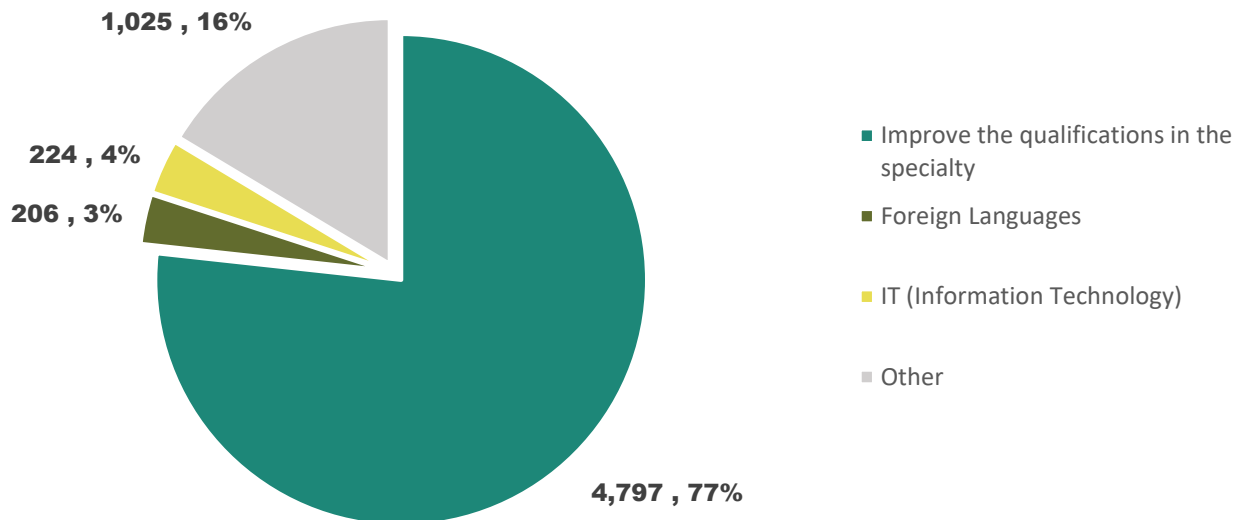


Among trainees by the **elementary occupational groups**, there is high share of: **Accountants** (22.7%), followed by **Managing Directors and Chief Executives** (9.6%), and **Security Guards** (4.7%).

Diagram 44. Share of retrained employees by the elementary occupational groups



Enterprise-funded trainings are most often aimed at **deepening knowledge in specialty** (77% of respondents). Some attention is also paid to improving **information technology skills** (4% of responses) and **foreign language skills** (3% of responses).



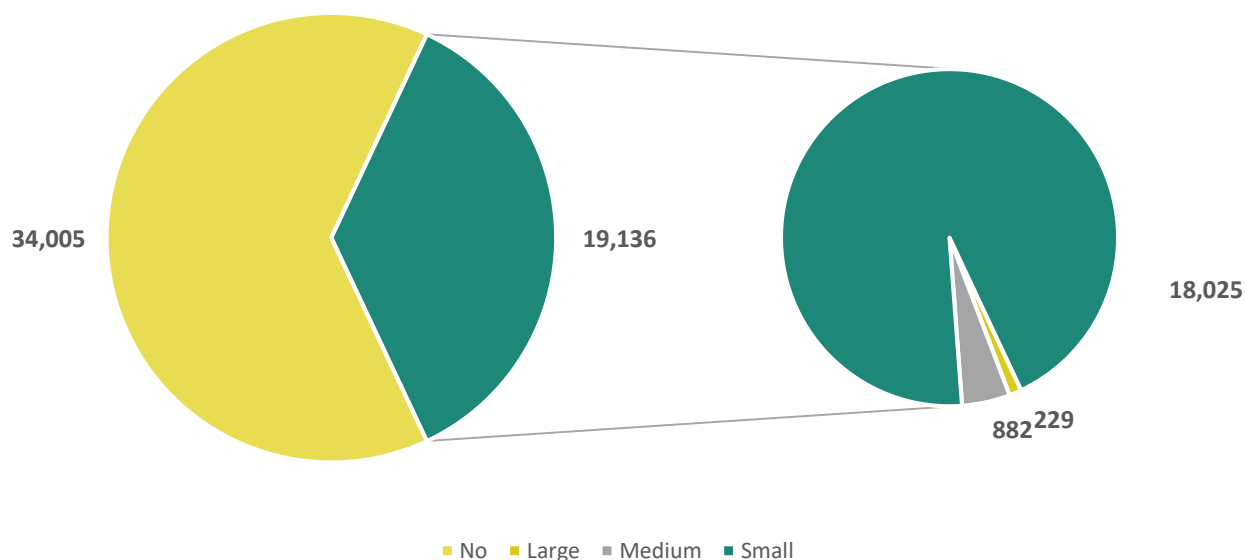
Most of trainings funded by enterprises to improve qualifications in specialty focus on the **major professional group of Professionals** - 36.9%, followed by **Managers** - 30.7%. Additionally, **Service and Sales Workers** (10%) are characterized by double-digit percentage. From the elementary occupational groups: **Accountants, Sales and Marketing Managers and Financial Managers stand out.**

According to the survey, **36%** of enterprises have information **about the state program** driven by the Ministry of Internally Displaced Persons from Occupied Territories, Labour, Health and Social Affairs, which aims at support of employment of jobseekers.

Most of the enterprises (42%) that have information about the state-run support program for employment of jobseekers are located in Tbilisi, 15% - Adjara, 10-10% - Samegrelo-Zemo Svaneti and Imereti.

Awareness level on the employment support program is quite high in large (62%) and medium (49%) enterprises, while the awareness level in small enterprises is 35%.

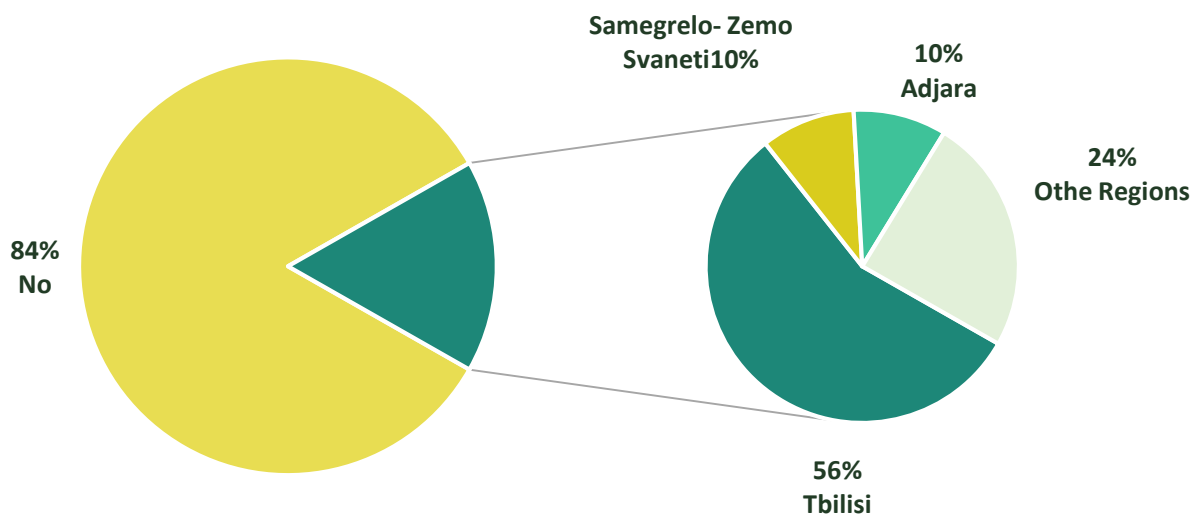
Diagram 45. Awareness on the state-run employment program (by size of enterprises)



According to the survey results, 16% of enterprises (8,752 enterprises) have a strategy / guideline on staff education and additional training. It should be noted that 66% of large enterprises have a staff training and development strategy, in medium-sized enterprises this indicator is 43% and while in small enterprises - 15%.

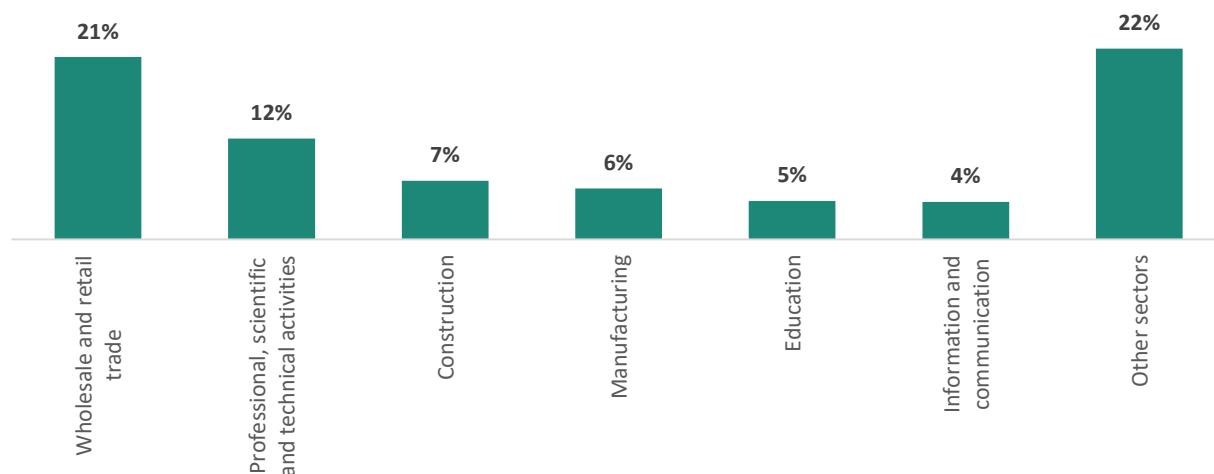
56% of the enterprises in Tbilisi have a staff retraining strategy. Regions are quite modest in terms of having strategy. Share of such enterprises is similar in Samegrelo-Zemo Svaneti (10%) and Adjara (10%). They are followed by Imereti (8%) and Kvemo Kartli (5%).

Diagram 46 Employee retraining strategy (by Region)



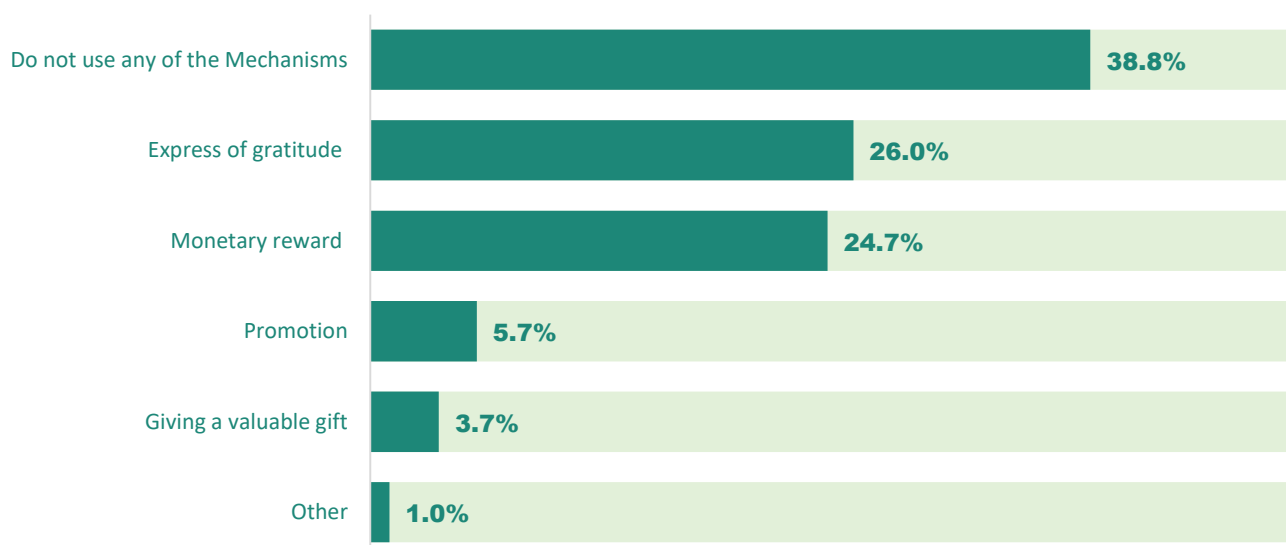
According to the survey, the highest share of enterprises with a retraining strategy is in the **Wholesale and Retail Trade** sector - 21%, followed by the **Professional, Scientific and Technical Activities** - 12%. Share of other sectors does not exceed 10%.

Diagram 47 Enterprise strategy on employees retraining (by economic Activities)



For the purpose of maintaining employees through increase of motivation, the most widely used methods by employers are: express of gratitude (26%) and monetary reward (25%), although the share of the companies that do not use any mechanism at all (39%) is largest. 6% of enterprises use the promotion method, and 4% - apply for cash rewards.

Diagram 48 What motivation mechanisms do enterprises use to retain employees?



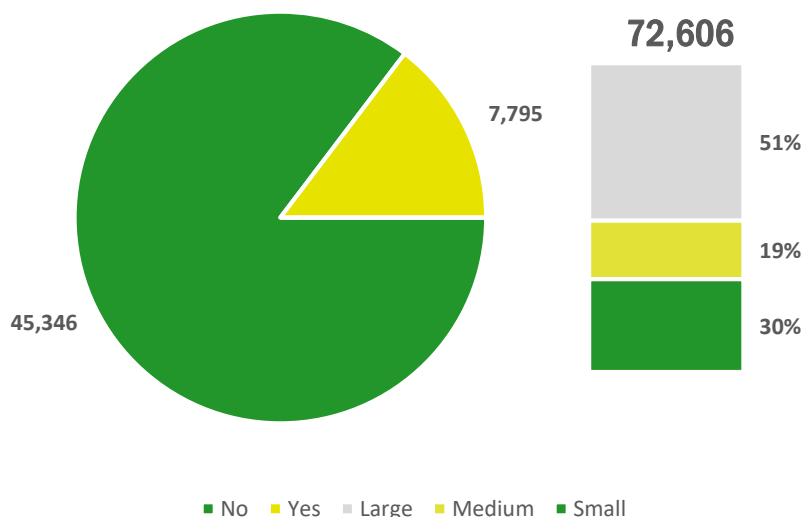
In terms of increasing employee motivation, the picture is different depending on the size of the enterprise. Large and medium-sized enterprises most often resort to monetary rewards, in order to increase employee motivation. Also, expression of gratitude and promotion is also quite established practice among them. As for the small enterprises, in most cases they do not use any motivation mechanism, however, there are cases of expressions of gratitude and monetary incentives.

Section 6: Vocational Education

The Survey included questions that revealed the employment rate of people with vocational education, employers' attitudes towards vocational training and forms of their cooperation with the vocational education institutions (job-based learning, industrial internship offerings to students, participation in the development of professional standards).

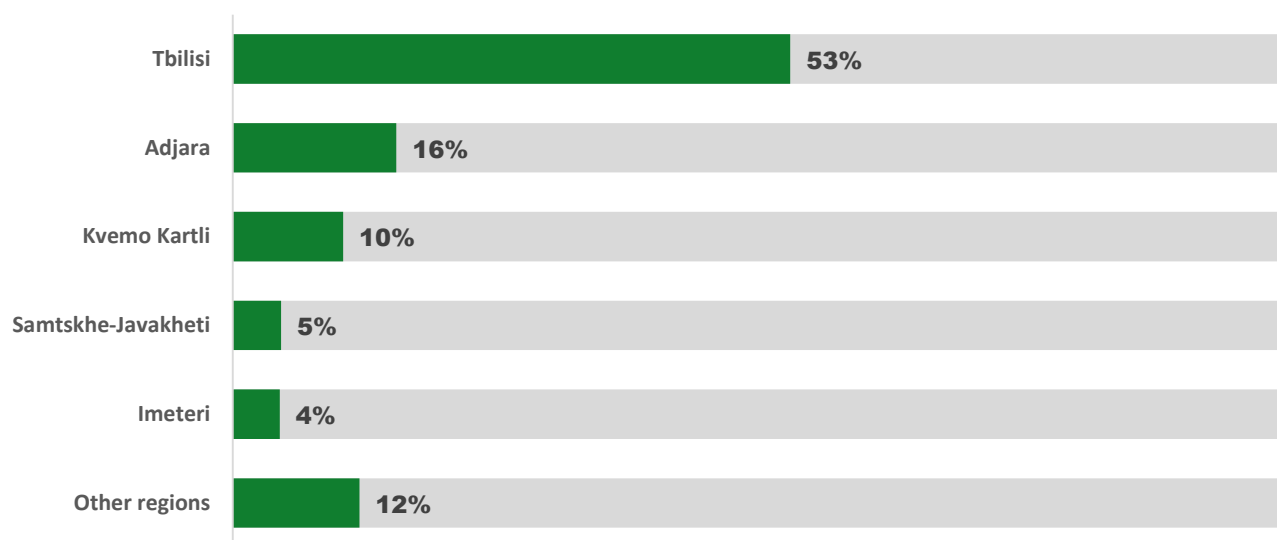
As the survey found, **only 15% of enterprises** (7,795 enterprises) **have people employed with vocational education** (72,606 people). 51% of people with vocational education are employed in large enterprises, 19% in medium enterprises and 30% in small ones. At the same time, on average, one enterprise employs 9.3 people with vocational education (215 - in large enterprises, 23 - in medium-sized enterprises, 3 - in small enterprises).

Diagram 49 Employment of people with vocational education (according to the size of the enterprise)



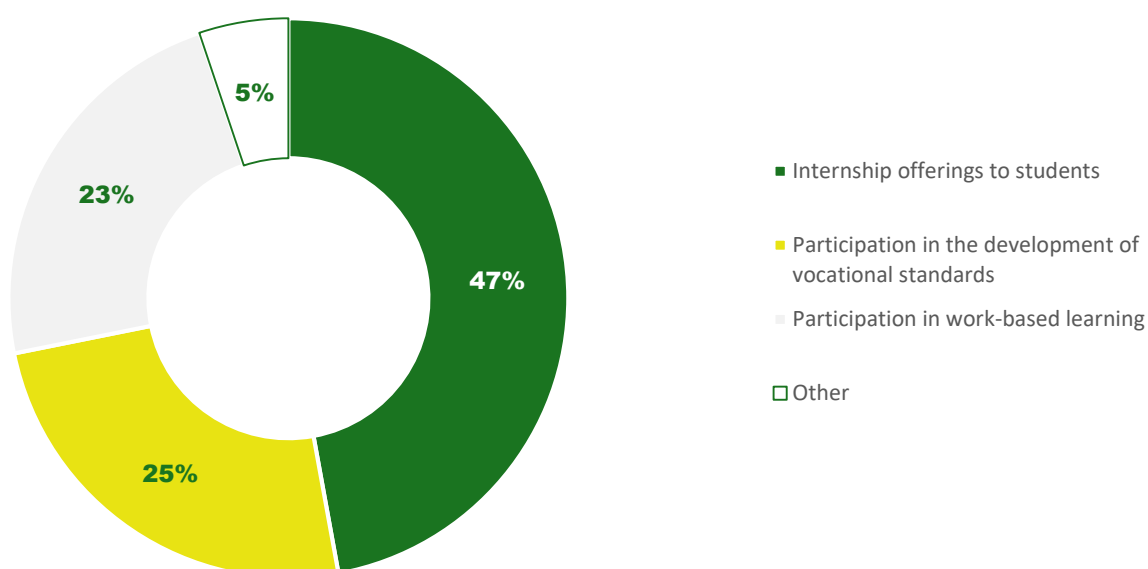
It is particularly noteworthy that only **2% of the surveyed enterprises** (1,123 enterprises) **cooperate with vocational education institutions**. 70% out of them are small enterprises. 53% of enterprises are in Tbilisi, 16% - Adjara and 10% - Kvemo Kartli.

Diagram 50. Cooperation with Vocational Schools by Regions



Out of 3 forms of cooperation (industrial internship offerings to students, participation in the development of vocational standards and participating in work-based learning) enterprises mostly utilize **industrial internship offerings to students** (47%) in terms of cooperation with vocational schools, and in this regard the trade, healthcare, manufacturing and tourism sectors are remarkable. At the same time, **participation in the development of vocational standards** (25%) and **participation in work-based learning** (23%) by enterprises are almost equal. Trade, education and healthcare sectors are remarkable in terms of development of the vocational standard and while in terms of participation in work-based learning - the sectors of trade, health and manufacturing industry.

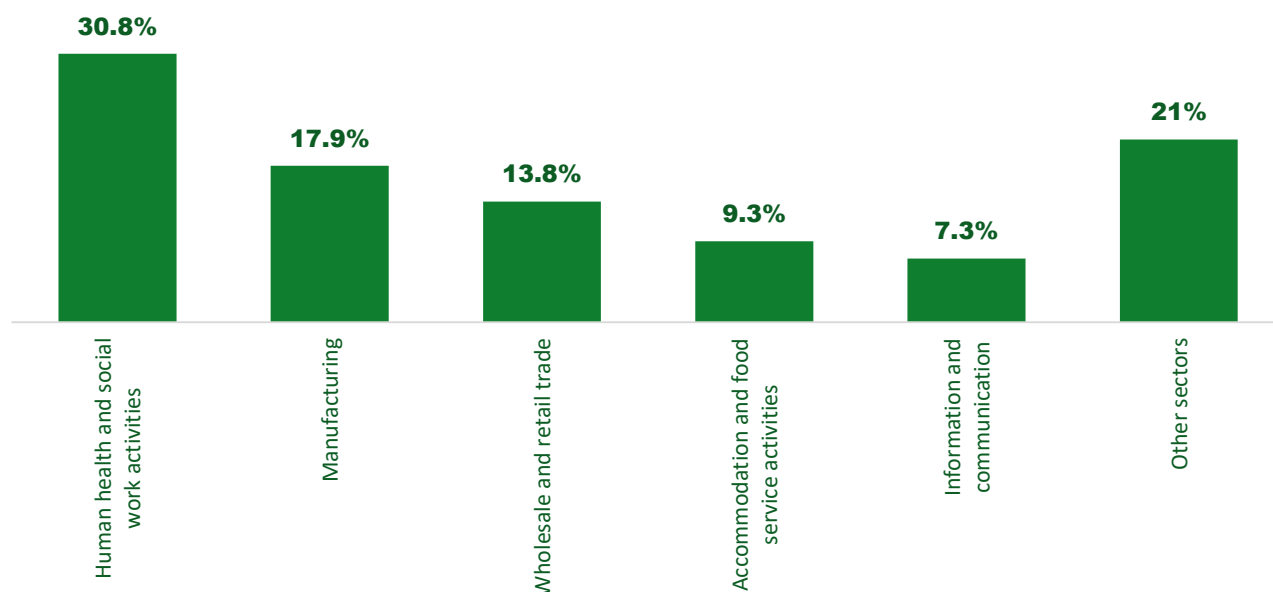
Diagram 51 Types of cooperation with vocational schools



Out of the 1,123 enterprises that cooperate with vocational education institutions, more than a half (54%, 603 enterprises) have employed 4,377 people as a result of cooperation.

Following sectors have high share of employment within the scope of cooperation with vocational schools: healthcare (30.8%, 1346 employees), manufacturing (17.9%, 785 employees), trade (13.8%, 605 employees), accommodations and food service activities (9.3%, 406 employees), information and communication (7.3%, 320 employees). Number of employees employed by other sectors separately is very small and in total constitute - 916 people (20.9%).

Diagram 52 Distribution of employees by economic sectors within the framework of cooperation with vocational schools



It is noteworthy that only **2%** of enterprises cooperate with vocational education institutions, although 10% of them have a necessity/intention/desire to cooperate with a vocational education institution in near future. The most desirable form of cooperation (necessity/intention/desire) with a vocational education institution **was named industrial internship offering to students (41%) and work-based learning (30%).**

Diagram 53 Necessity/intention/desire to work with vocational schools

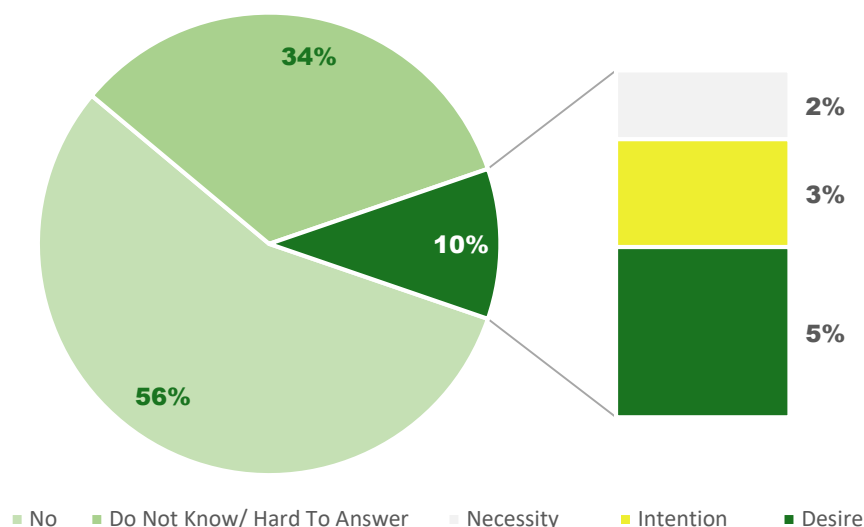


Diagram 54 Assessment of Vocational Education Institutions

The level of vocational schools is assessed positively by 24% of the respondents, 35% - moderately, 3% - negatively and 38% of the respondents found it difficult to answer.

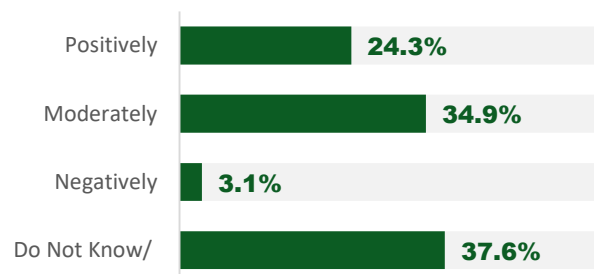


Diagram 55 Do you trust the knowledge gained at vocational school?

Regarding knowledge acquired in a vocational education institution, the survey revealed that **17% of enterprises fully trust** knowledge acquired in a vocational education institution, **while almost half (45%) more or less trust it**. However, it is noteworthy that **36% of respondents found it difficult to answer**.

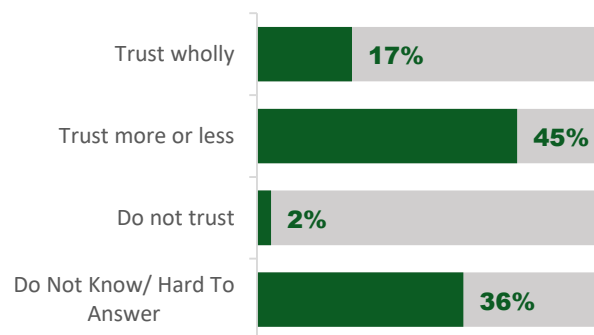


Diagram 56 Priority education direction for the state investment

32% of enterprises consider the **state investment in vocational education to be a priority**, 29% in higher education, 16% in secondary education, and the answer "I do not know" was registered by 23%.

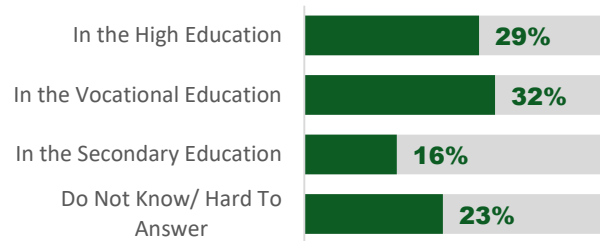
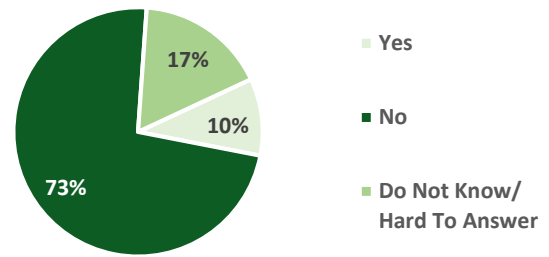


Diagram 57 Do employed graduates of the vocational school need additional training?

The majority of enterprises (73%, 5,695 enterprises) believe that employed vocational institution graduates do not need additional training and only 10% believe that employed vocational institution graduates need additional training.



Enterprises gave high evaluation to workers with vocational education in technical skills, related to the knowledge of the specific equipment and / or processes used in the enterprises. They gave low evaluation to workforce in ICT and problem-solving skills.

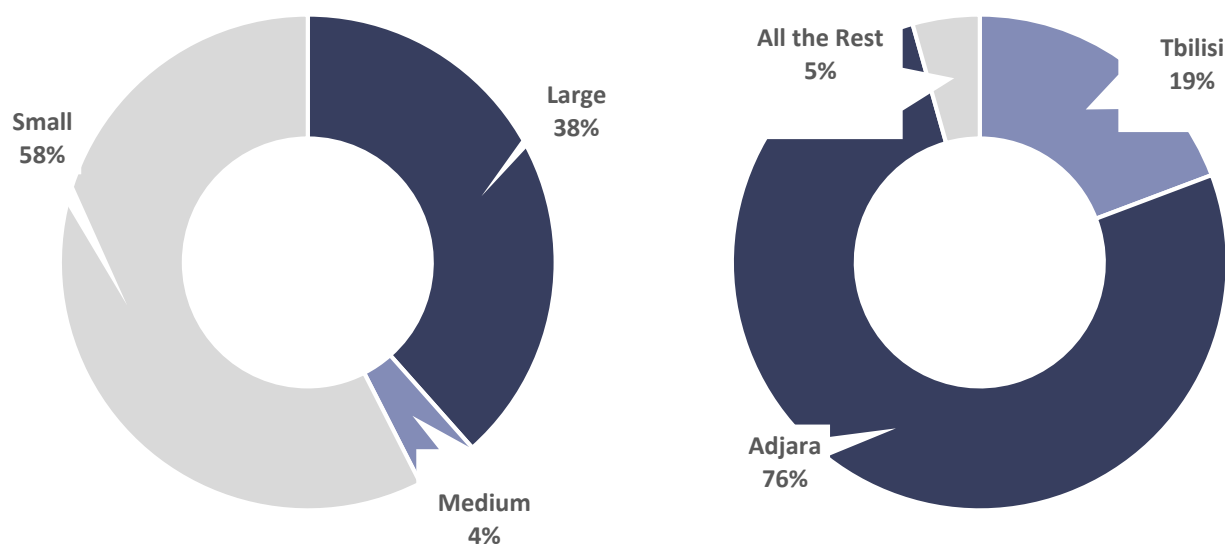
Section 7: Employed Foreigners

With regard to foreign nationals employed in enterprise, it should be noted that as of September 1, 2019, 8% of enterprises (3,989 enterprises) have a total of 41,359 foreign nationals employed, which is 5% of the total employment. It is noteworthy that **the total number of foreign national employees decreased by 12%** compared to the corresponding period of 2018.

More than half of the employed foreigners work in small enterprises - 58% (23,784 employees), 38% (15,901 employees) - in large enterprises, and the smallest amount 4% (1,674 employees) - in medium enterprises.

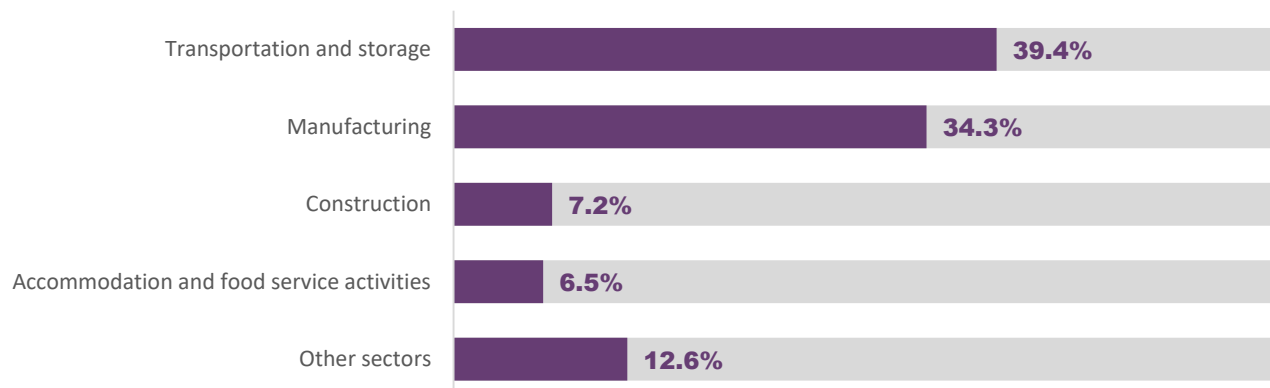
76% of employed foreigners are in the Adjara region, 19% - in Tbilisi, while the share of other regions taken together in terms of foreign employment does not exceed 1% (4% in total)

Diagram 58 Employment of foreign nationals by size of enterprises



As of September 1, 2019, number of foreign nationals employed in the manufacturing industry reduced significantly compared to the same period of last year and amounted to 14,195 people (with 5,559 less employees). During this period, foreign nationals were mainly employed in the sectors of transport (39.4%, 16,297 employees), manufacturing (34.3%, 14,195 employees), construction (7.2%, 2960 employees) and tourism (6.5%, 2691 employees).

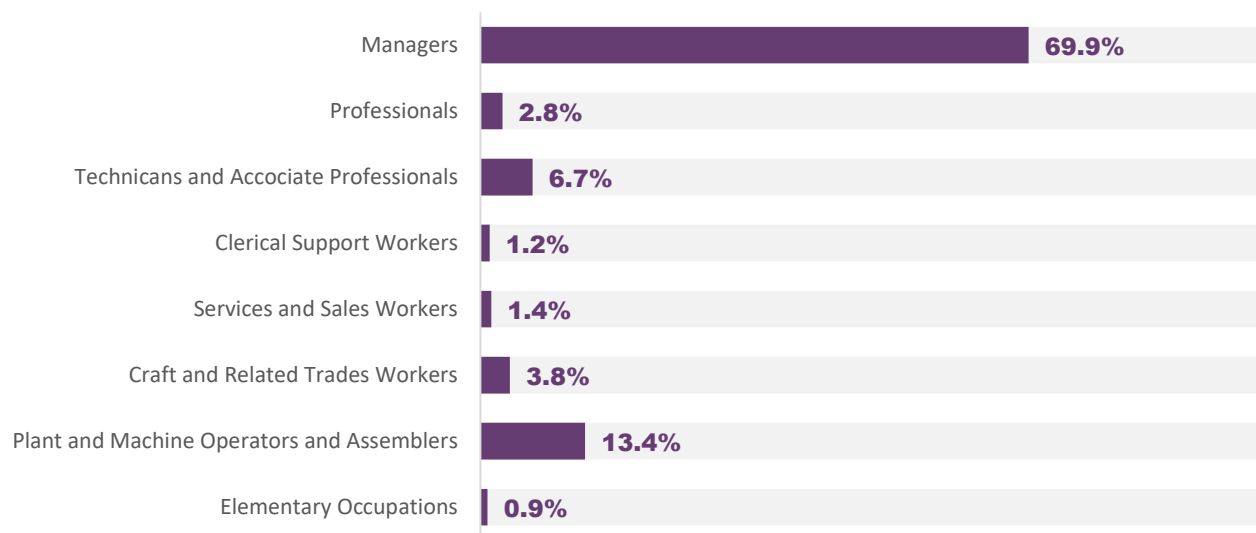
Diagram 59. Distribution of Foreign nationals employed by the Economic Activity



In 2019, the number of foreign nationals on managerial positions decreased by 5,497 people (16%) compared to the previous year. This was due to a significant decrease in the number of foreign nationals employed on the position of **Finance Manager** in 2019 (decreased by 5,443 people).

As of September 1, 2019, foreign nationals were most widely represented at the positions of: **Managers** (70%, 28,915 employees), **Plant Operators** (13%, employees), and **Technicians** (7%, 2,754 employees).

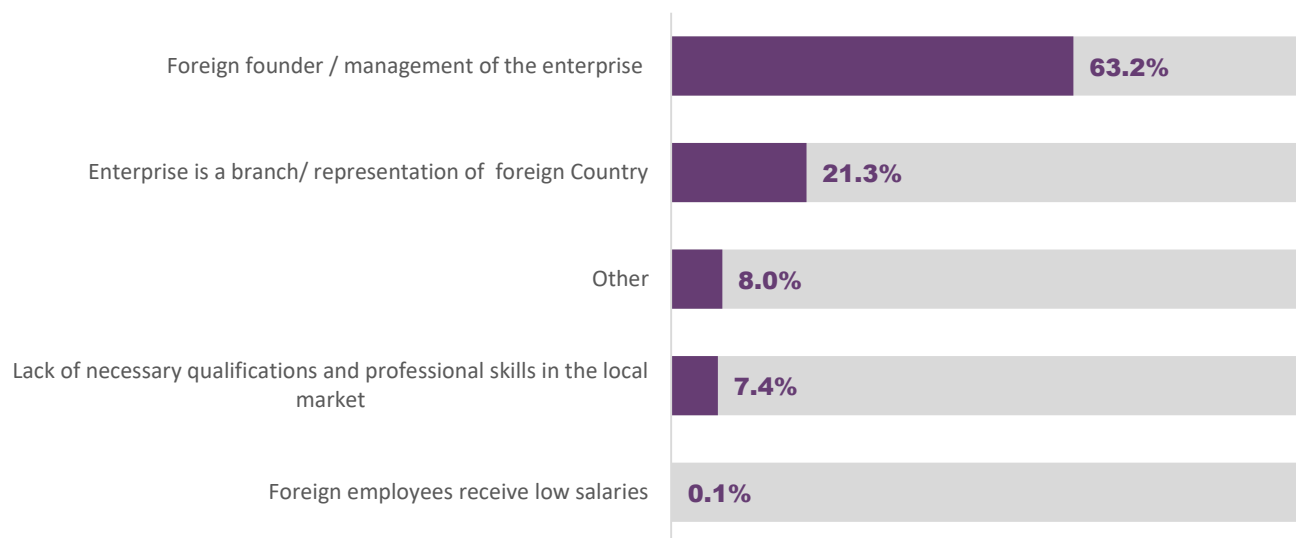
Diagram 60. Distribution of employed foreign nationals by the major occupational groups



In particular, the highest number of foreigners employed by minor groups were on the following positions: **Managing Directors and Chief Executives** (20,862 employees), **Heavy Truck and Lorry Drivers** (5,344 employees), **Business Services and Administration Managers** (3,844 employees), **Manufacturing Managers** (2,503 employees) and **Business Service Agents** (2,234 employees).

Main reason for employment of foreign citizens was the foreign founder / management of the enterprise (63%), while in 21% of cases - the foreign origin of the enterprise. However, 7% of respondents believe that main reason for employment of foreign nationals is the lack of necessary qualifications and professional skills in the local market.

Diagram 61. Main reasons for employment of foreign citizens

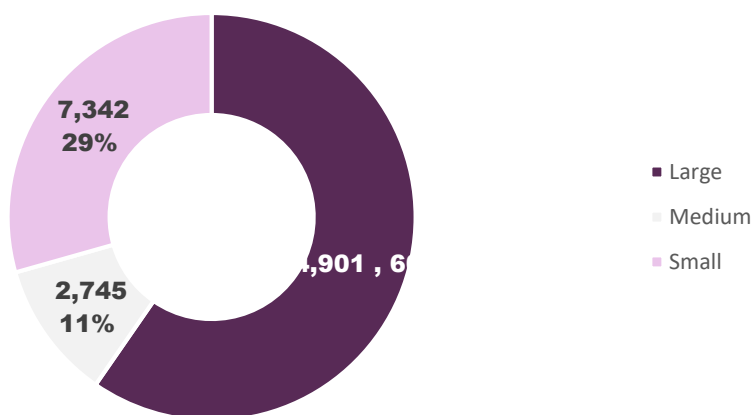


Section 8: Recruitment of first jobseekers

The survey showed that **6% of enterprises (3,152 enterprises)** had employed a first jobseeker.

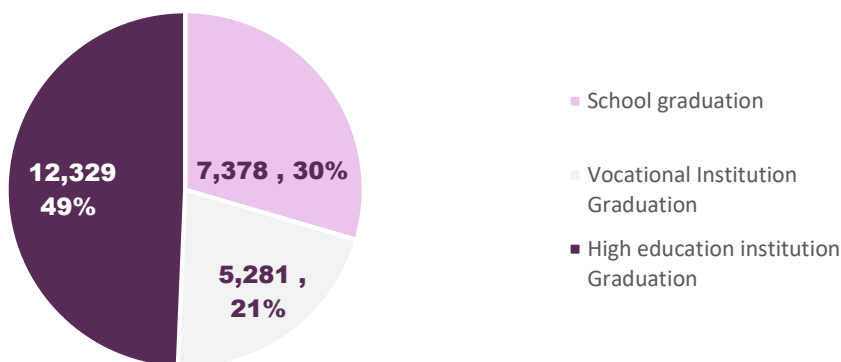
Large (60%, 14,901 employees) and small (29%, 7,342 employees) enterprises are distinguished in terms of employment of first jobseekers. As for medium-sized enterprises, share of first job seekers employed by them is 11% (2745 employees).

Diagram 62. Recruitment of first jobseekers by the size of enterprise



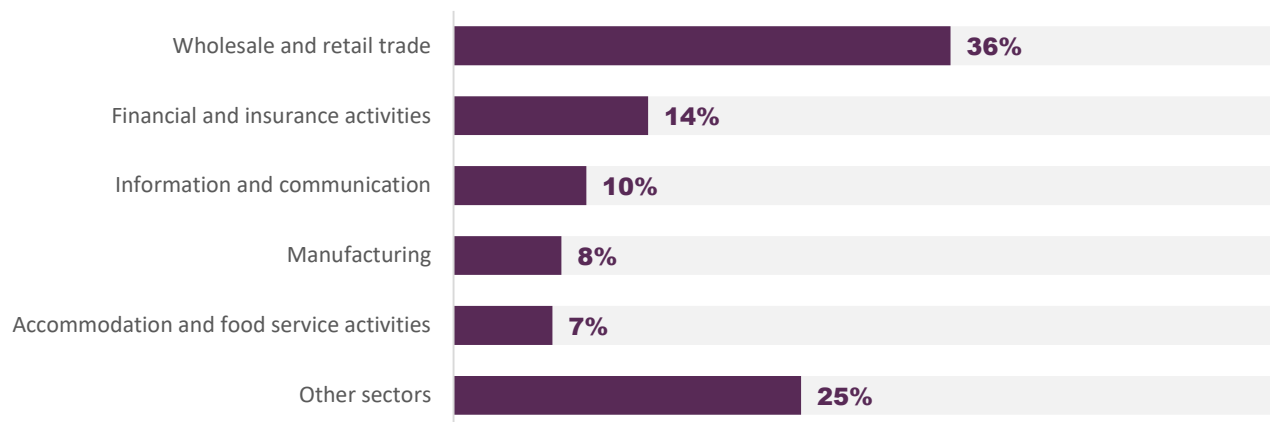
Employment rate of first-job seekers by achieved level of education was distributed in the following way: with the higher education - 49%, 12,329 employees, with the secondary education - 30%, 7,378 employees and with the vocational education - 21%, 5,281 employees.

Diagram 63. Employment of first jobseekers by the achieved level of education



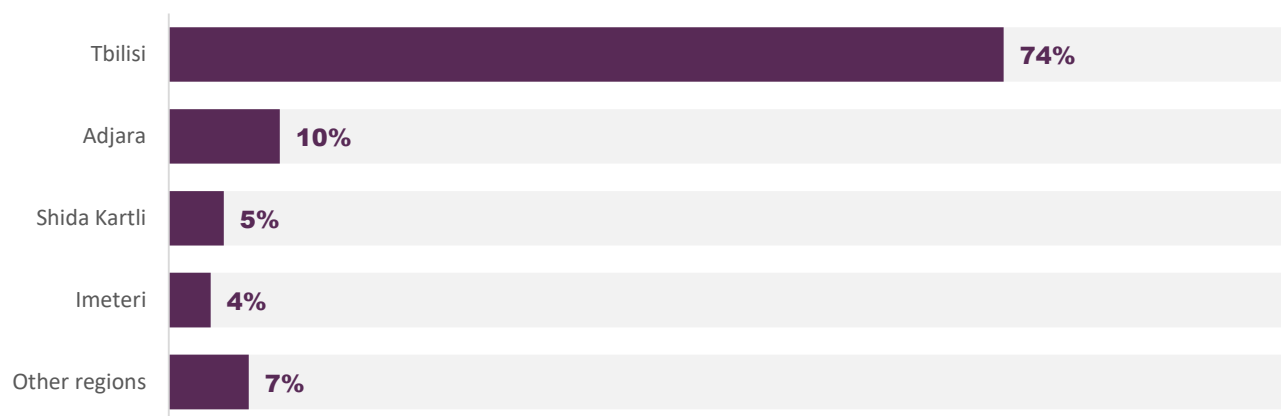
In terms of the employment of the first jobseeker, the **Wholesale and Retail Trade** sector stands out the most. This sector employs 36% of first jobseekers (9,011 employees), followed by **Financial and Insurance Activities** - 14% (3,527 employees), **Information and Communication** - 10% (2,405 employees) and the **Manufacturing** - 8% (1,956 employees).

Diagram 64. Employment of first jobseekers by the economic activities



Tbilisi (18,570 employees, 74%) stands out in terms of employment of first jobseekers, followed by Adjara - 2,473 employees (10%), Shida Kartli - 1,1227 employees (5%), Imereti - 936 employees (4%). Share of other regions is 7% (1,782 employees).

Diagram 65. Employment of first jobseekers by regions



Enterprises rated first job seekers' training level as below average. Out of a 5-points, first jobseekers with secondary and vocational education level earned an average of 2.8 points, while the first jobseekers with higher education level earned an average of 2.5 points.