Labour Cost Survey

Reference Metadata in ESS Standard for Quality Reports Structure (ESQRS)

INSTAT

Reference Metadata

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2. Statistical presen	ntation
2.1. Data description	The aim of the Labour Cost Survey is to provide national authorities, employers and employees organisations, universities and research institutes, with accurate, detailed and harmonised data on enterprises' labour costs. The survey relates to the labour costs incurred by the employer and asks for information such as employees' wages and salaries, overtime, bonuses, allowances, fringe benefits and other labour costs incurred by the employer throughout the reference year. The Labour Cost Survey is carried out in line with European Regulations: EC 530/1999 and EC 1737/2005.
2.2. Classification system	Data for LCS is available by economic activity according to the Statistical Classification of Economic Activities (NACE). From the reference year 2016 onwards Revision 2 of NACE is adopted.
2.3. Sector coverage	The target population of this survey is enterprises employing 10 or more persons and operating in NACE Sections B to S, excluding Section O. This implies that relatively all types of economic activities are included in the target group except for agriculture and fishing activities and public administration-related enterprises.
2.4. Statistical concepts and definitions	 Labour Costs refer to the total expenditure borne by employers for the purpose of employing staff, They include employee compensation, which is mainly comprised of gross wages and salaries in cash and in kind and employers' social security contributions, vocational training costs, other expenditure, such as recruitment costs and spending on working clothes, and employment taxes regarded as labour costs minus subsidies received, Hourly labour costs are annual labour costs divided by the number of hours worked during the reference year Monthly labour costs per employee are the annual labour costs divided by 12 and by the average number of employees during the

- year (converted into full-time equivalents),
- **Employees** are all persons who work directly with the enterprise and receive remuneration from employer,
- Full-time employees are those whose regular working hours are the same as the collectively agreed or customary hours worked in the enterprise or local unit (are contracted as full time), even if their contract is for less than one year,
- **Part-time employee** is someone who generally works fewer hours than full-time employees of the same enterprise,
- Apprentices are all employees who do not yet fully participate in the production process and who work either under an apprenticeship contract or in a situation in which vocational training predominates over productivity,
- Average number of hours per week normally worked are hours regularly worked or contracted hours for a typical employee of the following categories in a typical week: a full-time employee, a part-time employee and an apprentice,
- Wage and salaries for full-time and parttime employees include bonuses, pay for piecework and shift work, allowances, fees, tips and gratuities, commission and remuneration in kind,
- **Direct remuneration, bonuses and allowances** include the values of any social contributions, income taxes, etc., payable by the employee even if they are actually withheld by the employer and paid directly to social-insurance schemes, tax authorities etc., on behalf of the employee,
- Payments for days not worked (include part covered by employer only) refers to the remuneration paid for statutory, contractual or voluntarily granted leave and public holidays or other paid days not worked,
- Wages and salaries in kind (Fringe benefits) are wages and salaries which are not cash transactions; they are goods, services, or other benefits provided free or at reduced prices by the employer to the employees,
- Employers' Social contributions are the social contributions incurred by employers in order to secure for their employees (full-time and part-time employees) the entitlement to social benefits,
- Vocational training costs paid by the employer include the expenditures on vocational-training services and facilities,
- Employment Taxes (Not Income taxes) cover all taxes based on the wage and salary bill or on employment, These taxes are regarded as labour costs, Here are included penalty taxes to be paid by employers for employing too few handicapped persons, and similar taxes or fees,
- Subsidies received by the employer are all amounts received in the form of subsidies of a general nature by the employer intended to refund part or all of the cost of direct remuneration of employees, but not intended to cover social-security or vocational-training costs,
- **Reference period** data collected through labour cost survey refer to the financial year 2016.

2.5. Statistical unit	The statistical unit is the enterprise.
2.6. Statistical population	LCS applies to all activities in sections B to S (excluding section O) of NACE Rev.2 and represents all statistical units occupying 10 and more employees.
2.7. Reference area	Data on the Labor Cost Survey cover the whole territory of the country (NUTS 2).
2.8. Time coverage	LCS data are only available for 2012 and 2016.
2.9. Base period	Not applicable.
3. Statistical proces	ssing
3.1. Source data	The sampling frame for the Labour Cost Survey is based on the Statistical Business Register 2016. The statistical units are enterprises with at least 10 employees for the NACE Rev2 sections B to S (excluding section O). The sample had 2980 enterprises.
3.2. Frequency of data collection	Every four years.
3.3. Data collection	The data were collected using PAPI method, Paper Assisted Personal Interview. In some cases, electronic questionnaire were sent by e-mail.
3.4. Data validation	To minimize processing errors, each incoming questionnaire is thoroughly checked by trained statisticians using a number of validation rules. In addition, more checks were done during the analysis stage where data was compared with administrative data.
3.5. Data compilation	Missing information is imputed based on economic activity of the enterprise and number of employees from administrative data.
3.6. Adjustment	No seasonal adjustments are made.
4. Quality manager	nent
4.1. Quality assurance	INSTAT is committed to ensure the highest quality with respect to the compilation of statistical information. In accordance with the Statistics Law, INSTAT use statistical methods and processes in compliance with internationally recognized scientific principles and standards conduct on-going analyses of the statistics with a view to quality improvements and ensure that statistics are as up to-date. In performing its tasks it follows the general principles of quality management from the European Statistics Code of Practice. INSTAT declares that it takes into account the following principles: impartiality, quality of processes and products, user orientation, employee orientation, effectiveness of statistical processes, reducing the workload for respondents. Quality controls and validation of data are actions carried out throughout the process. The staffs is involved in different stages such as the data collection, data control, data input and other necessary control are all well trained.

4.2. Quality assessment	According to European Commission Regulation (EC) No 698/2006 of 5 May 2006, implementing Council Regulation (EC) No 530/1999, as regards quality evaluation of structural statistics on labour costs and earnings, each Member State shall prepare a quality report for the labour cost survey 24 months after the reference period.
5. Relevance	
5.1. User needs	 The users groups are defined on the basis of the received data requests. They can be classified in the following main groups: National authorities: ministries, agencies, councils, other government bodies and public institutions, International organizations: Eurostat, ILO, etc, Social Partners: Unions, employers' organizations, Private organizations, enterprises, media, Researchers and students, Internal users: Structural Business Statistics, National Accounts.
5.2. User satisfaction	INSTAT for LCS data does not conduct any dedicated user satisfaction survey.
5.3. Completeness	All mandatory variables according to the Commission Regulation (EC) No 1737/2005 are covered. Regarding the size class of enterprise and economic activity coverage, the small enterprises (with less than 10 employees) are excluded in the survey as well as section O of NACE.Rev.2.
5.3.1. Data completeness - rate	All compulsory variables requested in Commission Regulation 1737/2005 were covered in the 2016 Labour Cost Survey.
6. Accuracy and re	liability
6.1. Overall accuracy	Overall, the data is checked with previous years to identify any significant changes in the data. The internal consistency of the data is checked before it is finalised. The links between variables are checked and coherence between different data series confirmed.
6.2. Sampling error	Standard errors of key indicators are commonly used as a measure of the reliability of data collected through sample survey. The LCS was designed to provide measures of labour costs incurred by employers to maintain their workforce. A high sampling rate was taken in order to minimise sampling errors as much as possible; however a degree of variability between the estimated value and the actual population value cannot be avoided, as long as a sample-based approach is taken.
6.2.1. Sampling error - indicators	See tables in Annex.
6.3. Non-sampling error	Since the LCS is a sample survey, all LCS estimates are subject to both sampling error and non-sampling errors. Non-sampling errors can arise at any stage of the collection and processing of the survey data. These include coverage errors, nonresponse errors, response errors, interviewer errors, coding errors and other types of processing errors. Interviewers are instructed to make all reasonable attempts to obtain LCS interviews. See tables in Annex.

6.3.1. Coverage error	Regarding the number of employees it is important to note that it is a total which includes full time, part time, apprentices but also owners and family workers, thus the size classes which are different in concept
	from those of LCS.
6.3.1.1. Over- coverage - rate	The over-coverage rate in Labour Cost Survey is 4.81%.
6.3.1.2. Common units - proportion	Not applicable.
6.3.2. Measurement error	Data entry of the filled questionnaires was made in INSTAT using SQL with control data checks defined by Eurostat.
6.3.3. Non response error	For non-response errors we have item non-response and unit non-response.
6.3.3.1. Unit non-response - rate	91.7 % of in-scope enterprises fulfilled the LCS questionnaire. 8.3% of sampled enterprises did not participate in the Labour Cost Survey because were closed, sleeping, or refused to answer.
6.3.3.2. Item non-response - rate	Not applicable.
6.3.4. Processing error	Sometimes the values of costs were written in Albanian Leks, others in thousands of Albanian Leks (national currency). In some cases is was misunderstood the total hours of work (sometimes we probably got the "total hours worked by one employee during all year", and in other cases "total hours worked by all employees during one month"). Imputations were done for the cases of refusal.
6.3.4.1. Imputation - rate	The imputation rate in Labour Cost Survey 2016 is 10.5%.
6.3.5. Model assumption error	Not applicable.
6.4. Seasonal adjustment	No seasonal adjustments are made.
6.5. Data revision - policy	LCS Review Policies are made in accordance with the revision policy and the policy of settling errors set by INSTAT. For more information refer to: http://instat.gov.al/media/2940/revision_policy_2016.pdf http://instat.gov.al/media/2939/the_errors_treatment_policy.pdf
6.6. Data revision - practice	Not applicable.
6.6.1. Data revision - average size	Not applicable.
7. Timeliness and p	<u> </u>
7.1. Timeliness	The time lag between the delivery date and the end of the reference period is approximately 479 days (T+479). Publication takes place strictly in accordance with published release dates for Labour Market Statistics in the INSTAT webpage.
7.1.1. Time lag - first result	LCS data do not have preliminary results.

7.1.2. Time lag - final result	The results of the LCS publication are published based on the publication calendar, which is published on the INSTAT website.
7.2. Punctuality	At the end of each year, INSTAT publishes a Fixed Release Calendar for next year: http://instat.gov.al/en/publications/calendar/
7.2.1. Punctuality - delivery and publication	For the results of 2012 and 2016, INSTAT was punctuality in time around 100%.
8. Coherence and c	omparability
8.1. Comparability - geographical	Data are fully comparable. In addition, there is no divergence of national concepts from European concepts with regards to the definition.
8.1.1. Asymmetry for mirror flow statistics - coefficient	Not filled by INSTAT, it is calculated by EUROSTAT after metadata is published.
8.2. Comparability - over time	LCS 2012-2016, in 2012 the sample was drawn on NACE Rev.2 included section O, while in 2016 the section O was excluded as optional sector. Since LCS 2016 the sample has been drawn in the beginning of the previous year of reference. For LCS 2012 the sample was drawn in drawn in the end of the previous year of reference. To draw the sample in near the reference year has resulted in less over-coverage. The collection method was the same with LCS 2012. The respondents had the possibility to use a printed questionnaire and a web-based questionnaire. The respondents were given a web address of INSTAT website. They send their data and some logical controls were made before the questionnaire was sent to Albania Institute of Statistics. 1.9% of the questionnaires were collected be e-mail for LCS2012 and 3.6% for LCS 2016. Compare to LCS 2012, in LCS 2016 the share of Wages and Salaries which have the major part on the Labour Cost Structure, is increased because of the wages increases. In LCS 2016 compared with LCS 2012, according to the decisions taken by the Albanian government to promote employment and to develop professional skills through subsidizing the share of statutory social security contributions and the professional training expenditures, we have a decrease in the expenditures of social security contributions and an increase of the professional training expenditures made by the employer. Compared to LCS 2012, in LCS 2016 the sectors of Financial and Insurance Activities, Information and Communication the increase in labour costs is greater than the other sectors because of the largest wages and salaries, costs for social insurance and other expenses paid by the employer.
8.2.1. Length of comparable time series	LCS data are available for the years 2012 and 2016.

8.3. Coherence - cross domain	See tables in Annex
8.4. Coherence - sub annual and annual statistics	
8.5. Coherence - National Accounts	Coherence with National Accounts was not produced because the variable "Compensation of employees" expressed per employee in NA is available only for public sector enterprises. Information obtained by balance sheets of private sector enterprises does not contain the in-kind component of wages. The methodological differences for the concept of "Compensation of Employees" are different in National Accounts compared with LCS and other administrative data sources. The absence of information regarding working time adjustment for compensation of employees and information of transfers in kind make it very difficult for National Account to estimate the complete figures for Compensation of Employees. The existing data sources, following book keeping standards in Albania, are not in line with ESA2010 requirement for the Compensation of Employees.
8.6. Coherence - internal	
9. Accessibility and	l clarity
9.1. News release	The LCS results are published through a press release which contains the main statistics about labour cost in Albania.
9.2. Publications	The results of LCS 2016 are available for the users on the INSTAT website. The electronic publication in .pdf can be downloaded in the following link: http://www.instat.gov.al/en/themes/wages-and-labour-cost/publications/books/2016/labour-cost-survey-2016.aspx
9.3. On-line database	Statistical database: http://databaza.instat.gov.al/pxweb/en/DST/
9.3.1. Data tables - consultations	
9.4. Micro-data access	As a result of confidentiality preservation, LCS data are not available at micro level. Aggregated data are the only type of data provided to external users. Although micro data are not published, they can be accessed based on Article 31, item 5 Law No. 17/2018, dated 05.04.2018 "On Official Statistics".
9.5. Other	Users can send other specific requests through a dedicated session for contacts in the link below ", changed: http://www.instat.gov.al/en/about-us/contact-us/
9.6. Documentation on methodology	A brief explanation of the definitions, key concepts and methodological explanations for users is published in the press release and publications. When necessary, additional information is provided to the internal users. On the INSTAT website there is a section related to the survey methodology, in the following link: http://www.instat.gov.al/en/themes/labour-market-and-education/labour-costs/#tab4

9.7. Quality documentation	Labour Market Statistics sector documents the entire work process and procedures for internal purposes.			
9.7.1. Metadata completeness - rate	Not filled by INSTAT, is calculated by EUROSTAT after metadata is published.			
9.7.2. Metadata - consultations	Not applicable			
10. Cost and burden	Persons working for LCS are: Total staff in Central Office: 2 employees + not permanent staff of INSTAT: 2 Operators Staff in Regional Offices: 70 Interviewers, 15 Controllers.			
11. Confidentiality				
	Confidentiality of statistical data is required by Albanian law no. 17/2018,			

11.1. Confidentiality - policy

date 05/04/2018 and the staffs conducting surveys are required by law no. 9887, date 10.03.2008 for "Personal Data Protection" to treat the information with confidentiality. Article 31 on Statistics Law reads as follows: Data collected, processed and stored for the production of official statistics shall be treated by INSTAT, statistical agencies and any organization or person mandated by them, as strictly confidential when they allow statistical units to be identified, either directly or indirectly, thereby disclosing individual information that has not already been made public on other grounds. All employees of the bodies/controllers mentioned in the first paragraph of this point, who are aware about the data they use during they daily work, are obligated to maintain the confidentiality of reliability even after the end of their working function. Direct identification means when a statistical unit is directly identified from its name or address or any officially allocated and commonly known identification number. When data processing is made in a manner that allows the identification of the data subject, the data should immediately be encrypted in order for the subjects to be no longer identifiable.

11.2. Confidentiality - data treatment

In accordance to Article 31 of Law No. 17/2018, dated 05.04.2018 "On Official Statistics", from the data in individual level of the LCS, are excluded all demographic data of the enterprise, such as NIPT, name of enterprise, name and the surname of the president, address, etc.

12.Comments

Annex

Tab 1: Distribution of effective sample by NACE Rev2 sections and size-class, LCS 2016

		Size class						Marginal
NACE Rev2 sections	Economic activity						10	Distribution
	ĺ	10-	50-	250-	500-	1000	10 +	by NACE
		49	249	499	999	+		sections %
В	Mining and quarrying	44	25	4	2	2	77	2.6
С	Manufacturing	314	324	44	9	4	695	23.3
D	Electricity, gas, steam,							
D	and air conditioning	14	4	2	2	1	23	0.8
Е	Water supply;	29	46	4	1	1	81	2.7

Marginal Dist	ribution by size-class (%)	54.3	37.5	5.3	1.9	1.0	100.0	
B-S	Total	1,619	1,117	158	56	30	2,980	100.0
S	Other service activities	91	21	1	0	0	113	3.8
R	Arts, entertainment and recreation	54	14	2	2	2	74	2.5
Q	Human health and social work activities	101	68	13	9	1	192	6.4
P	Education	28	69	22	12	13	144	4.8
N	Administrative and support service activities	81	141	16	7	3	248	8.3
M	Professional, scientific and technical activities	92	24	1	1	0	118	4.0
L	Real estate activities	31	6	0	0	0	37	1.2
K	Financial and insurance activities	43	17	11	3	1	75	2.5
J	Information and communication	78	27	8	3	1	117	3.9
I	Accommodation and food service activities	183	33	2	0	0	218	7.3
Н	Transportation and storage	65	33	6	0	1	105	3.5
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	238	123	12	2	0	375	12.6
F	sewerage, waste management and remediation activities Construction	133	142	10	3	0	288	9.7

Tab 2: Coefficient of variation for annual labour cost by NACE Rev 2 sections, LCS 2016

		Annual total labour cost	Standard deviation	Coefficient of variation
Section	Economic activity	(in AL LEK)	de viacion	(%)
		, t	$\sqrt{V(\hat{t})}$	CV(t)
B-S	Total	260,015,776,586	1,521,165,787	0.59
В	Mining and quarrying	8,702,979,572	153,278,639	1.76
С	Manufacturing	38,846,074,666	624,130,224	1.61
D	Electricity, gas, steam, and air conditioning	9,098,824,005	361,990,948	3.98
	Water supply; sewerage, waste management			
E	and remediation activities	5,387,539,891	88,150,759	1.64
F	Construction	23,588,516,064	866,945,858	3.68
	Wholesale and retail trade; repair of motor			
G	vehicles and motorcycles	23,283,806,787	720,304,080	3.09
Н	Transportation and storage	8,970,864,811	223,874,863	2.50
I	Accommodation and food service activities	6,295,041,143	259,612,867	4.12
J	Information and communication	13,719,319,313	221,308,178	1.61
K	Financial and insurance activities	15,251,513,106	22,902,000	0.15
L	Real estate activities	723,517,659	21,463,424	2.97
	Professional, scientific and technical			
M	activities	7,910,148,341	224,242,544	2.83
N	Administrative and support service activities	22,176,933,514	312,739,343	1.41
P	Education	41,764,164,204	344,199,231	0.82
Q	Human health and social work activities	23,260,047,028	377,414,145	1.62
R	Arts, entertainment and recreation	6,802,011,188	60,560,879	0.89
S	Other service activities	4,234,475,294	189,970,935	4.49

Tab 3: Coefficient of variation for average hourly labour cost by economic activity, LCS 2016

Section	Economic activity	Hourly labour costs (in AL LEK)	Standard deviation	Coefficient of variation (%)
	,	î	$\sqrt{V(\hat{t})}$	$\hat{CV(t)}$
B-S	Total	351	1.6	0.45
В	Mining and quarrying	440	6.2	1.40
C	Manufacturing	250	3.4	1.37
D	Electricity, gas, steam, and air conditioning	493	19.4	3.93
Е	Water supply; sewerage, waste management and remediation activities	254	1.6	0.62
F	Construction	327	6.8	2.09
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	281	6.6	2.33
Н	Transportation and storage	435	9.6	2.20
Ι	Accommodation and food service activities	241	3.6	1.47
J	Information and communication	521	9.0	1.73
K	Financial and insurance activities	700	1.3	0.18
L	Real estate activities	343	3.9	1.15

	Professional, scientific and technical			
M	activities	481	10.0	2.08
	Administrative and support service			
N	activities	336	3.1	0.92
P	Education	416	1.9	0.46
	Human health and social work			
Q	activities	388	2.9	0.75
R	Arts, entertainment and recreation	353	1.7	0.49
S	Other service activities	388	13.8	3.57

Tab 4: Coefficient of variation for annual labour cost by size-class, LCS 2016

Size-class	Annual total labour cost (in Albanian LEK)	Standard deviation	Coefficient of variation (%)
	t	$\sqrt{V(\hat{t})}$	$CV(\hat{t})$
B-S	260,015,776,586	1,521,165,787	0.59
10-49	67,434,321	1,519,528	2.3
50-249	69,651,454	70,562	0.1
250-499	42,331,071	0	0
500-999	32,004,322	0	0
1000+	48,594,608	0	0

Tab 5. Coefficient of variation for average hourly labour cost by size-class, LCS 2016

Size-class	Annual total labour cost (in Albanian LEK)	Standard deviation	Coefficient of variation (%)
	î	$\sqrt{V(\hat{t})}$	CV(t)
B-S	351	1.6	0.45
10-49	303	5	1.65
50-249	313	0.1	0.05
250-499	392	0	0
500-999	423	0	0
1000+	438	0	0

Tab 6: Percentage of correction

1 ab 0.1 ereenage of correction			
Variable	Variable description	Corrected in %, LCS2012	Corrected in %, LCS2016
A1	Total number of employees	26.5	13,1
A11	Full-time employees	25.6	13,1
A12	Part-time employees	38.0	0
B11	Hours actually worked by full-time employees	26.3	13,1

B12	Hours actually worked by part-time employees	11.1	0
C11	Paid hours for full-time employees	0.9	9,2
C12	Paid hours for part-time employees	25.0	0
D11111	Direct remuneration, bonuses and allowances paid in each pay period	31.5	13,1
D11112	Direct remuneration, bonuses and allowances not paid in each pay period	6.1	2,2
D1114	Wages and salaries in kind	9.9	1,1
D1211	Statutory social-security contributions	65.6	13,1
D1212	Collectively agreed contractual and voluntary social-security contributions	40.0	6,4
D1223	Payments to employees leaving the enterprise	8.3	0
D2	Vocational training costs	63.2	7,3
D3	Other expenditure paid by the employer	3.3	11,8
D4	Taxes	0.0	0,4
D5	Subsidies received by the employer	40.7	0,6

Tab 7. Annual average wage per employee

Section	SBS 2016	LCS 2016
Total	448	547
В	798	747
С	345	403
DE	546	635
F	426	563
G	404	473
I	248	342
НЈ	749	779
LMN	586	596
PQRS	488	584

Section	Economic activity	LFS 2016	LCS 2016
В	Mining and quarrying	2.173	2.164
С	Manufacturing	2.385	2.158
D	Electricity, gas, steam and air conditioning supply	2.332	2.130
Е	Water supply; sewerage, waste management and remediation activities	2.279	2.143
F	Construction	2.120	2.13
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.438	2.14
Н	Transportation and storage	2.332	2.09
I	Accommodation and food service activities	2.650	2.06
J	Information and communication	2.332	2.10
K	Financial and insurance activities	2.173	2.13
L	Real estate activities	2.544	2.18
M	Professional, scientific and technical activities	2.120	2.10
N	Administrative and support service activities	2.120	1.95
P	Education	2.120	2.08
Q	Human health and social work activities	2.120	2.11
R	Arts, entertainment and recreation	2.120	2.09
S	Other service activities	2.177	2.08