



Labour Market Reporting System Audit

Within the Joint Program in Support of The Public Authority of Manpower, Kuwait



*Empowered lives.
Resilient nations.*

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1. Background and Context

Context

The Government of the State of Kuwait and UNDP are keen to enhance the strategic planning function of the State in order to ensure the optimal use and best distribution of available resources to support social and economic progress thereby leading to improved economic growth and enhanced quality of life of its citizens. The Public Authority of Manpower (PAM) is partnering with the United Nations Development Program (UNDP), the International Organization for Migration (IOM), and the International Labor Organization (ILO) for implementation of “Support the PAM” programme and its results will support the achievement of the national strategic objectives of economic growth for the State of Kuwait, supporting human and social development, improving demographic policies to support development, and effective government administration. PAM also plans to improve the labor conditions and management system by:

- analyzing the demographic imbalance
- making sound decisions based on enhanced reporting mechanisms
- upgrading its services quality for all economic and social actors.

The UNDP programme aims to support PAM in its efforts to develop its internal capacity in reporting on its own performance, on labour movement, and its compliance with international labour standards. Within this context, UNDP developed the Labour Market Research Consultancy to assist in the project implementation, in close collaboration with the project counterparts and other stakeholders, and in particular the Labour Management Information System championed by the Central Statistics Bureau, and the efforts of the Manpower and Government Restructuring Programme.

Audit objective and scope

The main objective of the audit is to assess the current situation of reporting functionality at the Labour Market Research Department to identify barriers, and propose possible scenarios and recommendations. The audit scope is to:

- Articulate the current conditions of the relevant labour market reporting and research processes within PAM.
- Evaluate the capability of the statistical packages and reporting automation in close coordination with the Central Statistics Bureau, and the Joint Technical Committee of Job and Economic Sectors Classification

Audit Approach

The audit work was focused on the Labour Market Research Department within PAM considering it is the concerned unit mandated to produce labour market reports and research regarding private sector. During the examination we have met with PAM IT managers responsible for the administrative database considered the backbone of the labour reporting functionality. In addition, we have selected a mix of methodologies to conduct this audit:

- Review of labour market reports and research produced to date for the last 3 years;
- Review documentation of PAM's foundation law and the functional description of the labour market research department to better understand the actual reporting outputs versus the expected ones;
- Conduct interviews with selected management and staff
- Review a sample of the administrative data records available with the IT department to check the data quality and standards that are used to produce the labour market reports covering the period from January to December 2016;
- Review and test of the automated reporting system currently used to produce labour market statistical reports;
- Review of the tools, software and systems used to produce labour market reports
- Designed an assessment framework with a set of criteria based on international standards and best practice to measure and assess the overall labour market reporting system functionality.

2. Audit Framework

We can define the [Labour Market Reporting System](#) within PAM as the reporting functionality that rests within the labour market research department mandate and includes quantitative and qualitative information collected through PAM's administrative data records and serves as the backbone for reporting on core activities in the private sector – as it relates to PAM's mandate.

The reporting functionality value chain includes the collection, analysis and dissemination of information to PAM leadership, the government policy makers and is intended to serve for planning and support evidence-based policy formulation and the development of labour programs and strategies.

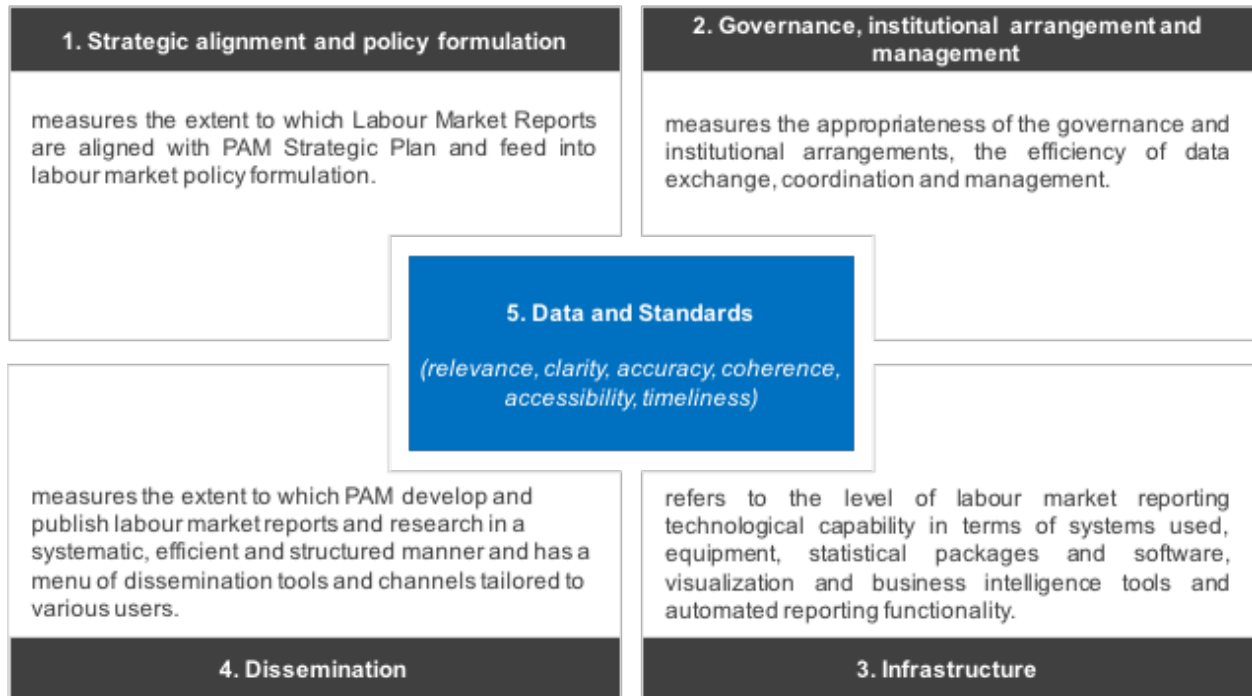
The role of PAM Labour Market Reporting System is to provide accurate and reliable quality information on how the private and oil sectors labour markets are evolving in Kuwait in terms of trends, patterns, changes, industry and sector outlooks, occupational and skills information, level of kuwaitization, wages and benefits, etc. A functional and efficient labour market reporting system is essential as it serves as the concrete basis for the early and accurate identification of labour market dynamics and lead to sustainable development.

The labour market reporting system audit framework adopted in this report is based and tailored on best international standards for quality assurance control for administrative data records set by international organizations concerned with statistical work, such as the United Nations Statistics Division (UNSD) and the manual of European Statistical System (ESS) for quality reports.

Overall, a labour market reporting system is described as an institutional mechanism put in place to handle the collection, processing, analysis and dissemination of labour market information and as such, the audit framework was designed to include the following five main components:

1. Strategic alignment and policy formulation
2. Effective governance, institutional arrangements and management
3. Infrastructure (System, equipment's, software, tools, etc.)
4. Dissemination and Use of Information
5. Data quality and standards
 - 5a. Relevance
 - 5b. Clarity
 - 5c. Accuracy
 - 5d. Coherence and consistency
 - 5e. Accessibility
 - 5f. Timeliness

Fig 1. Labour market reporting audit framework and criteria



3. Audit Assessment

The labour market reporting functionality assessment tool below was designed to examine the degree of implementation of the various audit components and standards stated according to 3 main categories:

- **Full implementation**: indicating full implementation of the standards/ functionality
- **Partial implementation**: means some steps are already taken but the full implementation to the standard is not yet achieved, or it has applied some actions but not in the way stated in the standard procedures.
- **No-implementation**: indicate the standard/ functionality is not adopted.
- **Explanation/Clarification**: includes some evidence that prove that the standard has been implemented.

Labour Market Reporting Assessment Tool

1. Strategic alignment and policy formulation

This component measures the extent to which Labour Market Reports are aligned with PAM Strategic Plan and feed into labour market policy formulation.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
1.1	There is a clear strategic priority within PAM strategic plan to monitor and report on certain priority labour market indicators in the private sector (i.e.: certain priority economic sectors, priority occupations, etc. to be specifically monitored for their criticality).				PAM's strategic plan is currently under development and has not been shared with us for the purpose of this audit. However, based on interviews with LM Department Director we could not find any initial alignment or priority setting for the LM reporting functions and how they feed into the 5 years strategic plan.
1.2	Labour Market Research Department staff have clear understanding how labour market reporting functions and research contribute and feed into achieving PAM strategy and ultimately to Kuwait Vision 2035.				
1.3	Labour Market Research Department has a clear reporting and research roadmap for the next 2- 3 years which clearly defines the set of reports that are needed over the short to medium term.				Not adopted currently
1.4	Labour market reports and research produced by PAM feed into a policy formulation mechanism and contribute to evidenced-based policy development and decision-making process.				Not adopted currently

2. Governance, institutional arrangement and management

This standard measures the appropriateness of the labour data governance and institutional arrangements, the efficiency of data exchange, coordination and management.

Key standard / functionality	Level of Implementation			Explanation / clarification
	Full	Partial	None	
2.1 There is a written mandate in place stating that PAM is responsible for collecting, processing and reporting on labour market information of the private and oil sectors as related to its work.				As per article (3) of PAM foundation Law (109) of 2013, PAM is responsible for oversight of private and oil sector.
2.2 There is a consensus among labour market stakeholders that PAM is responsible for providing comprehensive labour market reporting on all workers in the private and oil sector as per mandate.				The labour market research department currently generates reports on the key characteristics of the workforce in the private sector without too much focus on Kuwaitis – the reason given is that MGRP is responsible reporting on Kuwaitization in general.
2.3 Labour Market Research Department functional description is fully activated through the 3 sections (Workforce Planning, Census, and labour research and studies)				The department has been created recently and has not been fully activated considering 2 out of 3 sections are not yet staffed.
2.4 There are formal coordination mechanisms (i.e. a formal stakeholders management framework which includes agreements, memoranda of understandings, service level agreements, etc.) to facilitate the exchange of labour market data and information.				Not adopted currently.
2.5 PAM has a designated statistical unit as the assigned focal point responsible for facilitation and coordination of matters related to labour market reporting and research functions.				The labour market research department is the assigned unit however, the IT department plays a duplicate role often when stakeholders request data for the purpose of labour market reporting without coordinating or involving the labour market research department.
2.6 There is sufficient number of qualified employees to carry out the required task of preparing, managing and				Considering the labour market research department

	processing labour market administrative records data for statistical purposes.				has been recently created and is not fully activates it has a very limited number of qualified staff to carry out in depth reporting and research functions. Only 2 out 7 staff have the right statistical skills and experience.
2.7	Labour Market Research Department staff are fully trained in labour market reporting, research and have the right set of technical and analytical skills.				
2.8	There is an appropriate technical and electronic resources to prepare and process administrative records data required for the compilation, analysis and interpretation of official labour market statistics.				
2.9	Evidence of regular training in the methodology of manipulating administrative records data and improving the statistical capacity of the labour market research staff				The labour market research staff have not received any formal and technical training organized by PAM and does not have a development plans for staff.
2.10	There is a set of written policies / processes and procedures to guide staff on how to initiate, analyze and prepare labour market reports and research.				The labour market research department does not currently any standard operating manuals for the reporting functions or any other purposes.

3. Infrastructure

This component refers to the level of labour market reporting technological capability in terms of systems used, equipment, statistical packages and software, visualization and business intelligence tools and automated reporting functionality.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
3.1	Labour Market Research Department staff have access to PAM administrative datasets and can easily manipulate, analyze and interpret data for research and reporting functionalities.				There is currently an automated reporting system interface where staff can only generate static reports only in pdf format without any capability of manipulating and formatting the data for in-depth analysis. The existing data system does not fulfill the needs of the labour market research department business requirements. However, it is expected that these gaps will be covered in the upcoming system upgrade.
3.2	Labour Market Research Department staff have adequate statistical packages and business intelligence tools to generate reports and research and conduct surveys as required by its mandate.				There are currently no statistical packages, software or tools to support the department staff in generating labour market reports. Even the basic office suite is not fully updated for all staff to generate report except for word.
3.3	Labour Market Research Department staff are fully trained on statistical packages, software and latest business intelligence tools for data development, presentation, comparison and interrelationships.				Only 2 or 7 staff have sufficient statistical work experience – and no formal training program is in place to increase the staff capacity.
3.4	There is a solid IT infrastructure to facilitate labour market reporting using adequate communication channels with internal and external users (besides the administrative data records).				The existing internal and external coordination to request and exchange of data and information happen in an ad-hoc way and lack formal IT infrastructure (i.e: shared folders, emails, contact database, etc.)

4. Dissemination and Use of Information

This component measures the extent to which PAM develop and publish labour market reports and research in a systematic, efficient and structured manner and has a menu of dissemination tools and channels tailored to various users.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
4.1	There is clear reporting dissemination strategy schedule which includes regular labour market reports and publications tailored to a wide users needs and requirements.				The labour market reports produced currently are very limited and can be divided in 2 categories: - the yearly report and ad-hoc requests to be generated from the system and are intended mainly to internal PAM leadership uses.
4.2	PAM provides labour market reports and specialized research through various communication channels (online, publications, newsletter, etc.)				Limited communication channels mainly physical reports circulated internally.
4.3	PAM uses labour market reports dissemination for evidence-based policies and strategies purposes to influence and impact labour market, education outcomes or specific industries, etc.				The Labour market research department is not connected directly to a policy function but has been involved in a very limited number of joint research with MGRP.

5. Data Quality and Standards

This component measures the data quality that constitutes the base of the labour market reports and research according to a set of six data standards: relevance, clarity, accuracy, coherence and consistency, accessibility and timeliness

5.a Relevance

Relevance reflects the degree to which PAM labour market reports meet the real needs and requirements of users with respect to intended use. It refers to whether all reports that are needed are produced and the extent to which concepts used (definitions, classifications, etc.) reflect user needs and requirements.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
5a.1	The list of users (external and internal) of the labour market reports and their requirements are clearly defined and regularly updated.				The labour market research department list of users is limited for internal use within PAM.
5a.2	There is a regular, systematic opinion survey of the users of labour market reports and measures how satisfied they are about the relevance of the produced labour market reports and research.				Not adopted currently.
5a.3	PAM has designed data collection templates in order to achieve the requirements of the users / entities who will use the labour market reports and research.				Not adopted currently.
5a.5	There is a clear communication channel to inform the users in the event of changes to the labour market reports used.				Not adopted currently.

5b. Clarity and Interpretability

Clarity refers to whether data records/ datasets are accompanied with the appropriate metadata definition, structure, concepts, variables and classifications used, the methodology of data collection and processing, and indications of quality of the administrative data in order to enable users to understand the data.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
5b.1	PAM data administrators provide adequate information about the structure and definitions of the datasets concepts, definitions and classifications used to the labour market research department.				Not adopted currently.
5b.2	PAM data administrators have written documentation containing a clear methodology on the data collection methodology, process and updating mechanisms, etc. and are shared with the labour market research department staff.				Not adopted currently.
5b.4	PAM provide adequate support and assistance for users for a better understanding of the administrative records preparation and processing methodologies.				Not adopted currently.
5b.5	Datasets are well structured, reliable and include: core labour force and market data, demand data, occupational supply, occupational characteristics, education information, and crosswalks that link and interrelate different datasets such as industry, occupation and education.				This standard is partially implemented and PAM is currently updating its administrative data system to be more comprehensive and address all the above.

5c. Accuracy and Reliability

Accuracy measures the degree to which datasets content describe the phenomenon it was designed to measure. It also relates to the errors that may occur through some related metrics during their compilation and production such as coverage, missing data, and non-responsive rate, processing errors, etc.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
5c.1	There is a systematic application of data quality and accuracy standards and procedures on a regular basis.				Not adopted currently.
5c.2	There are clear instructions in place across PAM registration centers related to the importance of accuracy when collecting data.				Not adopted currently.
5c.3	PAM monitors the administrative records data collection process in registration centers on a regular and systematic basis, and taking relevant actions in the event of finding any irregularities affecting the accuracy of the data that is collected in the registration centers.				Not adopted currently.
5c.4	PAM checks the consistency of administrative records data and ensure that there is no contradiction among them.				Not adopted currently.

5d. Consistency and Coherence

Consistency measures the degree of compliance and compatibility and coherence refers to the level of data comparable over time, and should be produced using common standards concepts, classifications and definitions.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
5d.1	There is clear documentation outlining the differences between the coverage, the concepts, the classifications and standards used and those used in the Central Bureau of Statistics, and having processes in place to address these differences in order to achieve an appropriate degree of compliance in the concepts classifications and standards used.				Existing datasets are not fully consistent or compliant with most recent international labour classification – however, there is currently an ongoing project to address and upgrade its datasets accordingly (upgrade to ISIC Rev 4, ISIC -08,etc.).

5e. Accessibility

This standard refers to the ease of access with which data can be obtained in its entirety. It includes the ease with which the existence of data can be ascertained, whether they are presented in an appropriate format and whether the medium can be accessed by the different users is suitable.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
5e.1	PAM administrative data records are easily available to labour market research department staff upon request.				<ul style="list-style-type: none"> - Staff have access to the automated reporting system which is available only in a static format (only pdf) - However, if staff need the raw data for further analysis, the request to the IT department can be made but takes a long time
5e.2	Labour market reports are available through periodic publications online/ offline to different users.				<ul style="list-style-type: none"> - Reports are made available in word format and meant for internal uses and published on a yearly basis.
5e.3	Labour market reports and research are available in a variety of formats and medium.				Limited format to word.
5e.4	Data on individuals and organizations are only made accessible to staff who need it to perform their reporting and research functions.				Informal application in place but there is no written policy made available to staff.

5f. Timeliness

Timeliness refers to how fast labour market reports are released or made available to users and the degree of adherence to agreed release time scheduled, and inadequate periodicity.

Key standard / functionality		Level of Implementation			Explanation / clarification
		Full	Partial	None	
5f.1	There is an agreed timetable with users that show the dates when the labour market reports will be available throughout a given year.				Limited frequency to a yearly report
5f.2	PAM identifies appropriate dates for the availability of labour reports that are consistent with the needs of users (internal and external) that will enable it to publish official reports, statistics and indicators as per the published statistical calendar.				Not adopted currently

4. Audit Findings and Recommendations

Our observations and key findings are organized in this section according to the audit framework components and are summarized as major gaps supported by high level recommendations.

Misalignment of labour market reporting and research functionality with strategy and policy formulation

Gap 1. There is no systematic mechanism in place to align the labour market reports and research to evidence-based policy formulation considering there is no policy function currently within PAM. Without this alignment, the labour market reports will not achieve the right level of impact and benefits.

Recommendation 1. We recommend that PAM set a well-defined reports and research roadmap to guide the labour market research department in terms of what type of reports are needed, what type of priority research topics and timelines are needed and to what policy purposes.

Gap 2. Our assessment of priority settings revealed that the Labour market reporting and research functions are not aligned with PAM strategic plan and as such, the labour market department does not have a clearly defined priorities, activities and a yearly operational plan.

Recommendation 2. Considering PAM strategic plan is still under development, this represents the perfect opportunity to engage the labour market research department in identifying the key priority areas for the private sector in the next 3 to 5 years and agree how labour market reporting can help achieve track, monitor and report in these targets through a set of priority labour market indicators. A list of potential labour market indicators can include:

Ineffective governance and institutional arrangements for labour data exchange, coordination and management

Gap 3. The establishment of an efficient labour market reporting system should involve a well-coordinated approach to the collection of data from a variety of stakeholders. The Labour Market Research Department is required to report on trends in the demand and supply of labour and other phenomena in the private sector and analyze the mismatch between education outcomes and labour market. The department has not been fully activated and relies solely on the available administrative data available within PAM to

generate its reports. Based on our review, it is clear that the lack of an appropriate stakeholder’s management framework to exchange labour market data and information is resulting in inefficiencies in sharing information and limiting the department from achieving its mandate and generate the complete set of reports and labour market intelligence.

Recommendation 3. Establish a stakeholder’s management framework for the labour market research department that clearly identify list of internal stakeholders (labour disputes, labour relations, health and safety, etc.) and external stakeholders (educational institutions, ministry of interior, Central Statistics Bureau, etc.) and how data should be exchanged with clear coordination instruments.

The Labour market reporting functions within PAM need to be fully activated

Gap 4. The labour market research department has 3 distinct sections (as described in Appendix A) and each section is responsible for producing a number of different report. Considering these sections are understaffed and not fully activated has huge implications on how PAM is not able to deliver the full range of labour market reports required as illustrated in the table below.

List of reports required from the Labour Market Research Department (Not Exhaustive)			
Section	Name / type of Report as per mandate	Data source	Currently Delivered (Y/ N)
Research and Labour Studies	Labour Market signaling reports (to report on recent trends, issues, etc.)	PAM database and business intelligence from market analysis	N
	Industry/ Sectors Outlook Reports	PAM database	N
	Occupational Outlook	PAM database	N
	Compliance reports on the extend of application Labour Law and regulations	PAM database	N
Workforce Planning	Labour demand and supply reports in the private sector		N
	Industry / Occupational analysis		N
	Labour market trends and forecasts		N
	Report on Education outcomes and level of mismatch with labour market		N
			N

List of reports required from the Labour Market Research Department (Not Exhaustive)			
Statistics	Statistical bulletin on workforce demographics and economic characteristics (Kuwaitis and expatriates)	PAM database	Y
	Labour disputes statistic	PAM database	Y
	Labour inspections/ Health and Safety statistics	PAM database	Y

Recommendation 4. Considering the recent decision to merge PAM with MGRP we recommend a complete re-evaluation of the capacity post-merger based on potential modification to the organization structure, department’s functions and identify the complete list and type of reports that will be required along with the appropriate resources.

Duplication and overlap of labour market reporting functions with other stakeholders

Gap 5. The main function of the labour market research department clearly states that labour market reporting should include the characteristics of the overall workforce (including Kuwaitis and expats in the private sector). In practice, the department is not conducting thorough analysis on Kuwaitis working in the private sector leaving this reporting aspect to MGRP. The main issue here is that department is not fulfilling its mandate considering the overlap and potential duplication of reporting with MGRP.

Recommendation 5. Considering the recent decision to merge PAM with MGRP we recommend a complete reassessment of PAM labour market reporting functions.

Inadequate level of staffing and weak capacity

Gap 6. The labour market research department suffers mainly from understaffing (currently 6 staff) and weak capability of existing staff who lack the skills and expertise and background in labour market economics and statistics. Only 2 staff (The Department’s Director and Deputy Director) have the right skill set in statistics and the remaining staff have a general administration background – which is hindering greatly the ability of the department to produce high quality analysis and specialized reports.

Recommendation 6. This is the most urgent and critical issue that requires the development of a full staffing plan with a detailed FTE calculation for the department to include the appropriate skill set and experienced staff (i.e: labour market specialists,

analysts, economics and statisticians, etc.). We recommend this takes place following the anticipated merger and update of the new organizational structure.

Lack of documented management policies and processes

Gap 7. The labour market research department does not have any type of documented policies and procedures that support the labour market reporting functions in terms of classifications, concepts, definitions used and the reporting templates, standards and quality requirements to collect, analyze and report on data.

Recommendation 7. We recommend that the documentation of policies and processes be initiated immediately to include the full set of labour market definitions, concepts, indicators, processes, reporting templates, etc. considering these will not change much after the upcoming merger.

Labour market reporting infrastructure and systems require major improvements

Gap 8. The automated reporting system currently available for staff is inadequate since it generates simple static reports (only in pdf format) based on administrative data records of PAM and thus limits the ability of staff to manipulate, analyze and generate custom reports as needed.

Recommendation 8. Considering there is a major IT project to revamp the whole administrative data records we highly recommend that a full business requirements of the labour market research department will be mapped thoroughly to ensure the new system address the needs and requirements of the reporting functionality.

Gap 9. There is a lack of adequate infrastructure to exchange and integrate data from external and internal stakeholders (i.e: from education institutions, ministry of interior, other internal departments such labour disputes, labour relations, etc.) that allows PAM staff to fully generate to variation of reports as per mandate. The audit also found that the department does not have a shared folder system to organize the department's work and most staff do not have an official PAM email but rely heavily on personal emails to communicate and exchange data, which poses a great risk for data confidentiality.

Recommendations 9. We recommend that the IT department provide immediate support and activate the minimum set of institutional infrastructure to support the labour market research department in terms of emails, shared folders, etc. and develop a work plan for 2017-2018 to support the full implementation of the stakeholder's management framework with a full integration and exchange capacity of different data sets.

Gap 10. PAM does not have currently any statistical packages, software, or business intelligence tools available to generate labour market reports and most staff have the basic Microsoft Office Suite.

Recommendation 10. We recommend IT department to deploy and upgrade the Microsoft Office Suite to staff (mainly Excel and its statistical add in, PowerPoint, Power BI) for all staff in addition to acquire a statistical package such as SPSS or Stata and have a full technical training for staff on these tools.

Lack of adequate dissemination and use of labour market reporting information

Gap 11. Another major weakness of the reporting functionality is the limited number of users – for now mostly addressed internally to PAM leadership without an appropriate dissemination plan in place to identify the whole list of users of the reports, their needs and requirements and then develop a time to publish the reports.

Recommendation 11. An optimal labour market reporting system should provide and information and intelligence on:

- Labour market conditions
- Demand and supply trends and requirements;
- Composition and characteristics of labour supply;
- Projections of future demand and supply;
- Market and job opportunities and key issues;
- Other related information supporting labour market related decisions

Considering the above, we recommend the development of a survey targeting potential and strategic users of PAM labour market reports as illustrated in table1. in order to identify their information needs and requirements and ensure PAM labour markets reports are relevant, comprehensive and fit-for-purpose by:

- Customize labour market reports to meet target users
- Develop various communication channels
- Formulate of evidence-based policies, strategies of education institutions, nationalization of jobs, etc.
- Ensure report support users for their decisions

Table 1. List of potential users and their information needs of PAM labour Market Reports

Targeted Users		Information Needs
Public policy makers and Planners with responsibility for	Labour market program	Projected occupational and skill shortages, vacancies by economic sector, labour market information for specific groups such as Kuwaiti Nationals, youth, women, disabled, etc.
	Government budgets	Demographic trends, labour force trends and composition
	National economic development	General labour force statistics, industry specific labour force information, and occupational labour supply
Educational Institutions	Staff at educational and vocational training institutions	Labour market trends, skill requirements of the economy, technological change program offered by other
Labour Market Participants	Firms (Employers)	Number of job seekers, the skills composition of the workforce, wage expectations of job seekers, labour market standards, health and safety regulation.
	Workers (Employers and unemployed individuals)	Job vacancies, educational and skill requirements of the job openings, wage and benefit levels, working conditions, etc.
Persons out of labour force	Students	Occupational information, information that relates to school subjects to specific occupations and careers, abilities related to occupations, current and future skill requirements of the labour market, etc.
	Non-Students	Labour market trends, abilities and skills for occupations, etc.

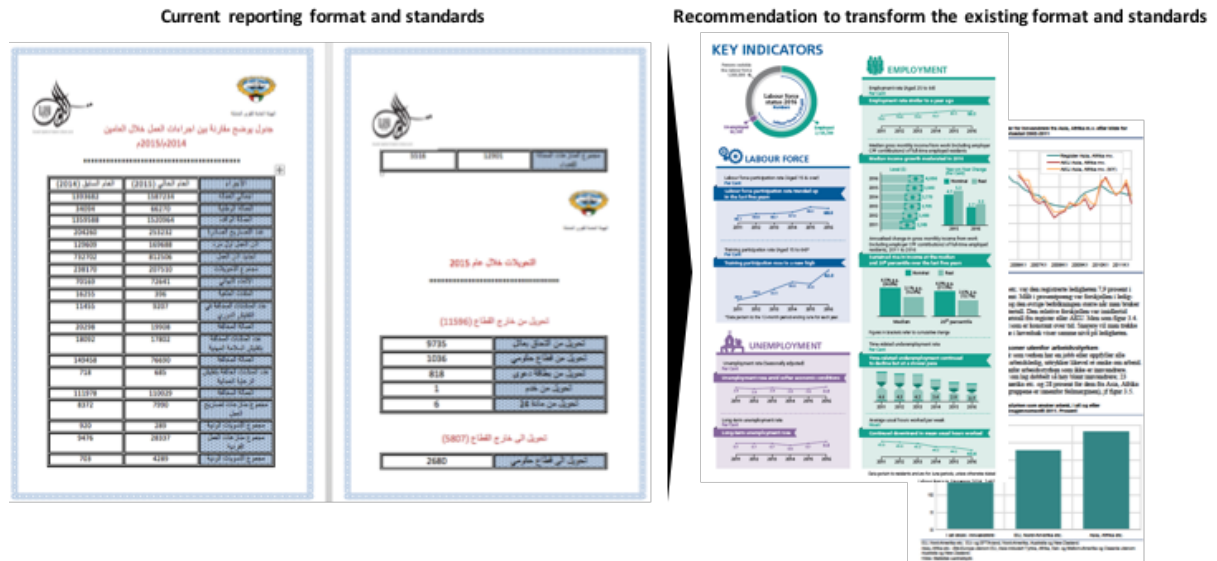
Lack of established standards for labour market reports formats and content

Gap 12. In the same line as Gap 11, the dissemination of the labour market reports are limited to physical reports produced in word version and are not made available online or in distributed through various communication channels (publication, newsletter, by email, etc.). In addition, the reports are limited in their content and provide mostly descriptive analysis without in-depth analysis such as labour market trends, key patterns and forecasts and business intelligence about the labour dynamics in the private sector.

Recommendation 12. We recommend a complete revamping of the labour market reports content, formats and based on a well-designed dissemination strategy after

agreeing on the types and frequency of reports needed and selecting the various communication channels to reach a wider audience.

Figure 2. Illustrative conditions of current reports formats



Poor quality of the administrative data affecting the accuracy and reliability of the labour market reports

Gap 13. The testing of the data sets used to generate labour market reports has major issues in terms of quality and accuracy. When we conducted the review of PAM database we have found many data errors and missing data or wrong values being entered that directly impacts the quality of interpretation and analysis of data by the labour market research staff. *(sample errors below)*

Gap 14. Lack of data quality control by the data administrators that allows data entry to be inaccurate and below the minimum standards. There are no documentation or corrective mechanism to audit, review and correct data in the various registration centers. *(sample errors below)*

Recommendation 13 & 14. There is a critical need to develop a quality control and standards for PAM data administrators according to international standards. In addition, the new system upgrade should include appropriate controls to ensure data entry across PAM registration centers is adequate, accurate and reliable.

Sample data entry and coding errors from the audit of PAM administrative records for 2016 demonstrating the poor data quality controls.

Sample errors in the data entry of wages within PAM administrative Records

Salary Range	Kuwaitis	Non-Kuwaitis	Blank Fields	Total
<50	15	16892		16907
50-100	43	456860	26	456,929
100-150	10050	347893	3	357946
150-200	8087	161212	2	169301
200-250	12994	82535	1	95530
250-300	8411	206786	5	215202
>300	35088	304230	161	339479
Grand Total	74688	1576408	198	1651294

We found close to 457,000 records with salary range less than 100 KD – representing close to 28% of the workforce including records for Kuwaitis and blank fields.

Sample errors in the education data within PAM administrative Records

Main Job sector	ما فوق الجامعي	جامعي	فوق الثانوي	ثانوية	متوسط	ابتدائي	يقرأ ويكتب	أمي	غير مبين	Grand Total
المديرون	571	22837	240	5401	6545	1394	31	2	19655	56676
المهن العلمية والفنية	2982	74989	4428	31762	38889	5144	1645		33185	193024
العاملون بالخدمات	473	4098	2477	51627	105388	14459	2063	2	26543	207130
القائمون بأعمال البيع	984	15146	752	41665	73194	12262	417		31372	175792
القائمون بالأعمال الكتابية ومن إليهم	574	13171	1047	23920	40452	6921	488		26995	113568
العاملون في الزراعة وتربية الحيوانات وصيد البحر	639	421	451	15199	56344	2901	316		1420	77691
عمال الإنتاج والعاملون بالمهن المرتبطة بهم وعمال تشغيل وسائل النقل والعمال العاديين	4147	14505	8895	190078	409259	78646	15384	1	106498	827413
Grand Total	10370	145167	18290	359652	730071	121727	20344	5	245668	1651294

We found close to 245,668 records without detailed education level and close to 46,000 of workers in scientific and specialized jobs who have lower than secondary education and close to 18,652 records of people with university degree holding laborer jobs. These errors reflect clearly the lack of quality control considering the education data is critical to produce sound labour market reports.

Sample errors in coding within PAM administrative Records

MARITAL STATUS code	MARITAL STATUS DESC	Count of EMPLOYEE ID
1	أعزب	317028
2	متزوج	1311630
3	مطلق	2571
4	أرمل	698
5	غير مبين	817
6	غير مبين	1
10	غير مبين	7
11	غير مبين	6
(blank)	غير مبين	18536
Grand Total		1651294

We found very serious issues with the coding itself as this table illustrates, the database includes 5 different codes for undefined marital status.

Sample errors in gender data entry within PAM administrative Records

sex-code	MAN SEX DESC	Count of EMPLOYEE ID
1	ذكر	1484432
2	أنثى	164545
(blank)	غير معرف	2317

Lack of adequate documentation about the datasets definitions and relations

Gap 15. One of the major gap is the clarity and interpretability of the datasets which lacks the documentation about its structure, definitions, variables and classification used. During the audit we have requested the basic information listed about PAM administrative records and no documentation was available.

Without the proper documentation in place, it will be extremely challenging for the labour market research department staff to generate clear and accurate reports with a clear understanding of the datasets limitations and the standards and classifications they are working with.

Recommendation 15. We recommend a comprehensive and complete metadata document to include all details about the datasets structure, concepts and definitions, classification is made available.

Insufficient datasets for the purpose of optimal labour market reporting functionality

Gap 16. The available datasets are insufficient and do not meet the labour market research department mandate and various reporting requirements in terms of coverage. The existing reporting capability is limited to basic descriptive statistics without the capability to provide trends analysis, time series and outlook reports on specific industry and occupations or develop new datasets outside the realm of the existing administrative data records.

Recommendation 16. We recommend complete and thorough mapping of the needed request and develop an action plan over the coming year in order to get the IT support in preparing the necessary infrastructure. For the reference, we have included in table 2 below the basic data sets as a starting point.

Table 2. Data sets for an optimal LM Reporting System and availability within PAM

Data category	Data Element	Frequency annual (A), monthly (M), quarter (Q)	Availability within PAM Y / N	Uses and Notes / Sources
Core labour force and market data				Core labour force and market data reflect supply and demand but are categorized separately as measures that track overall labour market trends.
	Labour force demographics	A	Y	These data are useful for monitoring the health of the private sector labor market and economic trends and are mostly available.
	Labour force estimates	A, Q, M	N	
	Employment (new permits)	M	Y	
	Detailed labour force characteristics	M, Q, A	Y	
	Kuwaitis labour force	M, Q, A	Y	
Labour Demand				
	Job openings	D	N	Direct service of job seekers and employers. Also potential measure of occupational demand. (i.e. private sector job bank)
	Job vacancies	M, Q	N	Measure current and short-term demand.
	Labour cost	A, Q	N	Labour costs are an important component of demand, and while definition may vary, labour cost can be viewed as the sum of wages and other costs for employees that are incurred by the employer. Labour costs are useful to business and economic planning, particularly if data are available.
	Occupational employment estimates (detailed or summary)	every 2 to 5 years	N	This data is usually aggregated based on national occupational classification level data.
	Occupational employment projections: long term / 10 years or less	every 2 to 5 years	N	This data is key for Kuwaiti job seekers, career decision making and business planning.
	Occupational employment projections: short term / 5 years or less	Every two years	N	Short term projections are desirable and useful for career preparation, particularly for short-term programs to meet market needs. Long-term projections may provide this need if they include estimates of annual change and are updated relatively frequently, such as every 2-3 years.

Data category	Data Element	Frequency annual (A), monthly (M), quarter (Q)	Availability within PAM Y / N	Uses and Notes / Sources
	Industry employment estimates	M	N	Industry employment estimates are key for business, education, career planning and also provide the foundation for occupations estimates and projections.
	Industry employment projections	Every 2-5 years	N	
	Industry staffing pattern	Every 2-5 years	N	The staffing pattern for an industry and the distribution of an occupation across an industry are key information for career planning, workforce development, economic development, demand and supply estimates, etc. Direct use of this information by counselors, career practitioners and others can help address economic declines and growth.
	Occupational distribution across industries	Every 2-5 years	N	
	Mass layoff data	M, Q, Y	N	Data help identify industries with significant layoffs, identify causes and extent of worker dislocation, and the demographic characteristics of workers who are laid off. Information can assist local workforce personnel in provide support and assistance to workers. Information can also be used in analysis of potentially available labour supply. Some data might not be published but could be used internally for local employment services.
	Business births and death	M,Q,Y	N	Measuring business start-ups and closures provides insight to the dynamic flows in the business market and are important for business, economic development, and policy decisions.
	Number of business establishment and size	A	N	Data are key for internal use, but some data may not be published for confidentiality purposes. To the extent information on the number of firms by industry can be published it is useful for nearly all users.
	Industry average earnings	A, M	N	Useful for tracking wage/earnings changes across industries.
	Occupational wages	Every 2 year	Y	Among the most important pieces of information for career planning and job search. Currently PAM captures this data but is considered inaccurate.
Occupational Supply				
	Occupational employment	Q, A	N	See above
	New entrants to labour force in the private sector	A	N	These data are important for macro-analysis. Such information would be useful for estimating supply.

Data category	Data Element	Frequency annual (A), monthly (M), quarter (Q)	Availability within PAM Y / N	Uses and Notes / Sources
	Occupational transfers by geography	A	Y	Captured currently but is not accurate or consistent.
	Labour force separations	A	Y	Captured currently but is not accurate or consistent.
	Educational outcomes	A	N	Information on whether completers of post-secondary and other education programs obtain jobs in fields related to their studies. Often countries conduct national graduate survey about every 3-5 five years to get this information considered useful in measuring supply and providing guidance for career planning and decision making.
	Estimates of supply	A	N	Complete estimates of supply are difficult to prepare. They involve adding employment estimates, educational completers, persons outside of the labour force, etc. The difficulty is trying to ascertain supply estimates at an occupational level with some degree of accuracy so that they can be meaningfully compared to the demand estimates.
Occupational Characteristics				
	Licensing and certification requirements	A	N	Critical to have to enhance proper Kuwaitisation and increase participation of fresh graduates in the private sector.
	Education and training requirements	A	N	
	Skills needed	A	N	
Classification systems and Crosswalks				
	Industry - Sectors	ISIC, Rev4	Y (outdated)	Crosswalks link industries, occupations, education programs, and skills as per agreed standards, definitions and classification.
	Occupations	ISCO-08	Y (outdated)	Crosswalks among various data elements are important to the analysis and dissemination of useful information. For example, any labour market reporting system should allow a user to examine information about a particular industry, to analyze information about an occupation within that industry, and then to see which
	Education Program	ISCED 2011	N	

Data category	Data Element	Frequency annual (A), monthly (M), quarter (Q)	Availability within PAM Y / N	Uses and Notes / Sources
				<p>programs might train for the skills associated with that occupation.</p> <p>An optimal labour market reporting system must include relationships among these various data sets and maintain such crosswalks and links as classification systems are revised.</p>

5. Conclusion

The identification of Labour Market issues and trends in the private sector rests on the availability and quality of data, information and analysis. Labour Market information and analysis provide the essential basis for employment and labour policies and informs the design, implementation, monitoring and evaluation of policies that are better focused and targeted. PAM's administrative records are considered a critical source of labour statistics for Kuwait, especially with the increasing pressures to restructure the demographic imbalance and use this data for to drive evidence-based policies, regulations and programs. In addition to identify current and future challenges, monitor and implement the optimal labour policies and continuously evaluate the policies in place.

The overall audit findings revealed that the labour market reporting functionality within PAM requires major improvements and enhancement.

In conclusion, we have clustered the gaps according to the audit framework as these can be considered a stand-alone initiative to be further detailed with a timeline, resources and adequate financial resources and allow PAM to achieve and maximize its powerful mandate.

Strategy and Policy formulation

1. Misalignment of labour market reporting and research functionality with strategy and policy formulation

Governance, institutional arrangements and management

2. Ineffective governance and institutional arrangements for labour data exchange, coordination and management
3. The Labour market reporting functions within PAM need to be fully activated
4. Duplication and overlap of labour market reporting functions with other stakeholders
5. Inadequate level of staffing and weak capacity
6. Lack of documented management policies and processes

Infrastructure

7. Labour market reporting infrastructure and systems require major improvements

Dissemination

8. Lack of adequate dissemination and use of labour market reporting information

Data standards and quality

9. Lack of established standards for labour market reports formats and content
10. Poor quality of the administrative data affecting the accuracy and reliability of the labour market reports
11. Lack of adequate documentation about the datasets definitions and relations
12. Insufficient datasets for the purpose of optimal labour market reporting functionality

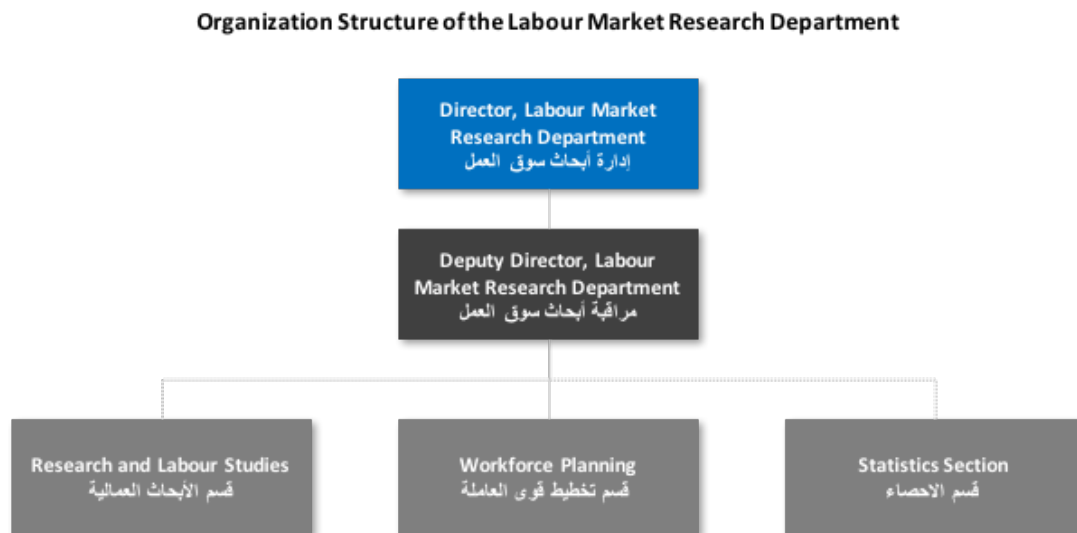
6. References

- 1) Data Quality Assessment Framework (DQAF) for National Accounts Statistics, International Monetary Fund, Statistics Department,
- 2) Generic national quality assurance framework (NQAF), United Nations Statistical Division – UNSD
- 3) Statistics Canada’s Quality Assessment Framework, Statistics Canada
- 4) Standard for statistical processes 2011, Statistics Netherlands.
- 5) Manual of European Statistical System (ESS) for Quality reports, Eurostat

Appendix A. Overview of the Labour Market Research Department Organization Structure

The Labour Market Research Department Organizational Structure and Mandate

The Labour Market Research Department includes 3 sections: 1) The Research and Labour Studies, 2) Workforce Planning and 3) Statistics.



The main functions the Labour Market Research Department as they relate to labour market reporting can be summarized as follows:

- Study the major trends and developments that occur within the Kuwaiti labor market and propose appropriate solutions.
- The ongoing evaluation and review of leading practice in the area of labour market reporting of countries in the development, support and protection of the national workforce and build on best standards.
- Propose appropriate field research topics on matters related to work in the private sector and take needed actions to schedule their timing and analysis.
- Work on the unifying of statistical systems across PAM divisions starting with the statistical templates and coordinate their collection with the concerned departments.
- Extract statistical data from PAM automated system, their ratings data and the preparation of periodic statistical reports covering their various activities.

- Research, study and review the size and structure of the expatriate's workforce occupation in the private sector in order to enhance nationalization levels/ increase Kuwaiti workforce.
- Develop an integrated database for national workforce in terms of current workers and graduates (qualifications, expertise, capabilities) and update it on an ongoing basis and in coordination with the concerned stakeholders (Ministry of Planning - Ministry of Education - Kuwait University - Applied Education and Training - CSC).

Functional Description of the Labour Market Research Department

Research and Labour Studies قسم الأبحاث العمالية	Workforce Planning قسم تخطيط قوى العاملة	Statistics Section قسم الإحصاء
<ul style="list-style-type: none"> • إعداد البحوث والدراسات الخاصة بالقطاع الأهلي التي تطلبها جهات الاختصاص وابداء الرأي في البحوث والدراسات المماثلة . • اقتراح إعداد البحوث الميدانية لموضوعات العمل واتخاذ الإجراءات التي من شأنها وضع التصور الكامل لها ومواعيد جمعها ميدانياً وتحليلها وإعداد دراسة عنها . • الاشتراك في إعداد الخطط والبرامج الإنمائية القصيرة والمتوسطة وطويلة الأجل المتعلقة بالقطاع الأهلي . • دراسة المستجدات التي تطرأ على سوق العمل بالقطاع الأهلي واقتراح الحلول البديلة المناسبة لتبادل البحوث والدراسات في مجال العمل مع الجهات المعنية بها على مختلف المستويات . • إبداء الرأي في اتفاقيات وتوصيات العمل المحالة للإدارة والصادرة عن منظمات العمل الدولية والعربية والخارجية وكذلك اتفاقيات العمل الثنائية بالتنسيق مع إدارة العلاقات الدولية . • الرد على الاستبيانات المحالة إلى القسم والخاصة بمجال العمل الواردة من منظمات العمل الدولية والعربية والخارجية أو أي جهات أخرى بالتنسيق مع مراقبة العلاقات الدولية . • إعداد الدراسات المطلوبة والمتعلقة بأعمال المؤتمرات والندوات والحلقات الدراسية التي تشارك فيها الهيئة • متابعة الموضوعات المتعلقة بشئون العمل والواردة من جهات الاختصاص والتنسيق مع إدارات العمل في إعداد الرد الموحد بشأنها . • إجراء الدراسة عن تطبيق تشريعات العمل والقرارات المنفذة لها واقتراح التعديلات الملزمة 	<ul style="list-style-type: none"> • إجراء المسوحات عن القوى العاملة الوطنية وإعداد البيانات والإحصاءات • القيام بدراسات متابعة تدفق العمالة في سوق العمل وتحليل مخرجات التعليم . • واقتراح أساليب التوازن بين العرض والطلب بسوق العمل. • إعداد وتحليل التقارير الدورية والإحصائية المتعلقة بمخرجات للتعليم ومقارنتها باحتياجات سوق العمل. • اقتراح الإجراءات بشأن التنسيق مع الجهات ذات العلاقة بخصوص مخرجات التعليم بمختلف نظمته ومراحله والاتصال . • تحليل المعلومات الدورية الواردة من وزارة التربية والجامعات والهيئة العامة للتعليم التطبيقي والجهات الأخرى ذات الصلة . • المساهمة في دراسة أسباب الإقبال على أو الإحجام عن بعض المهن مع الرجوع للجهات بهذا الخصوص ووضع السبل والتوصيات والتصورات المستقبلية في هذا المجال . • الاطلاع على الدراسات المتخصصة في مجال احتياجات سوق العمل . • دراسة وحصر احتياجات سوق العمل من القوى العاملة بالتنسيق مع الجهات المعنية . • بناء نظام معلومات يضمن توفير كافة أنواع البحوث الضرورية عن القوى العاملة في الهيئة . • إعداد الخطط المستقبلية للقوى العاملة بما يضمن الحصول على الكفاءات الفنية والإدارية اللازمة لسير العمل خلال فترات زمنية مستقبلية . • تحديد مجالات التضخم والزيادة ومجالات ومواقع العجز والنقص في القوى العاملة واقتراح سبل علاجها • تخطيط الاحتياجات من المهن في سوق العمل على ضوء التعرف على البيانات والإحصاءات المتوفرة بالتنسيق مع الجهات المعنية . • جمع وتحليل البيانات المتعلقة باحتياجات القطاع الأهلي من العمالة الوطنية وفرص العمل المتوفرة . • الاشتراك بإعداد الخطط التنموية المختلفة اللازمة لرفع كفاءة القوى العاملة الوطنية إعداد الدراسات الخاصة لرفع كفاءة القوى العاملة الوطنية الداخلة في سوق العمل في القطاع الأهلي 	<ul style="list-style-type: none"> • العمل على توحيد نظم الإحصاء بإدارات العمل. • تزويد جهات الاختصاص والوحدات التنظيمية ذات العلاقة بالمعلومات والبيانات الإحصائية المعقدة بالنظام الآلي. • إعداد التقارير والنشرات الإحصائية الدورية والسنوية عن نشاط الهيئة العامة للقوى العاملة على مختلف المستويات • تصنيف إحصاءات استخدام القوى العاملة بحسب حجمها وجنسيتها وأنشطتها الاقتصادية وتصنيفها المهني وحالتها الاجتماعية • تلقي إحصائيات إدارات العمل المختلفة بكافة مستوياتها وتصنيفاتها وإعداد إحصاءاتها الدورية عن أنشطتها في مجال حماية القوى العاملة وعلاقت العمل واتحادات أصحاب الأعمال والمنظمات والاتحادات النقابية العمالية.