

Designing a Labour Cost Survey

Labour Cost Statistics 6-7 March 2017 Jakarta- Indonesia



Presentation plan

- Objective
- Scope and coverage
- Frequency



Objectives

Measuring

- Level
- Composition
- Evolution of labour cost

Should also specified

- Industries covered
- Geographical regions
- Size
- Other specs.



When we collecting data

- Collected data should permit the estimation of aggregate labour cost and average labour cost for industry.
- Collect from source data on hours of work corresponding to the labour cost
 - If data on hours of work are obtained from other sources, there is a risk of error in the computations of average labour cost per hour, arising from lack of uniformity as regards observation period, scope, coverage and sampling procedures between the labour cost survey and the hours of work survey.



Categories

The labour cost survey should aim at collecting data on labour cost separately for

- Wage earners and salaried employees.
- Number of wage earners and salaried employees
- Ownership of establishments, for instance private industry, state industry and co-operatives (not compulsory)



Supplementary Information

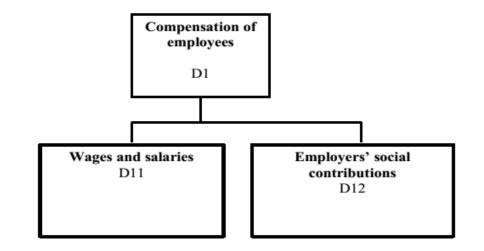
- Payments for time not worked
- Social security and pension schemes
- Payroll taxes



Compensation of employees

• Wage measure used in the System of National Accounts (SNA)

All payments by producers of wages and salaries to their employees, in kind as well as in cash, and of Contributions in respect of their employees to social security and to private pension, casualty insurance, life insurance and similar schemes..





Earnings

- All the elements included in the concept of the wage measure "earnings" form part of the labour cost.
- LC do not include annual or infrequent bonuses and sometimes not even payments in kind.
- Labour cost surveys can provide data throwing light on the part of workers' income derived from employment, for instance direct wages, supplementary wage elements not covered by regular wage statistics, average annual earnings, etc.



Industrial coverage

- "Each country should aim to develop statistics of employer's labour cost covering the principal sectors of the economy, especially selected branches of manufacturing, mining, building and construction industries, as well as other economic activities where possible." ICLS(1966)
- The selection of an industry for the labour cost survey is to be made on the basis of its importance, measured in terms of employment, significance for export or any other suitable criterion.
- The industries are usually selected at the major group (threedigit) or even group (four-digit) level of ISIC.



Geographical coverage

- In labour cost surveys designed on an industry basis, data should be collected from establishments where the industries are located.
- Industry-based labour cost surveys covering the entire country can provide regional data by using sample sizes appropriate for the purpose.



Employee coverage

- All employees in respect of whom the labour cost has been incurred should be included in the labour cost survey.
- They include all wage earners and salaried employees of both sexes. Part-time, casual and seasonal workers should be included, as well as apprentices and trainees.
- However, managerial staff remunerated predominantly by a share of profits should be excluded from labour cost statistics.



Frequency of the survey

- Large-scale, nation-wide labour cost surveys covering all the principal industries involve considerable effort and cost.
- Such surveys place a great burden on the establishment as regards furnishing comprehensive labour cost data according to the specifications laid down by the survey planners.
- These considerations normally preclude the possibility of conducting a labour cost survey on an annual basis.
- The structure of labour cost would not normally change from year to year.
- The recommendation of the Eleventh ICLS (1966) in this regard envisages labour cost surveys conducted at intervals not exceeding five years.



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