

STATISTICAL BUSINESS REGISTER SURVEY ON THE LOCAL UNITS OF LARGE AND MEDIUM SIZED ENTERPRISES – Workshop background paper

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Statistical Business register (SBR) has been founded in 2006. Formerly, in Statistical office of the Republic of Serbia (SORS), existed only administrative sources named as the Register of classification units and the Register of the Entrepreneurs. They were in charge of registering all the legal and natural persons that were performing economic activities on the territory of the Republic of Serbia (companies, other legal persons and entrepreneurs). During that time, all the business surveys had used data from mentioned administrative sources for creating sample and population frames. As SORS started with approaching to the family of EU statistical institutes, methodologists of the statistical surveys that have been conducted in the SORS took effort in providing full implementation of the EU methodology. That led to the rapidly growing of stakeholders needs for establishing a single framework for all business surveys that will be based on the ground of standardized statistical units, created by as the result of implementing the EU methodology. This was a spark which eventually guided to the creation of the SBR, as a single and unique framework for all business statistics.

The SORS SBR family of statistical units compiles Enterprise, Local Unit and Enterprise group. It consists of little above 454 000 active Legal units, 448 000 Enterprises, 500 000 Local units and 8695 Enterprise groups. SBR is the main supplier of Business data for various Business statistics in SORS. The main administrative sources used in updating SBR are:

- **Serbian Business Registers Agency (SBRA)**

It is the most important administrative source of the SBR, and it is responsible for the registration and managing administrative data of companies, entrepreneurs and other legal entities which perform economic activities on the territory of the Republic of Serbia. SORS is connected with the SBRA through the optical link. The data from the SBRA updates SBR database on a monthly basis (legal unit name, address data, contact data, legal form, date of registration, cessation and changes, registered NACE economic activities, responsible persons, registration status, etc.). It is a fruitful source with a potential data that still are not the subject of obtaining. It is a next task for the SBR experts.

- **Register of classification units (RJR)**

This administrative source is placed at the SORS. Over the years, it gradually lost its jurisdiction and transferred them mostly to the SBRA and now is responsible for the registration and managing administrative data of Religious Organizations, Political Parties, Unions, Institutions, Ministries and various state bodies. Data from this administrative source have been transferred in SBR on a monthly basis (legal unit name, address data, contact data, legal form, date of registration, cessation and changes, registered NACE economic activities, responsible persons, registration status, etc.).

- **Tax office**

This source provides SBR with the data of economic activity status of the Enterprises, as well as Value added tax register data, VAT paying year etc. It transfers data to the SORS on the monthly basis. Cooperation has to be furtherly improved.

- **Central Register of Compulsory Social Insurance Payers (CROSO)**

CROSO collects data on the employees in legal entities and registered natural persons in the Republic of Serbia. Its aim is to facilitate the way of registering the social contribution payers by the companies itself. The SBR obtains data from CROSO on a monthly basis.

Data collected through conducting various statistical surveys are also the very important input for the SBR. Consequently, SORS board of directors adopted as mandatory Procedure for updating the SBR with data collected performing statistical surveys. This procedure defines the activities of the all sides in collecting data and in updating SBR, including defining the request for establishing survey frame.

SORS, for the classification of statistical units in NACE economic activities, uses the broadly adopted standard NACE Rev. 2 and monitor the activities of statistical units at the lowest level of classification - the four-digit level of activity classification (the class of economic activities).

So, during the registration of the Legal entity or the Natural person in the administrative source, the founder fills out the basic registration data in the application form. Registration data are then forwarded to the SBR, during the monthly obtaining data from administrative sources. It is a ground base for creating a Legal unit in SBR, and, if the newly created Legal unit shows any economic activity (Tax office is the source for this information), corresponding Enterprise taking place in SBR database. Accordingly, the local unit, the location on which activity is performed, and which address corresponds to the address of the Legal unit, is created as well. NACE activity code of the just created local unit is the same as the one in the Legal unit. Existing administrative sources are not developed enough to fulfil the needs of the SBR stakeholders. Business surveys, apart from SBR, provide some information on the data on the local unit level, but it is just not enough. Database on Local unit level is not fully covered with required data. Therefore, the need of establishing an SBR survey is emerged. The data targeted are the ones on the local unit level, considering

- Existence and activity status of the local units in the SBR database
- NACE economic activities performed on the belonging local units, and
- Distribution of the employees over the NACE activities performed at the local unit level.

The first SBR survey took place in 2010, and since then survey is carried out on the yearly basis. Data have been collected twofold – by web questionnaire and by filling data in Microsoft office excel format (for large Businesses with an extensive network of local units). The targeted population are big and medium sized Enterprises. Accordingly, the frame is based on the population of Enterprises that are in focus of SBR stakeholders. These are the significant units, considering the number of employees and the number of local units on which Enterprises conduct its activity. Usually, the annual survey frames compiles about 3000 Enterprises, but the last one was extended in the sense that the scope included 8000 Enterprises. The aim is that all-important Enterprises have to be covered and contacted at least once in two years. It was decided regarding the burden on units, in order to reduce it as much as it is possible, and, at the same time, to provide SBR with data that will be usable for different statistical surveys. SBR users express their needs and had marked the Enterprises that should be surveyed. SBR included them all in the scope.

SBR survey frame eventually consisted of

- all active Enterprises with 20 and more employees, and
- with more than one belonging local units, as well as
- the ones added by the SBR users.

After the survey frame is established, the paper form of the invitation letters is sent to the Enterprises local unit head office. It addresses the general manager of the company, with the basic information on the forthcoming survey, such as

- the goal of the survey,
- the most important requested data,
- the starting and the closing date (duration time),
- legislation reference,
- web address to the IT application,
- the user contact details, etc.

The paper form of the invitation letter is confirmed as a more effective starting communication tool between the SBR and the survey participant, then sending the invitation for participating in the survey in the electronic form, to the email addresses.

The primary SBR survey data collection instrument is the IT application for entering data, especially designed to, for one hand, provide user friendly IT environment for users, and, for other hand, to grant fast, and for SBR point of view, secure access to SBR data. The second one, aimed for the Enterprises with the large number of belonging local units, is Microsoft Excel, regarding previously designed format of data and logic control. Excel questionnaires are designed for the Enterprises with a very large number of local units and the ones that have a well-organized database of employees. It is a lot easier for them to, in cooperation with SBR IT experts, define data output and export data in excel format. It was noticed earlier, that there is an increasing demand for this kind of response to the survey, especially by large Enterprises, with an extensive network of local units. Of course, other file formats can be used as well.

The paper form questionnaire is abandoned. It is defined that the users of the IT application for entering data (data providers) are the responsible persons from the Enterprises. Following the web address of IT application provided in the invitation letter, responsible person assigned to fill out the questionnaire is addressed to the IT application screen with requested contact details of the IT application user (name and surname, telephone number, email

address). Beside the fact that SBR collects data of the contact units, this is a kind of security measure. The entered email address become a password for further logon to the IT application. If more than one person enters data for the same Enterprise, then all the entered email addresses become the passwords for IT logon. The way of login is twofold and it depends if is the user from SORS or it is an external one. The SORS employees engaged in conducting SBR survey have administrator role and password is not needed for them, except their personal payroll ID.

IT application is predesigned to apply previously created logic controls during the entering data for the Enterprise. For instance, all the Enterprises have to have at least local unit which is at the same time head office of the Enterprise; In every local unit, Enterprise have to perform at least one NACE activity; The number of the employees has to be assigned to all entered NACE activities, and so on. The name and surname, as well as the email address and telephone number of the person who entered data, have to be provided, also.

SBR unit in SORS employs three persons. Since SORS structure is divided into central office and 15 regional offices which main task is to collect data for statistical surveys from their territory, every territorial unit is focused on collecting data for their portion of the survey frame, considering address of the Enterprise head offices. Furthermore, their obligation is also to check the data entered by the responsible person from the Enterprise, and, if there is a need, to require specific clarifications or more information. It is something new, but it was done regarding improvement of quality of collected data. So, the final confirmation of entered data by the responsible persons from Enterprises is, actually, on SORS employees.

The filling data for Enterprises starts with the entering company ID. If this ID is matched with the ID of the observational unit (IT application checks if this Enterprise is part of the survey), then the user provides its contact data and opens the panel in which the basic administrative data of the observational unit are presented (Company ID, Company name, Company address, Registered number of Employees, Legal form and NACE activity code), as well as the belonging locations (local units) on which Enterprise performs its activities. Local units are the part of the statistical world and it can differ from the administrative data, but it is actually a goal of this survey – to collect, among others, data on NACE activities and employees on the local unit level, since administrative sources failed in providing these kind of data. Local units data that were presented to the user origin from the SBR database and only active and non-active Local units are shown (ceased local units are excluded from the view). The dilemma posed regarding the SBR data that will be presented to the IT application user. Should SBR Local units be presented with blank data, so the user has to enter all data for the Local units from the list and to add the ones that are missing, or the user will see the current SBR data on his Enterprise and to approve or update it. It is decided that user will have to check data on activity status of every local unit from the list, and to update or to approve the data that SBR has on these local units. It is far more convenient to the user, then starting from the scratch. A compromise was made regarding the data on the NACE activities and the number of the employees engaged in its performing – user will see the current state of this data in SBR database, but even though, he will have to enter it again, just to make sure that proper attention is given to this information. The similar situation is with activity status of the local units. Presented local units do not include data on activity statuses, and user have to check it in the drop box – active, non-active or ceased. The minimum data that every local unit has to have is the name, address, date of starting of activity, Enterprise head office indicator, NACE activity code, number of employees in local unit and in NACE activity, activity status (if the activity status is non-active or closed then the date of ceasing of activity have to be entered as well). In order to provide additional data to the Labour force department, SBR included data on the type of the employment, such as long-term employment, temporary and occasional employment and rented employment. It is more burden on the reporting units, but it is something that is very important to the SORS. These data are furtherly matched with the data from administrative sources and used on in producing statistics on employees in the Republic of Serbia.

During its work on updating data of presented local units, the logic control created by the SBR experts will be activated after confirmation of imputed changes. IT application will show the suitable message that will inform the user what is wrong or what is missing. After correcting the data, user can save the data and get to the other local unit. After the all work on local units is finished and if the logic control shows that everything is all right with the local unit data, then the user can finish its work by confirming that all data for its Enterprise are entered.

The next step is approving data entered by the SORS employees in the Regional offices, who are in charge of collecting data for the SBR survey. After they check data for the Enterprises that are on their territory, they finally approve or disapprove the transfer of the data which are provided by the Enterprises itself in the SBR database, through IT application. Of course, they are provided with the different reports from the second IT application, which is used for monitoring the survey flow. IT application for monitoring survey flow is a specially designed application for monitoring data entered through collecting data for SBR survey. Its intent is threefold

- to provide the SORS employees that are in charge with information on the number and percentage of the units that are responded and are in the process of data entering, still not responded, and that are finished with the data input for the survey. Also, to show the number and percentage of Enterprises for which data

are approved and transferred into SBR database, structured by the Regional offices which are in charge on them

- to provide a view of data extracted by using mentioned criteria (responded, in the process of data entering, finished the survey, already transferred data to the SBR database) by the regional offices
- to provide control by comparing just collected and the current SBR data, by selecting one of the predefined queries, considering increasing or decreasing the number of employees, its matching with the administrative sources, control Enterprises that are stated as inactive. Also finding inconsistencies in entered data

SBR survey experts provide methodological papers explaining all the terms and variables used in IT application for entering data. It is far more than a simple booklet and it is also aimed to describe the statistical units that are managed in the SBR database. The point is especially on the local units, since the Enterprises provide data at the local level. Specific cases that may happened had been also explained. During the years of conduction of the SBR survey, a lot of new specific cases were occurred. Therefore, the methodological papers were updated after every survey with the solutions for these cases. The methodological papers have been followed by the answers to the frequently asked questions. It consisted of the practical examples of different situations that can happen on the field.

Specified duration of the SBR survey is 15 days. Also, Enterprises are requested to appoint a responsible person for data entering in not more than a few days, to log in to the IT application and to leave the user contact details. It is very important because it is used later on by the SBR experts in contacting and reminding Enterprises on respecting the deadlines for the SBR survey. Urgencies are not sent to them in paper form, only by the email (using user contact details), and for some, depending on the level of significance and the amount of entered data, through telephone calls.

Working with data in IT application is completely explained in IT application manual, which is attached to the login page.

SBR experts in charge of data collection keep predefined diary, in which they taking notes on the problems and their solutions in managing SBR survey. Also, since the low oblige Enterprises in providing data for this survey, dealing with the units that refuse to give data have to be carefully noted, due to its further use on possible process on the court. For the Enterprises that resolutely refuse to take part in the survey, the fine is regulated by the law.

As it is already said, the last SBR survey consists of almost 8000 Enterprises. Eventually, response rate (share of Enterprises that provide data for the SBR survey) was around 97%, what is really a very good result. The problem is that this result is actually achieved with the great effort of the Regional offices, who constantly reminds reporting units to provide data for the SBR survey. Otherwise, the response rate will be smaller. For some of the Enterprises, for which SBR has correct contact data in the database, CATI interviewers were involved also, and they collected data for a couple of hundreds of Enterprises.

The next SBR survey is planned for October 2018. The sample frame will include about 13500 Enterprises. What is new is that this year, Labour force and SBR will conduct joint survey, due to the fact that labour force department is the main user of the SBR data on employees engaged in performing NACE activities on the local units. Labour force will add their set of questions to SBR IT applications. Collected data will be later matched with administrative sources. By doing this, the burden on the Enterprises will be significantly reduced – data from both surveys will be provided by just one questionnaire.

Since SBR data have been constantly updated with the information from administrative and statistical sources, priority in updating SBR variables from different sources is established. Data for the minor Enterprises are not checked before entering into SBR database, but data for middle and bigger sized Enterprises are in focus during every update. Of course, data obtained as a result of conducting statistical sources, are of high priority. Therefore, a standalone IT application has been developed. The aim is to facilitate approving or disapproving entering the new data into the SBR database, by providing the clear overview of the source of the current data in the SBR database and for the new data as well.

The most Enterprises come from the largest region – Belgrade. So, they are exposed to the largest pressure. The decision is that SBR employees provide back up to the colleagues from the Belgrade office in all activities in collecting data from the Enterprises headquartered on their territory. These are actually the biggest ones, so establishing direct contact by visiting its head office is of vital importance and it is something that has to be done in the future.

SBR is constantly challenged with: how to fine new administrative and statistical sources that will satisfy the increasing user needs, how to match data from various administrative sources, how to influence other business surveys to add new variables needed for SBR and how to conduct own ad hoc and regular surveys. It still has a lot of improvements to be implemented in order to improve the quality of SBR data. The most important is the introduction of the SBR survey. Quality report for the survey is planned, and it is the next task for SBR. Also, the plan is to provide to the users a video which will describe the working with IT application.

The introduction of the business register survey is a significant and important step in gaining direct access to the units of observation. The plan is to leave web questionnaire open online. In that way, Businesses will be enabled to update data when any change in their data occurs. Therefore, expertise in providing data through the web questionnaire will be achieved, and the costs of the survey will be significantly reduced. Of course, these changes and their transfer into SBR database have to be approved by the SBR experts.