



The development of data collection on Wages, Earnings and Labour Cost in Iceland

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Statistics Iceland



Historical overview

- ▶ Electronic data from payroll systems since 1986
 - ▶ Institute of Labour Market Research (1986–2004)
- ▶ Formal agreement between Statistics Iceland and Institute of Labour Market Research 1996 on a new wage survey
- ▶ Statistics Iceland responsible for the wage survey since 2005



The Survey

- ▶ The Icelandic Survey on Wages, Earnings and Labour Costs
- ▶ A sample survey of business units who operate in Icelandic labour market
 - ▶ Company, institutions or municipality
- ▶ Survey and data collection in its current form goes back to 1998



Electronic data collection

- ▶ Data are collected directly from the business units own wage software
 - ▶ Contracts have been made with software firms to develop and maintain an application for the survey
 - ▶ The application is a part of the wage software basic pack
 - ▶ Business units send a text file every month directly to Statistics Iceland from their payroll system



Inclusion process

- ▶ **Extensive inclusion process for each business unit as it enters the survey**
- ▶ Inclusion process is divided into:
 - ▶ Approval and cooperation
 - ▶ Ensuring the uniformity of the data
 - ▶ Quality check on trial data



Inclusion process

- ▶ Approval and cooperation
 - ▶ A formal letter is sent to the business unit
 - ▶ The business unit is contacted via phone and approval by the CEO is obtained
 - ▶ Emphasis on cooperation not duty
 - ▶ A contact person is appointed within the business unit



Inclusion process

- ▶ Ensuring the uniformity of the data
 - ▶ Statistics Iceland visits the business unit
 - ▶ Examines the wage structure
 - ▶ Assigns payroll items to wage items in the survey
 - ▶ Assists with classifications



Inclusion process

- ▶ Quality check on trial data
 - ▶ A trial file is sent
 - ▶ Quality check
 - ▶ Feedback to the business unit



Regular data transmission

- ▶ After the inclusion process is completed monthly data transmissions begin
 - ▶ Data is submitted in a text file via email for all employees in the business unit
 - ▶ Business units and personal identifications numbers are encrypted
- ▶ A special software is used to perform a quality check
 - ▶ If there are some flags raised during the quality check the business unit or software firm is contacted

The structure of the data



Business units

1. Company ID number
2. Municipality
3. Economic activity

Employees

4. Employee's ID number
5. Month and year of birth
6. Sex
7. Union
8. Pension fund
9. Education
10. Occupation
11. Length of service
12. Employment ratio
13. Pay period
14. Contractual working hours
15. Annual leave entitlement %
16. Annual leave arrangement
17. Agreement
18. Wage group
19. Wage level

Wages and working hours

20. Basic wages and salaries
21. Normal hours
22. Additional allowances

23. Expense payments
24. Bonus payments
25. Picework and output work payments
26. Shift premium
27. Hours with shift premium
28. Overtime pay
29. Overtime hours
30. Sickness pay
31. Sickness hours
32. Lump sum payments
33. Committee or management allowance
34. Allowances for transport
35. Payments in kind
36. Other payments
37. Remuneration paid for leave

Labour Cost

38. Pension fund contribution
39. Social security tax
40. Sickness and rehabilitation fund payment
41. Vacation (union) housing fund fee
42. Science fund and continued education
43. Special pension fund contribution

Payment periods

44. First day of payment period
45. Final day of payment period





Aim of the data collection

- ▶ Minimal response burden
 - ▶ Use data that already exists in the business unit
 - ▶ Simple transmission
 - ▶ Minimal time and cost required
- ▶ High quality of the data
 - ▶ Direct transmission from the payroll system
 - ▶ Motivation to submit data
 - ▶ Cooperation not duty
- ▶ Standardize collection method
 - ▶ Standardized definitions of wage items and classifications
 - ▶ Harmonized datasets



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Developments

- ▶ Establishing good cooperation and relationship with data suppliers
- ▶ Emphasis on quality testing and managing the data
- ▶ Feedback minimized to reduce response burden



Results

- ▶ Detailed electronic data very sensitive to changes
- ▶ Data management too time-consuming
- ▶ Risk of errors
 - ▶ In manual corrections and imputations
 - ▶ Unnecessary individual estimation



Results

- ▶ Detailed electronic data very sensitive to changes
 - ▶ Data management too time-consuming
 - ▶ Risk of errors
 - ▶ In manual corrections and imputations
 - ▶ Unnecessary individual estimation
- ▶ Less data quality
 - ▶ In the long run more response burden



New developments

- ▶ Constant feedback to the data suppliers and software firms
 - ▶ Focusing on providing positive feedback and support
- ▶ Establishing good collaboration
 - ▶ Building trust



Results

- ▶ Problems related to the data solved immediately to prevent accumulation of unsolved problems
- ▶ Manual corrections and imputation kept to a minimum
 - ▶ Individual estimation minimized
- ▶ Joint effort rather than obligation
 - ▶ Extra recording becomes part of data suppliers routine



Results

- ▶ Problems related to the data solved immediately to prevent accumulation of unsolved problems
 - ▶ Manual corrections and imputation kept to a minimum
 - ▶ Individual estimation minimized
 - ▶ Joint effort rather than obligation
 - ▶ Extra recording becomes part of data suppliers routine
- ▶ Significantly higher quality of the data
 - ▶ In the long run less response burden
 - ▶ Less overhead expense



In short

- ▶ Easy and efficient data collection
 - ▶ Electronic data collection
- ▶ High quality of the data
 - ▶ Constant feedback and support
 - ▶ Extensive quality check on the data
 - ▶ Good collaboration



Thank you