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Section A



DIFFERENT PERCEPTION REGARDING EMPLOYMENT OPPORTUNITIES – UNEMPLOYED INDIVIDUALS AND EMPLOYERS

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Abstract

A frequent problem faced by employers in the labor market in the Republic of North Macedonia are candidates who possess formal knowledge but lack the necessary skills, abilities and knowledge. In short – they lack the competencies required for successful performance in a specific job position. In every hiring process, employers first assess the competencies possessed by the job candidate, or the potential that determines whether they will be successful in the workplace. It should be emphasized that competencies encompass skills, abilities, knowledge and personal traits that match the job requirements, determining whether a specific candidate is suitable for the job or needs to improve some skills and develop competencies necessary for the position. Most of the technical competencies should ideally be acquired during formal education i.e. undergraduate studies for the majority of citizens in Macedonia. The entire problem regarding the different perceptions of employment opportunities between the two sides of this issue – the unemployed and the employers – lies in the different assessment of the candidate's competencies from both sides (often including a lack of awareness of the competencies required for the job being applied for by the candidates). The analysis in this paper is focused on this extremely relevant issue, with an emphasis on the fact that quality education based on real needs is the foundation for a healthy economy, a healthy labor market and progress in any country.

Keywords: employment, skills, employers, profiles, competencies

INTRODUCTION

Over the past decade, the phenomenon has become increasingly apparent in Macedonia where a significant portion of both the unemployed and the employed individuals do not adequately understand the labor market and its dynamics. This same phenomenon has also been observed among employers. In fact, there are two different situations:

Unemployed and employed individuals seeking better employment opportunities face disappointment and frustration because, according to them, there are no job positions in the labor market that match their education and desired conditions.

Employers who are frustrated and surprised because there are no suitable candidates for their positions in the labor market, or there are enough candidates, but they do not accept the competitive and excellent working conditions they offer.

Hence, the stance arises that there is a genuine misunderstanding of the labor market on both sides – both from the perspective of employers and job seekers. Unemployed individuals claim that there are no job positions available while considering themselves adequately competent for the positions they apply for, often receiving no response. On the other hand, the real sector argues that there are jobs available, but there is a lack of workers. Additionally, these data do not only refer to the "undesirable" positions as categorized by some unemployed individuals or so-called positions for unskilled labor such as cashiers, production operators, delivery personnel and salespersons, but also to higher-level positions such as managerial, technical and highly skilled positions.

Just twenty years ago, a diploma meant competitiveness and better positioning in the labor market in Macedonia. This was because individuals who completed university studies had deeper knowledge in their field compared to those with only a high school education. This knowledge advantage enabled them to adapt to the workplace more quickly, successfully master work systems, and find opportunities for advancement in their careers. However, in recent years, merely having a formal university education is no longer sufficient to secure desired job positions, largely because such graduates are often practically inexperienced in their studied field and unprepared for the workplace. Universities do not offer enough practical training and fail to build skills among students. Those with a university degree in a specific field and some relevant experience—such as internships, volunteer work, project involvement, informal education and training—have a better chance of employment. In such a situation, companies are an inevitable part of the problem, both as entities that contribute to its creation and deepening with their ignorance and greed, and as entities that can offer a potential solution.

There are two types of companies in the labor market:

1. Some companies, although aware of the situation in the labor market, are still unwilling to offer better conditions for the rare staff they seek, exacerbating the existing problem. Most often these companies have a high degree of fluctuation and often face a lack of staff.
2. Other companies do not wait for the state to solve their business needs and proactively react with unique strategies to independently create the staff they need. One way to attract suitable staff, which is scarce in the market, is to increase salaries and job benefits, but it goes beyond that. Examples abound: some companies sponsor entire classes in high schools and universities to attract young people to study specific fields, while others have developed comprehensive training programs within the company to train young people without work experience but with detected potential and so on. Many companies also use consulting services to attract, retain, or invest in suitable talent.

In this context, it is important to emphasize that while the state has the power to create measures and policies to some extent, companies have a responsibility to offer suitable conditions and proactively create suitable talent for their needs. However, the real solution to the problem largely lies in the decisions each individual makes throughout their career: from their initial choice of field of study and education and then throughout their career path in the direction of building competencies.

ANALYSIS OF THE CURRENT STATE OF THE LABOR MARKET IN THE REPUBLIC OF NORTH MACEDONIA FROM TWO PERSPECTIVES – UNEMPLOYED INDIVIDUALS AND EMPLOYERS

Human resources and investment in advancing their knowledge and skills are crucial for short-term and long-term success in company operations. From the perspective of

identifying future needs for new hires and skills requirements, it is significant to consider both past and expected changes in employer development.

The global economic and energy crisis has led to economic slowdowns and inflationary pressures on a global scale. Employers in Macedonia are facing new challenges, coping with the negative effects of the economic-energy crisis and price pressures.

The key to achieving competitiveness and sustainability in the 21st century is for employees to possess technical, soft, digital, entrepreneurial, business and other complementary skills. However, practice shows that there exists a gap between the skills needed by businesses and those possessed by participants in the labor market, including employees. Such a skills gap leads to reduced productivity and less added value for companies, as well as a deficit of staff in certain sectors and occupations. Therefore, aligning the supply and demand for skills, both within companies and across the entire labor market, should be one of the main priorities of national-level policy.

The most comprehensive survey of skills needs in the labor market and alignment between labor supply and demand is conducted by the Employment Agency, which surveyed 2 932 employers in 2023. Of these, 1 337 respondents or 45.6%, expect to realize 14 915 new hires in various occupations and skill levels in the next 12 months.

By employer size, small employers are expected to realize 3 211 hires or 21.5%, medium-sized employers anticipate 5 281 hires or 35.4% and large employers expect to realize 6 423 hires or 43.1% of the total number of expected hires in the next 12 months. Analyzed by activity, the largest number of hires are expected in the manufacturing industry – 7 642 or 51.2% and in wholesale and retail trade, where 1 667 hires or 11.2% of planned hires are expected. Then, in administrative and support service activities, employers expect 1 436 hires or 9.6%, in information and communication activities 912 hires or 6.1%, in construction 728 or 4.9% of expected hires in the next 12 months. In other activities employers expect a relatively smaller number of hires.

Analyzed by activity and the corresponding level of required knowledge, in the manufacturing industry where the largest number of hires are expected, the greatest need will be for staff with elementary and secondary education, accounting for 45.5% and 44.5% of expected hires, respectively, in this activity.

In wholesale and retail trade and in construction, the greatest need will be for workers with secondary education - 74.9% i.e. 64.3% of planned hires in these activities, respectively. In administrative and support service activities, 78.3% of planned hires are for workers with secondary and higher education. Employers in information and communication activities, education, professional, scientific and technical activities, financial activities and insurance activities will have the most need for hires with undergraduate and postgraduate university education.

According to the level of required knowledge (education), out of a total of 14 915 expected hires, 4 277 (28.7%) will be for individuals with completed primary education, 6770 hires (45.4%) will be for individuals with secondary education, 2258 hires (15.1%) are expected for individuals with secondary and post-secondary education, including university education, and 1610 hires (10.8%) are expected to be for individuals with undergraduate and postgraduate university education.

The previously conducted analysis is presented in Table 1.

Table 1. Expected employment by activities and level of education for 2024

Activity/Sector	Number of employers who expressed a need for workers	Expected employment	Degree of required knowledge (education)			
			Elementary	Secondary	Secondary and post-secondary	University
Total	1337	14915	4277	6770	2258	1610
Agriculture, hunting, forestry and fishing	26	285	131	138	6	10
Mining and quarrying	11	133	27	51	32	23
Processing industry	419	7642	3477	3400	560	205
Supply of electricity, gas, steam and air conditioning	1	3	3	0	0	0
Water supply, waste water disposal, waste management and environmental remediation activities	10	49	32	5	10	2
Construction	110	728	160	468	33	67
Wholesale and retail trade, repair of motor vehicles and motorcycles	248	1667	159	1249	147	112
Transport and storage	116	505	34	427	40	4
Accommodation facilities and food service activities	121	505	83	408	12	2
Information and communications	64	912	2	115	45	750
Financial activity and insurance activities	25	227	1	75	62	89
Professional, scientific and technical activities	61	255	7	29	36	183
Administrative and auxiliary service activities	33	1436	121	138	1124	53
Education	15	54	0	12	3	39
Health and social care activities	57	183	18	59	61	45
Art, entertainment and recreation	10	287	14	166	86	21
Other service activities	10	44	8	30	1	5

Source: Employment Agency of the Republic of North Macedonia

The data from such research provide useful short-term indicators for employers' expectations regarding new hires and the skills needed by individuals to be competitive in the labor market. In fact, these data serve as the basis for creating active employment programs and

measures aimed at enhancing the skills of unemployed individuals to increase their competitiveness in the labor market and contribute to the creation of conditions for its better functioning, through matching the supply and demand of appropriately qualified workforce. The results of the research are necessary to be used in the educational system when designing enrolment policies and creating new educational programs for occupations aligned with the needs of the labor market.

The shortage of qualified workforce is also a problem in the European Union. Thus, over 77% of companies in the EU have stated that they have difficulty finding qualified staff with the necessary skills. In 2021 and 2022, employers faced a labor shortage for 28 occupations in several sectors, with some of the problematic sectors being construction, healthcare, engineering and IT, indicating a mismatch between demand and supply in the labor market. Regarding digital skills, 40% of adults and 33% of employed individuals in the EU lacked basic digital skills, meaning that every 10th adult and every third employed person in EU companies did not have adequate basic digital skills. According to Eurostat, only 37% of adults in the EU participated in training processes to improve their skills. In Macedonia, this number is significantly lower, standing at 2.5%.

However, it is encouraging that the mentality is slowly changing, as evidenced by the fact that in 2023, two-thirds of students enrolled in vocational schools, while the rest enrolled in gymnasiums and artistic education. The focus now should be on the quality of practical training and increasing the hours of internships to provide concrete familiarity with the work process. The European Commission declared 2023 as the European Year of Skills to assist companies, especially small and medium-sized enterprises, in finding suitable staff and to enhance the competitiveness of the workforce. In the EU, there is also a demand for so-called green skills, and the digital and green transition will additionally create new jobs with new qualifications. The EU also emphasizes so-called transferable skills. The goal is for two-thirds of jobs by 2030 to involve good communication, critical thinking, responsibility, accuracy, leadership, data literacy and risk-taking. These new skills will certainly require more flexible education. Within the framework of the European Year of Skills, the EU has adopted social objectives until 2030, aiming for 60% of adults to participate in training, with the digital skills target set at 80%, to increase the employment rate to at least 78% of the population aged 20 to 64 years. The European Commission also focuses on requalification and upskilling because lifelong learning is crucial for research and development.

In this context, it is important to emphasize the fact that economically developed countries are essentially built on advanced systems of vocational education and high-quality practical training. However, for this to be the case, they are aware that sustainable financial resources are needed and therefore invest in education. According to the latest data from Eurostat, Switzerland allocates 5.4% of GDP to education, Germany allocates 4.3%, Austria - 4.8%, Finland - 5.6%, while Denmark allocates as much as 6.3%. Additionally, besides the public funds they receive from the government, companies have a highly developed awareness to invest in the modernization of vocational education and training for one practical reason: to ensure a skilled workforce that will contribute to increased productivity because they know that every retraining or upskilling of personnel requires time and additional resources for the company itself. The added value of their investments is the increase in production and the quality of products. And that's why they are successful.

Fundamentally, both unemployed and employed individuals need to possess a complementary set of specific and multidisciplinary knowledge, skills and abilities to meet the needs and demands of employers and, above all, the work process itself. These are presented in Table 2.

Table 2. Required skills and abilities desired by employers

Soft skills	Professional skills	Digital skills	Entrepreneurial skills
Teamwork	Professional knowledge and skills related to workplace needs	Knowledge and skills related to technology within the company	Proactivity, initiative and flexibility
Communication skills	Professional knowledge and skills related to specific equipment and processes	Quick adoption of new technologies	Creativity and innovation focus
Meeting deadlines		Computer knowledge and skills	Business knowledge and skills (finance and investments, business planning, marketing, market research)
Independence			
Acceptance and adaptation to changes			
Taking initiative			
Work analysis			

Through conducting training to acquire the aforementioned skills, both unemployed and employed individuals will more easily meet the challenges of available job positions, thereby overcoming the discrepancy in perception regarding required competencies between employers on one side and unemployed or employed individuals on the other. However, differences in perception will always exist, as employers often cite the following reasons as stereotypes for not securing the needed workforce:

- Lack of interest and motivation among candidates to perform tasks in specific occupations;
- Shortage of candidates possessing practical knowledge and skills required for tasks in specific occupations;
- Shortage of candidates with relevant work experience;
- Shortage of candidates with appropriate education;
- Shortage of candidates willing to work for the offered salary.

Despite the existence of such attitudes and discrepancies, employers are still aware that human resources and investment in advancing their knowledge and skills are crucial for both short-term and long-term success in their companies.

CONCLUSION

The analysis of the mismatch between supply and demand in the labor market and the different perceptions regarding employment opportunities between the unemployed individuals and employers is exceptionally significant and relevant as it directs towards quality education that meets the requirements of the real sector, ultimately leading to a healthy economy and progress of the country as a whole. The conclusion drawn from such analysis points towards the fact that the unemployed are often dissatisfied with the available

jobs and conditions offered in the labor market, while employers believe that without additional training and upskilling, they cannot provide suitable profiles that meet the demands of the work process in their companies. In such circumstances, it is the responsibility of the state to create measures and policies to align both sides of the labor market, while companies are responsible for offering suitable conditions and through proactive actions, creating adequate personnel for their needs. However, the real solution to the problem largely lies in the decisions individuals make throughout their careers: from the initial choice of field of study and education, to adapting to the real demands and needs during their career path. This includes acquiring new additional skills demanded by the labor market, enabling an unemployed individual to profile themselves as a competent candidate capable of meeting the requirements of a specific job. This means that today's real sector cannot provide the necessary workforce if it relies solely on formal education; instead, by supplementing knowledge through training and requalification, which develop new skills, a complete profile capable of fulfilling work tasks can be built, contributing to the success and progress of the specific company.

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