

Documentation of statistics for International organisation and outsourcing 2020



1 Introduction

The purpose of the statistics International organisation and outsourcing is to shed light on significant globalization trends concerning the enterprises' global organization and the extent of international sourcing of business functions for the period 2018-2020 as well as direct trade (goods and services) with enterprises abroad in 2020. Also covered is the organization of business functions in Denmark. The statistics has been collected also for the periods 2001-2006, 2009-2011, and 2014-2016. The survey is part of an international survey co-financed by Eurostat, the statistical office of EU.

2 Statistical presentation

The survey has been carried out intermittently a number of times since 2007. The purpose of the survey is to establish data on the engagement of enterprises in global value chains and international outsourcing, motives and barriers related to international sourcing and the types of functions and number of jobs being moved out of Denmark as a consequence of enterprises' international sourcing. The survey covers international sourcing, international trade (purchasing and selling goods and services) directly with enterprises abroad, the organisation by business functions within the enterprise in Denmark, and the impact from COVID-19 on selected aspects of business operation.

2.1 Data description

The statistics measures the number and share of enterprises outsourcing activities to other countries. International sourcing in this context refers to the movement out of Denmark of activities currently performed in-house by the enterprise itself in Denmark, or currently domestically sourced by the enterprise. International sourcing may be to other enterprises within the enterprise group or to other (external) enterprises abroad. International sourcing does not include the expansion of activities where no existing activities are moved. In addition to breakdowns by industry, the survey provides data on the types of business functions being sourced. This may be the enterprises' core business function (typically corresponding to the industry of the enterprise) or a support function. Furthermore, the survey provides results on the geographical destinations of international sourcing, as well as the number of jobs being moved. These are broken down by high-skilled and other jobs, in addition to industry. Finally, the motives for international sourcing are covered, e.g. reduction of labour costs or reduced delivery times.

In addition, the survey also includes questions concerning enterprises' international purchasing and selling of goods and services, respectively, directly from enterprises abroad, and the importance of COVID-19 for different parts of the enterprise.

The survey is part of a European survey, partly financed by Eurostat, on the engagement of enterprises in global value chains and international outsourcing.

2.2 Classification system

Industry (NACE rev.2).

2.3 Sector coverage

The statistics covers non-agricultural, market-based activities, the economic activities of DB07: 05-09, 10-33, 35, 36-39, 41-43, 45-47, 49-53, 55-56, 58-63, 64-66, 68, 69-75 and 77-82.



2.4 Statistical concepts and definitions

International sourcing: Covers the total or partial movement of activity (core or support functions) carried out in Denmark.

Core function: The core business function of your enterprise is the production of goods or services intended for the market, and which constitutes the enterprise's primary function. The core function in most cases corresponds to the enterprise's industry or main activity

Support functions: Support functions (ancillary activities) are carried out in support of your enterprise's core activity. The output of the support functions are not intended for the market/for third parties.

High-skill jobs: High-skill jobs are jobs requiring staff performing specialist functions. These are e.g. jobs requiring an academic background, management jobs or technical jobs. These jobs typically require a higher education.

2.5 Statistical unit

Legal units

2.6 Statistical population

The population is enterprises with 50 or more employees, in market-based activities outside the primary sector. The survey also covers enterprises within manufacturing and knowledge services with 20-49 employees.

2.7 Reference area

Denmark.

2.8 Time coverage

2018-2020

2.9 Base period

Not relevant for these statistics.

2.10 Unit of measure

Number of jobs, number of persons employed, number of enterprises



2.11 Reference period

The survey covers the period 2018-2020 concerning international sourcing. In relation to the number of employees by business functions within the Danish enterprise, the information relates to end of 2020. Questions related to COVID-19 and international direct trade with enterprises abroad refer to the calendar year 2020.

2.12 Frequency of dissemination

The survey has so far been carried out for the periods 2001-2006, 2009-2011, 2014-2016, and 2018-2020. In the future, the survey will be carried out every three years.

2.13 Legal acts and other agreements

Law on Statistics Denmark. In the future, the survey will be carried out every three years under the EU regulation (2019/2152) on European business statistics.

2.14 Cost and burden

No measure of response burden is available.

2.15 Comment

More information can be obtained from Statistics Denmark.

3 Statistical processing

Data for this statistics are collected via questionnaires from a population of app. 3,600 respondents with 50 or more employees. The responses are checked electronically as well as manually. Missing values are imputed in a limited number of cases, using a nearest-neighbor donor.

3.1 Source data

Data has been collected via a digital survey, and has been supplied with background information from the Business Statistical Register.

3.2 Frequency of data collection

The survey has so far been carried out for the periods 2001-2006, 2009-2011, 2014-2016, and 2018-2020. In the future, the survey will be carried out every three years under the EU regulation on European business statistics.

3.3 Data collection

Data has been collected via a digital survey, and has been supplied with background information from the Business Statistical Register.



3.4 Data validation

Via checking of the data app. xxx enterprises have been contacted in order to obtain consistent and correct data. All responses from enterprises with xxx or more persons employed have been scrutinized, after which contact to the enterprise have been taken in order to obtain consistent and correct data.

3.5 Data compilation

For the app. 200 unit non-responses, donor imputation has been used, based on the number of persons employed and the economic activity (DB07) of the enterprise. Item non-response is also treated via donor imputation, following the same criteria as for non-respondents.

3.6 Adjustment

Not relevant for this statistics

4 Relevance

The purpose of the statistics is to shed light on enterprises' international outsourcing and engagement in global value chains. The primary users of the statistics are ministries, researchers and business organizations, who need information on the influence and importance of globalization on the Danish business sector. The statistics is used for research project and analyses where globalization and outsourcing are topics.

4.1 User Needs

The primary target groups of the statistics are ministries, researchers and business organizations, who need information on the influence and importance of globalization on the Danish business sector, including the focus on whether highly qualified jobs are maintained in Denmark.

4.2 User Satisfaction

Users have expressed their satisfaction with the focus on aspects of globalization not previously addressed, namely the outsourcing of jobs. The statistics have been used for a number of research projects as well as for analyses from ministries and business organizations.

4.3 Data completeness rate

Not relevant for these statistics.

5 Accuracy and reliability

The statistics is estimated to have a high degree of precision for the main variables.



5.1 Overall accuracy

The statistics is estimated to have a high degree of precision for the main variables.

5.2 Sampling error

As the survey is exhaustive among the enterprises in the activities and size classes specified, no sampling errors occur.

5.3 Non-sampling error

Coverage errors are believed to be minimal. Measurement errors may occur, but guidelines for respondents as well as the checking and re-contact, is believed to have minimized these errors. There is no knowledge on other measurement errors in the statistics.

5.4 Quality management

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

5.5 Quality assurance

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

5.6 Quality assessment

The statistics is considered relevant, as it describes a phenomenon of interest to the Danish economy and business sector, and it is expected that the statistic - like is the case for the previous survey - will be foundation for research projects as well as analyses. The quality and reliability is believed to be high, especially concerning central variables as share of enterprises with international outsourcing and number of jobs having been outsourced. due to the guidance of respondents and a comprehensive quality checking and re-contacting of the respondents in order to obtain correct responses.

For a range of the variables collected, these can be compared to corresponding variables in the previous survey, and the statistics may be compared internationally when results from the survey in which several other European countries participate, are published. Furthermore the statistics may be compared to statistics on Accounts for non-agricultural industries and General enterprise statistics, for the activities and size-classes of enterprises included in the survey.



5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the <u>Revision Policy for Statistics</u> <u>Denmark</u>. The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

5.8 Data revision practice

No revisions of the statistics has been carried out.

6 Timeliness and punctuality

Results are published within 18 months after the end of the reference period. Publications are released on time, as stated in the release calendar.

6.1 Timeliness and time lag - final results

Results are published within 18 months after the end of the reference period.

6.2 Punctuality

These statistics are published without delay, with reference to the announced time of publication in the release calendar.

7 Comparability

Data from the survey may be compared to the data collected in the surveys from 2007, 2012 and 2017. Furthermore it will be possible to compare the results of the Danish survey to those from a range of other EU-countries. Data may also be compared to data from statistics on Accounts for non-agricultural industries and General enterprise statistics, for the activities and size-classes which are covered.

7.1 Comparability - geographical

A comparable survey is being carried out in a number of EU countries, and comparable results will be published by Eurostat in 2022.

7.2 Comparability over time

The statistics has previously been collected for the periods 2001-2006, 2009-2011 and 2014-2016. As a range of data has been collected in all three surveys, these data may be compared.

7.3 Coherence - cross domain

The statistics is based on same population within the non-agricultural private sector as the statistics of Accounts for non-agricultural industries and General enterprise statistics, except for the cut-off of 50 or more employees. Data from the statistics for enterprises with 50 or more employees may therefore be compared to the statistics on international outsourcing.



7.4 Coherence - internal

The final statistical dataset has a high degree of internal consistency. Internal consistency has been a focal point throughout the work of data validation.

8 Accessibility and clarity

These statistics are published yearly in a Danish press release (Nyt fra Danmarks Statistik - in Danish only), at the same time as the tables are updated in the StatBank. In the StatBank, these statistics can be found under <u>Outsourcing</u>. Furthermore data can be made available to researchers.

8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

8.2 Release calendar access

The Release Calender can be accessed on our English website: <u>Release Calender</u>.

8.4 News release

These statistics are published in a Danish press release (Nyt fra Danmarks Statistik - in Danish only).

8.5 Publications

No publication currently planned.

8.6 On-line database

The statistics are published in the StatBank under <u>Outsourcing</u> in the following tables:

- <u>ORGOUT1</u>: International sourcing by population, functions, industry and sourcing
- **ORGOUT10**: International sourcing by population, functions, industry and unit
- <u>ORGOUT20</u>: Jobs sourced internationally by population, industry and type of job
- ORGOUT35: International sourcing of functions by population, functions, destination and unit
- <u>ORGOUT40</u>: Enterprise motivation factors for international sourcing by population, motives, industry and importance



8.7 Micro-data access

Researchers and other analysts from authorized research institutions, can be granted access to the underlying micro-data by contacting <u>Research Services</u>.

8.8 Other

The survey is part of a European project, and data will be delivered to Eurostat in 2018.

8.9 Confidentiality - policy

Data Confidentiality Policy at Statistics Denmark.

8.10 Confidentiality - data treatment

There has been no need to leave out table cells due to confidentiality. The normal practice concerning confidentiality will be followed if the need arises.

8.11 Documentation on methodology

Not relevant for these statistics.

8.12 Quality documentation

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

9 Contact

The administrative placement of these statistics is in the division of Business Dynamics. The person responsible is Alina Grecu, tel.: + 45 3917 3731,, e-mail: agc@dst.dk.

9.1 Contact organisation

Statistics Denmark

9.2 Contact organisation unit

Business Dynamics, Business Statistics

9.3 Contact name

Alina Grecu

9.4 Contact person function

Responsible for the statistics

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N/A