



## ~ Methodology ~

### LABOUR COSTS

#### LEGAL BASIS

The survey is carried out in accordance with the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No.85/03) and the Statistical Programme of Republika Srpska and the current Work plan of the Republika Srpska Institute of Statistics.

This survey is regulated by European Union regulations No. 530/1999, 1726/1999 and 1737/2005.

#### METHODOLOGICAL BASIS

##### *AIM AND CONTENT*

The aim of the statistical survey on labour costs is to obtain data on the level and structure of labour costs employers have for hiring labour force and to allow for comparison of labour costs at the Republika Srpska market with markets in the region.

##### *OBSERVATION UNITS / REPORTING UNITS*

Reporting units are sampled business entities whose headquarters are in the Republika Srpska and which have 10 or more employees. In accordance with the regulations of the European Union, business entities included are from the area of activity B - S according to KD BiH 2010.

The classification of activities of KD BiH 2010 in terms of content and structure fully corresponds to the EU classification of activities NACE Rev 2.

##### *COVERAGE*

The survey on labor costs is conducted on a sample of selected business entities. The sample was designed as a stratified random sample with a total size determined in accordance with a predefined quality of estimates of key parameters. The stratification of business entities within the framework was performed on the basis of the area of activity and the size of the business entity defined by the number of employees. All strata with 50 or more employees are fully included in the sample, while random selection of business entities was made in strata with more than 9 and less than 50 employees.

Data were collected at the level of the business entity as a whole. If the business entity has units on the territory of the Federation of BiH or the Brčko District of BiH, the data for these units are presented within the parent business entity.

The survey covers all employees to whom the payments relate, regardless of whether they are employed for a definite or indefinite period of time and whether they work full-time or part-time. Employees who have not received a salary, employees who have received a refunded salary or a refunded salary compensation, persons working on the basis of occasional and temporary employment contracts, copyright agreements, contracts concluded with youth and student services are not included. Also, only paid labor costs are included. Accrued but unpaid labor costs are not included.

#### ***METHOD AND PERIOD OF DATA COLLECTION***

Data collection in this statistical activity is done through a paper form, TR. The basis for obtaining data is the existing financial and accounting documentation as well as personnel and personnel records. The reporting period is the year. Data on labor costs are collected and published in four-year periodicity.

#### ***PROTECTION OF CONFIDENTIAL DATA***

Confidential data are protected pursuant to Articles 25 and 27 of the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No. 85/03) and in accordance with the Rules of protection of confidential data.

#### ***DEFINITIONS OF MAIN FEATURES – INDICATORS***

**Total labour costs** are shown in the gross amount and cover: compensation of employees (which includes payments in cash and in kind and employer contributions for social insurance), vocational education costs, other costs, other contributions and taxes related to employment and considered labour costs. Total paid costs do not include the amount of subsidies received on the basis of hired labour force.

**Compensation of employees** covers: gross wages (gross wages for performed work and time spent at work, bonuses and incentives), gross wages compensations (during annual leave, public holidays and non-working days established by law, etc.), other compensations (vacation allowance, jubilee awards, compensation for transportation, meal allowances, etc.), and payments in-kind (wages in-kind, in products of a business entity, vouchers, allowances for housing, costs of company car use for private purposes and other).

**Education costs** cover services costs of institutions for vocational training, costs of participation in seminars and courses, fees of instructors who are not employed in business entities, and costs of aids used in training.

**Other costs** cover costs of hiring new staff (job advertisements), and costs for occupational safety services (work clothes) provided by the employer.

**Other contributions and taxes** include contributions and taxes paid by the employer if an insufficient number of disabled persons is employed in the business entity, contributions and taxes for non-compliance with the provisions of the Labour Law, etc.

**Subsidies** include non-refundable payments by the Government or other entities for the purpose of paying part or all of the labor costs. In this survey, total labor costs are reduced by the amount of subsidies.

**Paid hours of work** cover performed hours and hours of work which were not performed (vacations, holidays, days off, etc.) without reimbursed working hours (maternity leave, sick leave not covered by the employer, etc.).

**Performed hours of work** cover actually worked hours of work in full-time, shorter than full-time or overtime work, as well as hours during which employed persons were at their workplaces but did not work due to a malfunction or cleaning of machines, preparation or cleaning of tools, current lack of work tasks, or because they were writing work reports, etc.

### ***COMPLIANCE WITH INTERNATIONAL RECOMMENDATIONS AND STANDARDS***

This survey is conducted in accordance with the recommendations and definitions of EUROSTAT and is fully in line with European Union regulations (regulations No. 530/1999, 1726/1999 and 1737/2005). There is no difference between the definitions used in this survey and the internationally recommended definitions.

## **IMPLEMENTATION ORGANISATION**

### ***AUTHORITIES IMPLEMENTING THE STATISTICAL SURVEY***

The Republika Srpska Institute of Statistics conducts the Labor Cost Survey every four years.

Collection of data and data entry is carried out in the regional offices of the Republika Srpska Institute of Statistics, while the data processing is carried out in the Labor Statistics Division in the central office of the Institute.

### ***OBLIGATION TO PROVIDE DATA***

Reporting units are obliged to submit data to the Republika Srpska Institute of Statistics pursuant to the article 8 of the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No. 85/03).

### ***PERIOD OF DATA COLLECTION***

The reporting unit submits the completed TR form to the regional unit of the Republika Srpska Institute of Statistics within a period of two months from the moment of receiving the forms. Data are collected every four years, at the end of the year for the previous observed year.

## **INSTRUMENTS**

### ***QUESTIONNAIRE***

The questionnaire "Labour costs" (TR) is used to carry out this survey. The questionnaire is published at the official website of the Institute at:

[https://www.rzs.rs.ba/static/uploads/obraci/rad/Obrazac\\_TR\\_2020.pdf](https://www.rzs.rs.ba/static/uploads/obraci/rad/Obrazac_TR_2020.pdf)



## ***INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE***

Instructions for completing the questionnaire are provided in the questionnaire itself.

## **PUBLISHING**

Data on labour costs are published in the form of a four-year release "Labour costs", by the sections of Classification of activities and in total, for the level of Republika Srpska.

The release publishes data on average monthly costs per employee, average costs per paid hour and per hour worked.

The statistical release "Labor costs" is available on the website of the Republika Srpska Institute of Statistics.

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