Report on

Employer Skill Need Survey

2024

MINISTRY OF LABOUR AND VOCATIONAL TRAINING

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Preface

In contribution to ensuring the resilience of the Cambodian economy, the Ministry of Labour and Vocational has been active in establishing and updating labour-related policies and strategic plans. In the ministry's recent Five-year Strategic Plan for Labour, Social Security and Vocational Training, Organization and Implementation of Active Labour Market Policies (ALMPs) were set as the first priority area aiming at conducting labour market-related research that ultimately will support the improvement of career counselling and guidance and job seeking services and productivity.

The Employer Skill Need Survey (ESN), which is a demand-side or employers' survey, had been previously conducted by the National Employment Agency (NEA) for four times in 2012, 2014, 2015, and 2017. These past versions of the ESN had provided key labour market indicators at the establishment level, such as the structure of employment, workforce skills, skill gaps and shortages, recruitment difficulties and human resources development practices in selected priority sectors as determined by various national policies. Furthermore, their results drew attention of relevant stakeholders, including the private sector, education and training institutions, and development partners, to actively take part in an exchange of information and cooperation to minimize the mismatch between the demand and supply of labour. For instance, the efforts to minimize this mismatch can be seen through a modernized provision and curriculum design of Technical and Vocational Education and Training (TVET) as well as improved coverage and quality of career counselling and guidance programs.

This survey aims to offer a current assessment of the challenges and opportunities faced by establishments as Cambodia continues its economic recovery and adapts to rapid technological advancements. We invite readers to engage with this study and leverage its findings and conclusions to stay informed about the evolving dynamics of Cambodia's labour market.

Phnom Penh, 10th October 2024

Minister

HENG SOUR

Acknowledgements

This report is a collective endeavour of the Ministry of Labour and Vocational Training (MLVT), which presents the findings of the "2024 Employer Need Survey".

It was prepared by a core team comprising CHREA Sesokunthideth, KY Sereyvuth, BUN Bopith, SAN Sras, and PHY Sokunyanuch.

We would like to express our sincere gratitude to **H.E. HENG Sour**, Minister of the Ministry of Labour and Vocational Training for his initiative and kind guidance so that the project was formed and produced meaningful results. Furthermore, we would like to express our profound gratitude to **H.E. KUOCH Somean**, Secretary of State of the MLVT, for his initiative and technical guidance through this research project, and **H.E. Dr. CHUOP Theot Therith** Under Secretary of State of MLVT for his reviews and comments. We would also like to profoundly thank **H.E. BRONH Sopheana**, Secretary General of the General Secretariat of the National Council for Minimum Wage (GSNMW), who provided support, feedback, and comments. In addition, we are thankful for valuable comments from the MLVT's technical advisor team during the data analysis and report writing process. Without the hard work and assistance in data collection, administrative tasks, and Khmer translation by members of the Research Unit of the GSNMW, whose names are not included here, the research and its report would not have been made possible.

We are deeply grateful for the generous cooperation and valuable time of all survey participants. Lastly, we would like to thank all participants in the Validation Workshop on Results and Implications of the Employer Skill Need Survey and Job Outlook 2024 who provided helpful comments to improve the interpretation of the results.

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List of Abbreviations

CEOs	Chief Executive Officers
CSES	Cambodia Socio-economic Survey
CSJ	Cambodia Skills and Jobs Survey
ESN	Employer Skill Need
GDP	Gross Domestic Products
HR	Human Resource
ICT	Information Communication Technology
ISCO	International Standard Classification of Occupations
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
LACMS	Labour Centralized Management System
MEF	Ministry of Economy and Finance (Cambodia)
MLVT	Ministry of Labour and Vocational Training (Cambodia)
NEA	National Employment Agency (Cambodia)
NIS	National Institute of Statistics (Cambodia)
TVET	Technical and Vocational education and Training

Executive Summary

Cambodia is on a journey of recovery with a positive growth rate of 3.1% in 2021, and it continued this positive trend in the following years, despite the global economic crisis introduced by the COVID-19 pandemic. Employment disruption from COVID-19 saw temporary layoffs and contract suspension, especially in the tourism sector, which was affected directly by the pandemic. On top of that other key sub-sectors, such as textiles, garments, footwear, and travel goods and bags, also had similar experiences. With the economy gradually bouncing back to its pre-pandemic state, workers started to resume or look for new jobs in the same or different industries. Adjusting to new domestic work environments and practices may require some level of upskilling and reskilling to some extent.

Along with this employment recovery, technological change is expected to transform the Cambodia labour market in the medium and long term as the country is promoting the adoption and integration of digital technologies in government services, businesses, and people (RGC, 2022). This implies the need for upskilling and reskilling of the workforce to meet the demand of the future labour market, with which the Ministry of Labour and Vocational Training (MLVT) plays a key role in promoting the formation and implementation of essential supporting policies. With an understanding of this role, the MLVT conducted an Employer Skill Need Survey to assess the structure of employment in key sub-sectors of the Cambodian economy and the skill and recruitment challenges faced by employers and establishments' business and employment prospects.

Sample establishments were selected using a stratified random sampling technique. The data collection was conducted in ten provinces, namely Phnom Penh, Kandal, Kampong Speu, Battambang, Siem Reap, Kampong Cham, Takeo, Kampong Chhnang, Preah Sihanouk, and Svay Rieng, where there is a high concentration of business activities. Small, medium, and large size establishments 13 selected sub-sectors were surveyed, namely accommodation and restaurants, construction, education, finance and insurance, garment, footwear, and travel goods and bags (GFT), human health activities, information and communication technology (ICT), manufacturing of electronics and electrical equipment, remanufacturing of food and beverages, manufacturing of rubber and plastics, manufacturing of wood and paper products, other manufacturing, and transportation, warehousing, and logistics. The analysis is based on a descriptive statistical approach using weights of the establishments and employment, making data interpretation represent the targeted population. Occupations in this study are based on the International Standard Classification of Occupation (ISCO-08). The survey provides findings on the employment structure as follows.

Cambodian workforces are highly concentrated in lower-skilled occupations, while foreign workers tend to work in higher-skilled jobs. With the workforce being naturally dominated by Cambodians, foreign workers account for a minimal 2.1% of the total workforce. Nonetheless, the foreign workers' share in managerial positions is nearly 30%. Foreigners seeking work in Cambodia are working in managerial occupations at 50.8%, followed by 21.0% as professionals, while another 16.6% as craft and related trades occupations. On the other hand, Cambodian workers are highly concentrated in lower-skilled jobs, where 25.7% are working in elementary occupations, plants, and machine operators at 25.2%, as well as 27.4% are in craft and related trades occupations. Generally, manufacturing sectors have a higher number of employments compared to other service sub-sectors, except accommodation and restaurants and finance and insurance, where employment is generally higher. However, the garment, footwear, and travel goods and bags sub-sector employs the most workers, around 950,000. In addition, a large proportion of workers in these manufacturing sub-sectors

are labourers and unskilled workers, unlike other service sub-sectors such as human health activities, education, finance and insurance, where workers are concentrated highly in high-skilled occupations.

There is a positive prospect for business and employment amongst establishments. Optimistic prospects in business through the plan to introduce new products/services and expand the market imply a positive prospect for job creation. Along with that, there are 61.4% of the establishments are planning to do so. In response to that expansion, establishments report that existing staff training and recruiting new staff could be a viable approach. Between the second half of 2024 and the second half of 2025, establishments expect employment to grow 3.8% bi-annually on average, equalling that around 60,000 workers are needed every six months. Meanwhile, the turnover rate is low on average at 12.8%. Construction, manufacturing of electronics and electrical equipment, and other manufacturing are exceptions, with a turnover rate of around 20%. Considering workers' mobility and positive prospects in businesses, 57.4% of the establishments have at least one vacancy in the next six months, or 12% of the current workforce is expected to be hired, with garment, footwear, and travel goods and bags being the main contributors.

However, recruitment is also expected to be challenging, which can result in higher workloads for existing employees and delays in business development. Establishments need to adjust selection criteria and hiring channels. 27.3% of the establishments expected that the recruitment situation would be difficult, which could result in their adjustment to recruitment requirements on offered wage and/or required qualifications. In addition, recruitment difficulties can cause delays in new products and services development and introduction of new working practices, loss in business due to not meeting customer requirements and losing orders to competitors, etc. This difficulty can also force establishments to offer higher wages or benefits to attract qualified applicants and/or lower education and skill requirements, which can result in skill gaps. With these recruitment difficulties, establishments tend to rely on training for existing employees to enhance their productivity to cope with increasing workloads and new tasks, in combination with increasing spending in hiring and changing recruitment channels. Notably, most of the establishments (around 70%) rely on their digital platforms, such as websites and social media and informal channels, including friends and acquaintances.

Besides recruitment difficulties, the skill gap is a remaining challenge, while the establishments have appeared generous in employing new graduates and first-time job seekers in the past six months. The survey found that nearly 30% of them reported having skill gaps amongst employees. The main cause is being new to the role (63.1%), followed by performance not having improved after training (43.6%) and inability to recruit staff with required skills (37.0%). The highest proportion of establishments reporting having a skill gap is in the manufacturing of food and beverages (54.2%) and garment, footwear, and travel goods and bags at 45.6%, while the smallest proportion is found in ICT and manufacturing of rubber and plastics. It appears from the survey that establishments mostly welcome first-time job seekers, with nearly 70% of them recruiting first-time job seekers or new graduates across different education levels during the past six months, and on average, first-time job seekers or new graduates constitute around half of those new recruits, with manufacturing of electronics and electrical equipment and manufacturing of food and beverages being the most generous, 80.2% and 70.6% of the establishments respectively. Though first-time job seekers or new graduates are commonly new to the positions, they are rated well above average in preparedness for the job, indicating the likely good performance of these new workers.

Establishments offer employee training, yet the limited availability of information and courses, as well as the quality of the training, remain challenging. The results on human resource development practices revealed that 58.9% of the establishments provided training to employees during the past six months; training is more prevalent in education (89.0% of the establishments), manufacturing of electronics and electrical equipment (77.2%) and manufacturing of food and beverages (74.7%), while the least prevalence is in ICT (36.5%) and construction (41.2%). Amongst those provided with training, 20.4% of them report having training provision difficulties owing to the unavailability of information as well as quality training courses and trainers. While planning is easier to make and budgeting makes the training happen, a majority of the establishments (72.1%) have only a training plan, while 6.9% have only a training budget, and 17.8% have both.

1. Introduction

1.1. Background of the Study

Due to changes in the socio-economic context and the labour market situation, the Royal Government of Cambodia (RGC) has emphasised the need for human capital development in various national strategic plans and policies. The RGC's Pentagonal Strategy (Phase I) for employment growth, equity, efficiency, and sustainability also identified human capital development as the first of the five key priorities. Specifically, Pentagon 1 focuses on human capital development, ensuring the quality of education and training and health, and Pentagon 2 focuses on the private sector and employment through labour market policies and strengthening the Public Private Partnership, to name a few. Additionally, the Cambodia Industrial Development Policy (IDP) 2015-2025 focuses on transforming the industrial structure from labour-intensive to skill-based and integrating the Cambodian economy into the global value chain and regional production networks.

In accordance with the above strategic plans, the government has formulated various employment and human development policies to respond to the country's development and market demands. Therefore, the Employer Skill Need (ESN) survey provides empirical evidence to understand employers' needs and address significant labour market issues. The findings from this survey play an important role in helping policymakers and the government make informed decisions.

The ESN survey, which is a demand-side or employers' survey, was previously conducted four times by the National Employment Agency (NEA) in 2012, 2014, 2015, and 2017. Then, NEA conducted an alternative survey called the 2020 Cambodia Skills and Jobs (CSJ) survey in 2020, which is known as the country's first supply-side investigation into qualifications and skills mismatches. Investigating the employment situation and skills from both the demand side and supply side has provided a complete picture of how the labour market in Cambodia is performing. Therefore, this 2024 ESN, which is a demand-side survey, aims to collect establishment-level information and data that ultimately provide a new understanding of the overall employment situation and skills in selected key sub-sectors.

1.2. Research Objectives

This study based on the 2024 ESN seeks to achieve the following objectives:

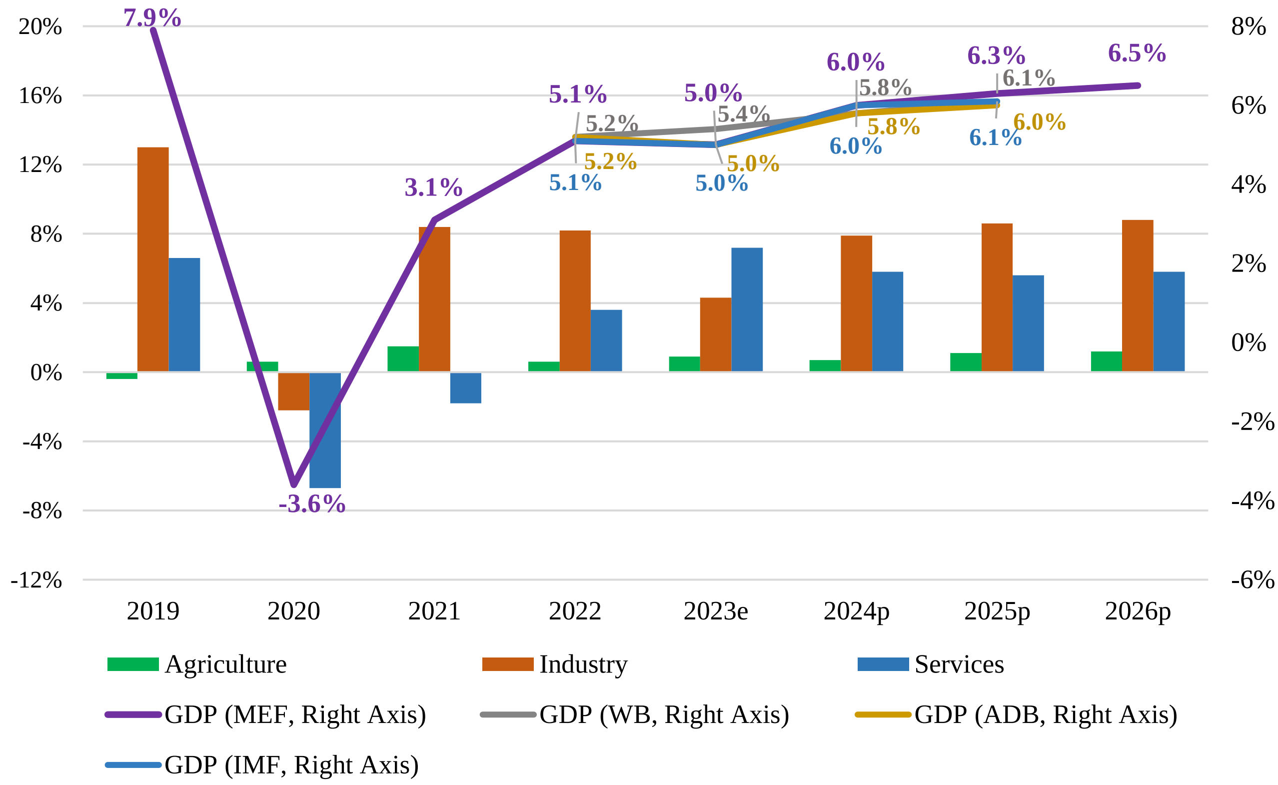
- Analyse the current employment structure in Cambodia, disaggregating data by sex, foreignness, ISCO major group classification, and skill level.
- Assess business and employment growth sentiments among establishments in the short and medium term.
- Evaluate the recruitment situation in Cambodia, including its impacts on businesses and their responses.
- Identify the prevalence of skill gaps across various sub-sectors, their underlying causes, and the training provisions offered by establishments.
- Examine the recruitment and performance of first-time job seekers by establishments in different sub-sectors and education levels.
- Determine the recruitment channels utilised by establishments to attract and hire talent.

1.3. Cambodia’s Economic and Labour Force Situation

1.3.1. Economic Situation

Cambodia was one of the world’s fastest-growing economies, with an average growth rate of about 7% between 2010 and 2019. In 2020, the emergence of the COVID-19 pandemic caused Cambodia’s economy to decline to -3.6%. However, growth has gradually bounced back to 3.1% in 2021 and 5.1% in 2022, and it is estimated to have a similar growth rate of 5.0% in the following year. The Ministry of Economy and Finance (MEF) has predicted growth rates of 6.0% in 2024 and 6.3% in 2025. These forecasts align with those of major international organisations like the World Bank, the Asian Development Bank (ADB), and the International Monetary Fund (IMF). Furthermore, it is important to note that the recovery of production chains, the positive performance of non-garment sub-sectors, and the government's successful efforts to attract and restore confidence among foreign investors are the major factors that have contributed to this growth.

Figure 1.1. Gross domestic product (GDP) growth by sector and the estimation by different international organizations



Note: *Data on GDP growth from the World Bank, ADB, and IMF was obtained from each organization’s report, issued in April 2024. The statistics from the Ministry of Economy and Finance are the rebased GDP in which 2014 was used as the base year. *e: estimation, p: projection.*
Source: *Ministry of Economy and Finance, World Bank, Asian Development Bank, and International Monetary Fund.*

The agricultural sector, the backbone of Cambodia's development in terms of GDP and employment, experienced slow growth in 2020 but will likely recover in the coming years, reaching 0.7% in 2024, 1.1% in 2025, and 1.2% in 2026. Recently, rice and cashew nut production has achieved a significant increase, making crop production the largest output contributor to the total national GDP. This positive trend is also attributed to various factors, including free trade agreements, government investments, tax and domestic production.

The pandemic caused a significant decline of 2.2% in sectoral growth for the manufacturing sector in 2020. However, the sector has since experienced a strong recovery, with projected growth rates of 4.3% in 2023, 8.6% in 2025, and 8.8% in 2026. The garments, footwear, and textile sub-sector has contributed significantly to this recovery, but it contracted by 3.5% in 2023 because of low demand and the continuous conflict between Russia and Ukraine. In 2024, this sector was projected to have a significant rebound with 7.5% growth owing to the increase in global demand. Other non-garment manufacturing industries, such as electronics, automobile assembly, and food and beverage production, are also playing a role. The construction sub-sector is expected to maintain slow growth in 2024 and 2025, primarily due to a decrease in construction and construction-related activities. However, it is projected to experience a resurgence in growth in 2026, with a growth rate of 4.0%.

The services sector, which was significantly affected by the pandemic in 2020, has recovered to a growth rate of 3.6% in 2022 and is projected to reach 5.6% in 2025 and 5.8% in 2026. While the tourism industry has shown fluctuating performance, the accommodation and restaurant sub-sector has experienced strong growth of 22.0% and 47.5% in 2022 and 2023, respectively. This strong growth was due to the end of COVID-19's lockdown, making local demands gradually return to normal. The wholesale and retail sub-sectors are expected to maintain an average annual growth rate of 5% from 2023 to 2026. The overall expansion of the service and industrial sectors is anticipated to create more jobs, while the agricultural sector's value-added growth remains slow due to a decline in the labour force as workers seek higher-paying jobs in other sectors.

Table 1.1. Cambodia's economic growth by sector and sub-sector (2019-2026p)

Sector	2019	2020	2021	2022	2023e	2024p	2025p	2026p
AGRICULTURE	-0.4%	0.6%	1.5%	0.6%	0.9%	0.7%	1.1%	1.2%
Crops	0.6%	0.6%	2.2%	1.1%	1.3%	1.6%	1.6%	1.7%
Livestock & Poultry	-1.5%	0.7%	-1.0%	-1.3%	0.1%	0.2%	0.3%	0.4%
Fisheries	-2.6%	0.9%	2.3%	1.2%	0.9%	-2.0%	0.3%	0.5%
INDUSTRY	13.0%	-2.2%	8.4%	8.2%	4.3%	7.9%	8.6%	8.8%
Textile	12.9%	-7.7%	15.9%	11.3%	-3.5%	7.5%	9.4%	9.1%
Construction	18.7%	-7.6%	-8.0%	0.9%	0.7%	1.1%	2.5%	4.0%
Manufacture of food products	7.8%	3.4%	4.2%	7.6%	7.3%	7.7%	7.5%	6.7%
Manufacture of beverages & Tobacco	7.7%	4.4%	7.9%	5.6%	6.8%	7.7%	8.4%	8.9%
Other industries	8.4%	11.9%	16.8%	10.3%	17.0%	13.0%	11.7%	11.7%
SERVICES	6.6%	-6.7%	-1.8%	3.6%	7.2%	5.8%	5.6%	5.8%
Accommodation and Food Service Activities	5.5%	-34.2%	-39.5%	22.0%	47.5%	12.6%	8.4%	7.3%
Trade	5.7%	-6.3%	2.5%	4.5%	4.0%	5.3%	5.9%	6.1%
Transportation & Storage	8.4%	-2.7%	3.8%	4.7%	4.7%	5.2%	5.8%	6.2%
Information & Communication	9.8%	11.5%	12.0%	9.0%	9.0%	8.0%	7.5%	7.5%
Financial & Insurance Activities	7.9%	4.3%	3.2%	-1.0%	-4.0%	0.1%	1.5%	2.8%
Real Estate	8.7%	-8.3%	-8.5%	0.5%	0.0%	1.2%	2.8%	3.7%
Other services	5.8%	2.2%	5.8%	0.8%	6.8%	7.0%	6.0%	6.0%
GDP	7.9%	-3.6%	3.1%	5.1%	5.0%	6.0%	6.3%	6.5%

Source: *Ministry of Economy and Finance (April 2024). *e: estimation, p: projection.*

1.3.2. Labour Force Situation

A. Demographic Structure

In 2019, Cambodia had approximately 15.5 million people. Cambodia's population was occupied by a high proportion of the working-age population (aged between 15 and 64), accounting for about 64.7% of the total population in 2019. The United Nations (UN) has projected that Cambodia's population will reach about 17.2 million people in 2023 with a 2.1% annual growth rate, of which 64.5% are working-age population aged between 15 and 64. This large and growing young population shows the country's ability to enhance its economy by increasing the potential labour force. However, it is crucial for Cambodia to improve the labour competitiveness by equipping this labour force with up-to-date skills to respond to the rapid change in the labour market.

Table 1.2. Population structure by age and gender in Cambodia (2019-2023)

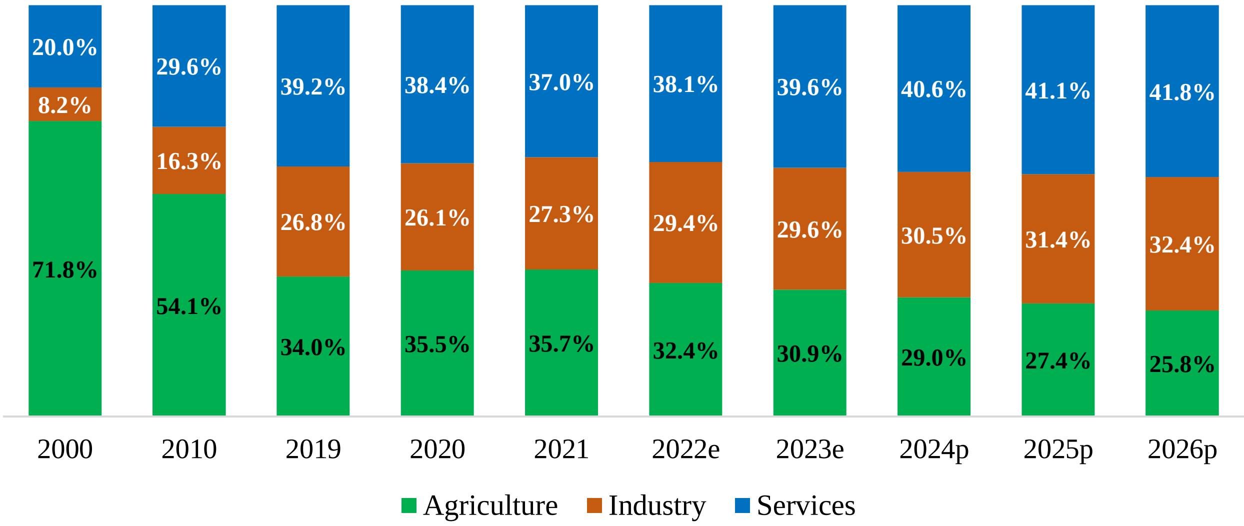
Age Group	2019		2023		Annual Average Change (2019-2023)	
	Population (thousand)	Share (%)	Population (thousand)	Share (%)	Population (thousand)	Growth rate (%)
0-14	4,571	29.4%	5,221	30.4%	130.0	2.8%
15-24	2,665	17.1%	2,967	17.3%	60.5	2.3%
25-34	2,734	17.6%	2,905	16.9%	34.2	1.3%
35-44	2,059	13.2%	2,571	15.0%	102.4	5.0%
45-54	1,504	9.7%	1,436	8.4%	-13.7	-0.9%
55-64	1,106	7.1%	1,193	6.9%	17.2	1.6%
65+	912	5.9%	876	5.1%	-7.3	-0.8%
Total	**15,552**	**100%**	**17,169**	**100%**	**323.3**	**2.1%**

Source: *Cambodia Population Census 2019, World Population Prospects (United Nations).*

B. Labour Force

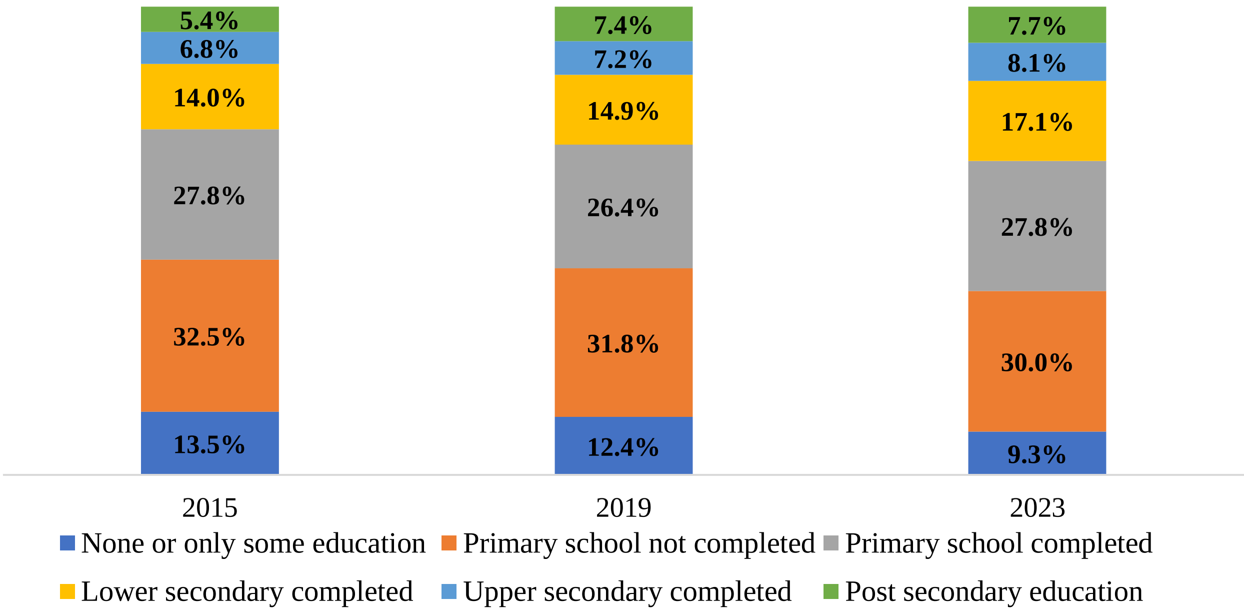
In addition to the above population structure, as shown in Figure 1.3., the employment share of the population aged 15-64 years in the agriculture sector has decreased over time, representing the movement of workers to higher value-added sectors. In contrast, the industry sector has experienced a significant increase in employment shares over the last two decades, from 8.2% in 2000 to about 27.3% in 2021, with an optimistic future. The service sector has also gained the largest share of employment since 2021. Based on these statistics, it is obvious that Cambodia is transitioning its economy to an industry- and services-based economy. Cambodia needs a better quantity and quality workforce to respond to this growing demand in the industry and services sectors. However, according to the Cambodia Socio-Economic Survey conducted by the National Institute of Statistics, Ministry of Planning, a majority of the labour force (87.8%) had a low level of education in 2015, and this share was slightly reduced to 85.4% in 2019 and 84.2% in 2023. The labour force with upper secondary and higher education has slightly increased from 12.2% in 2015 to approximately 15.8% in 2023.

Figure 1.2. Employed population (15-64 years) by sector



Source: *National Institute of Statistics and Ministry of Economy and Finance. *e: estimation, p: projection.*

Figure 1.3. Labour force participation rate (15-64 years) by level of education



Note: *The labour force participation rates in 2015 and 2019 were extracted from the official reports of the Cambodia Socio-Economic Survey by the National Institution of Statistics (NIS), while the rate in 2023 was the authors' calculation.*
Source: *Cambodia Socio-Economic Survey (2015, 2019/20, 2023).*

Cambodia had a labour force participation rate (LFPR) of 83.6% in 2023, considering the working-age population between 15 and 64 years of age. This data indicates the availability of a large labour supply to support the business operation within the country. Men tend to engage in the labour force more than women in each age group. Moreover, based on the estimation of the International Labour Organization (ILO), Cambodia's LFPR of the total population aged over 15 in 2023 is 75.8%, which is higher than that of Viet Nam (73.0%) and Thailand (67.1%).[1] It is also important to note that the LFPR of the age group 15–24 was only 64.6% in Cambodia for both women and men, which signifies

[1] https://databank.worldbank.org/reports.aspx?source=2&series=SL.TLF.CACT.ZS&country=

that a significant proportion of the population in this age group remains in education or training. This implies a good prospect for future human capital in the economy.

Table 1.3. Labour Force Participation Rate by gender and age group

Age Group	2019			2021			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
15-24	71.4%	75.0%	**73.2%**	65.4%	70.5%	**67.9%**	61.3%	67.9%	**64.6%**
25-34	92.1%	98.0%	**95.0%**	86.1%	96.9%	**91.4%**	87.6%	97.2%	**92.3%**
35-44	92.4%	98.8%	**95.5%**	89.9%	98.0%	**93.9%**	89.8%	98.0%	**93.8%**
45-54	88.1%	97.5%	**92.6%**	83.7%	96.7%	**89.9%**	84.0%	96.1%	**89.6%**
55-64	74.9%	90.9%	**82.0%**	67.6%	86.4%	**76.0%**	71.0%	88.9%	**79.3%**
15-64	84.1%	91.0%	**87.4%**	78.9%	88.7%	**83.7%**	79.0%	88.5%	**83.6%**

Note: *The labour force participation rates in 2019 and 2021 were extracted from the official reports of the Cambodia Socio-Economic Survey by the National Institution of Statistics (NIS), while the rate in 2023 was the authors' calculation.*
Source: *Cambodia Socio-Economic Survey (2019/20, 2021, 2023).*

Within the employed population, 71.9% of the employed population aged between 15 and 24 are paid employees, 0.1% are employers, 9.0% are self-employed, and 19.0% are unpaid family workers. The proportion of paid employees has reduced to 63.1% for the employed population in the age group 25-34, while that of the self-employed population has increased to 24.8%. The share of unpaid family workers declined to 12.0%. Interestingly, as the population ages, they tend to move from the formal employment sectors to self-employed workers, as suggested by the decreasing share of paid employees and increasing share of self-employed. This trend can be translated as a shift towards more independent career paths or entrepreneurial ventures, or it could be attributed to factors such as retirement planning, flexibility needs, or cultural expectations.

Table 1.4. Employed population (15-64 years) by employment status in 2023

Age Group	Paid employee	Employer	Own account worker/self-employed	Unpaid family worker	Total
15-24	71.9%	0.1%	9.0%	19.0%	100.0%
25-34	63.1%	0.1%	24.8%	12.0%	100.0%
35-44	46.7%	0.1%	42.0%	11.1%	100.0%
45-54	32.3%	0.1%	54.9%	12.7%	100.0%
55-64	23.2%	0.1%	61.3%	15.4%	100.0%
15-64	51.4%	0.1%	34.8%	13.6%	100.0%

Source: *Author's calculation based on the Cambodia Socio-Economic Survey (2023).*

2. Methodology

2.1. Sampling

This study employed the sample drawn from the list of businesses or enterprises registered at the Labour Centralized Management System (LACMS) of the Ministry of Labour and Vocational Training (MLVT). Sampling was carried out using a stratified random sampling technique, in which the sample was selected based on the location and size of the establishments. We choose the sample of establishments from ten provinces, including Kandal, Kampong Cham, Kampong Chhnang, Kampong Speu, Takeo, Battambang, Preah Sihanouk, Phnom Penh, Siem Reap, and Svay Rieng. To ensure a broad range of insights across different business sizes, a sample is drawn amongst three establishment sizes classified as small-sized (10-19 employees), medium-sized (20-99 employees), and large-sized (100+ employees).

Sample establishments are classified into thirteen sub-sectors, including accommodation and restaurants; construction; education; finance and insurance; Garment, footwear, and travel goods and bags; human health activities; information and communication technology (ICT); manufacturing of electronics and electrical equipment; manufacturing of food and beverages; manufacturing of rubber and plastics; manufacturing of wood and paper products; transportation, warehousing, and logistics; and other manufacturing (see Appendix C for further details of industrial classification). These sub-sectors make a total of 8,547 establishments, employing 1,427,605 employees. As a result, a total of 577 establishments were interviewed, representing a total workforce of 183,596 employees. The population and achieved sample are used to calculate weights for establishments and employment, following the interlocking grid of sectors by establishment size.

2.2. Questionnaire Design

Questionnaire development went through revisions that sought to balance complexity and length while maintaining much of the useful information from the establishments. The questionnaire consists of the following main sections.

- Section A - Firmographics: This section aims to collect the establishment's information such as name, address, contact person, respondent, year established, legal status, types of business, ownership, and business activities. Business activity in this section allows the author to identify discrepancies in sector designation from the sampling versus the actual sector from the data collection.
- Section B - Employment: this section seeks to collect information on employees, focusing on past employment, and current and short- and medium-term prospects of employment in the establishments. Furthermore, current employees are disaggregated by ISCO Level 1 and by gender and foreignness. The section also asks questions about the number of employees who have left and been recruited during the past six months. It also asks for the number of employees expected to quit and be recruited in the next six months.
- Section C - Employers' perception of first-time job seekers: this section aims to gather information on the number of first-time job seekers who are mostly new graduates disaggregated by education level. Education levels consist of 3 levels in the general education stream and five levels in TVET, namely higher education, upper secondary and lower secondary education for general education, and TVET C1, C2, C3, High Diploma of Technology/Business Education, and Bachelor of Technology/Business Education [2]. In addition, the section asks establishments to provide the preparedness score of these first-time job seekers on a scale of 1 to 5.
- Section D - Skill Gaps: This section seeks to collect information on skill gaps and training situations amongst establishments by asking establishments whether they experienced skill gap issues where existing employees are not performing at the required levels and what the causes of this skill gap are. In training, the section asks establishments whether they have provided

[2] Cambodia Qualification Framework, 2014

training to their employees during the past six months and the challenges they experienced in doing so. The section further asks about their training plan or budget, or both for the following year.

- Section E – Vacancy: This section aims to collect information on whether the establishments recruit and the incidence of recruitment during the next six months. The section further asks establishments to assess the recruitment difficulty level on a scale of 1 to 5 (i.e., very easy to very difficult) and the impact of the difficulty on the recruitment process and business and how establishments respond to it.
- Section F - Establishments' business strategy: this section asks establishments about their future business intention to introduce new products, services, technologies, or expand/switch to new markets, which might connect with the employment growth prospects. The section additionally asks how establishments cope with introducing new products, services, and technologies or expanding/switching to new markets, either through internal training, new recruitment, or others.

2.3. Data Analysis

This study utilises a descriptive data analysis approach to interpret and provide implications of the findings. Descriptive statistics are obtained using the assigned weight of establishments and employment.

International Standard Classification of Occupations (rev. 08) is utilised, excluding Skilled Agricultural, Forestry and Fishery Workers and Armed Forces. We regroup the eight remaining ISCO major groups into four broad occupation groups: high-skilled, skilled non-manual, skilled manual, and unskilled (see Table 2.1).

Table 2.1. Classification of the four broad occupation groups

<table>
<tr><th>Broad occupation group</th><th>ISCO Major Groups</th><th>Skill Level</th></tr>
<tr><td>High Skilled</td><td>ISCO_1: Managers
ISCO_2: Professionals
ISCO_3: Technician and associated professionals</td><td>Tertiary
(ISCED 5-6)</td></tr>
<tr><td>Skilled non-manual</td><td>ISCO_4: Clerical support workers
ISCO_5: Services and sales workers</td><td rowspan="2">Secondary
(ISCED 2-4)</td></tr>
<tr><td>Skilled manual</td><td>ISCO_7: Craft and related trade workers
ISCO_8: Plant and machine operators and assemblers</td></tr>
<tr><td>Unskilled</td><td>ISCO_9: Elementary occupation</td><td>Primary (ISCED 1)</td></tr>
</table>

2.4. Limitations

The study faces two main limitations. First and foremost, despite aiming to inform about employment and skill situations in key sub-sectors, this study does not investigate what specific occupations have hard-to-fill vacancies and skill gaps and what particular skills employees are under-skilled. Second, utilising the establishment population from the LACMS means only formal establishments participated in the survey. While establishments in the informal sector might have distinct characteristics from those in the formal sector, such as employment structure, recruitment decisions, and operating activities, thus the conclusion in this report only applies to the formal sector. Therefore, future research should delve deeper into specific occupations and skills and consider expanding its scope to include informal sector establishments and a wider range of sectors.

3. Findings

3.1. Establishments' Characteristics

This section provides insights into the key characteristics of the establishments surveyed in 2024. This study classifies establishments based on sub-sectors, establishment age, employment creation, business registration status, size, occupational concentrations, and ownership nationality. The analysis is based on sampling weights to obtain the representative distribution of establishments or employment in the population. This survey achieved 577 sampled establishments, and a majority of them are domestic-owned, accounting for 47.8%. The proportion of foreign-owned establishments is approximately 41.2%, while the joint venture has about 11% (see further details in Appendix D, Table D.4.).

Table 3.1. Distribution of the sampled establishments and employment by sub-sector

Sub-sector	Establishment		Employment	
	Number	*Share*	*Number*	*Share*
Accommodation & Restaurants	45	7.8%	9,047	4.9%
Construction	34	5.9%	3,430	1.9%
Education	90	15.6%	6,872	3.7%
Financial and Insurance	124	21.5%	20,603	11.2%
Garment, Footwear, and Travel Goods and Bags	59	10.2%	101,745	55.4%
Human Health Activities	34	5.9%	1,197	0.7%
Information Communication Technology	14	2.4%	1,289	0.7%
Manufacturing of Electronics and Electrical Equipment	22	3.8%	18,345	10.0%
Manufacturing of Food and Beverages	24	4.2%	6,368	3.5%
Manufacturing of Rubber and Plastics	24	4.2%	2,056	1.1%
Manufacturing of Wood and Paper Products	19	3.3%	2,082	1.1%
Other Manufacturing	46	7.8%	9,047	4.9%
Transportation, Warehousing and Logistics	42	7.3%	7,057	3.8%
Total	**577**	**100.0%**	**183,596**	**100.0%**

First, the establishments in the accommodation and restaurant sub-sector share about 7.8% of total establishments and cover 4.9% of employment. Of all occupations in this sub-sector, 40.5% are services and sales workers, 17.2% are technicians, and 14.3% are elementary occupations. Cambodian ownership is dominant (68.9%), and the sub-sector has seen significant recent growth, with 46.7% of establishments established between 2011 and 2020. Over half of the establishments are medium (20-99 employees), and the rest are small (10-19 employees) and large (100+ employees) establishments. Nearly half of the establishments are operated by individual proprietors, indicating a prevalence of small, family-owned businesses.

Second, the construction sub-sector has only a 5.9% share of total sampled establishments, with a 1.9% share of employment, likely due to project-based work leading to employment fluctuations. Nearly 60.0% of total establishments are Cambodian-owned. Professionals who involve complex problem-solving and decision-making based on specialised knowledge have the largest share among all occupations in this sub-sector. Furthermore, it is dominated by small and medium establishments at 82.4%. Private limited establishments are the dominant entity type, suggesting a significant presence of formally registered companies. It is also important to note that the construction sub-sector has been hit hard by COVID-19, for this pandemic has halted some construction projects and led to a decline in demands for housing and investment.

Third, the education sub-sector shares 15.6% of the sample and 3.7% of employment. Interestingly, Cambodians own 85.4% of establishments in this sub-sector, and a majority of employees are professionals and technicians, with 51.5% and 16.2%, respectively. Most educational institutions in this sub-sector are medium-sized, with a share of 53.3%, followed by 26.7% of large institutions and 20.0% of small institutions. Moreover, about 80% of them are established after 2011.

Fourth, the financial and insurance sub-sector shares 21.5% of establishments and 11.2% of employment. About half of the establishments are owned by foreign individuals. Interestingly, the occupation concentration has switched to professionals and technicians, compared to the 2017 survey in which the focus is on services and sales workers. This shift can be a result of technology in the banking system, which increases the demand for high-skilled workers.

Fifth, the garment, footwear, and travel goods and bags sub-sector is considered a major employer, accounting for 55.4% of employment despite having only 10.2% of establishments. Furthermore, a significant proportion of establishments are foreign-owned (86.2%), reflecting the export-oriented nature of the sector. As for the size of establishments, they are predominantly large, making this sub-sector play a crucial role in promoting Cambodia's exports.

Sixth, establishments in the human health activities sub-sector, with a 5.9% share of establishments and a 0.7% share of employment, are mostly domestically owned (73.5%). Professionals, technicians, and associate professionals constitute the largest occupational group (68.6%) of this sub-sector. However, a majority of establishments are small, with only 5.9% large. Nevertheless, this sub-sector comprises 58.8% of establishments that have just started their businesses between 2021 and 2024. This shows a rapid increase in the demand for health care services by Cambodian people, reflecting the perception and knowledge of people towards a better lifestyle.

Seventh, accounting for a small share of establishments (2.4%) and employment (0.7%), the information communication technology (ICT) sub-sector is dominated by Cambodian-owned establishments (85.7%). The sub-sector is comprised primarily of small establishments (50.0%) and requires a significant proportion of skilled workers, as suggested by 35.4% of professional occupations and 16.4% of technicians and associate professional occupations. Interestingly, 42.9% of establishments are created after 2021, which reflects the influx of technology into the economy. Such progress plays an important role in helping improve other sub-sectors by using modern technologies.

Eighth, the manufacturing of electronics and electrical equipment sub-sector shares 3.8% of establishments and contributes 10.0% to employment. Foreign ownership in this sub-sector is very high at 72.7%. Plant and machine operators and assemblers form the largest occupational group (5.2%). Moreover, establishments are primarily large, reflecting the capital-intensive nature of the industry. Most establishments are fairly young, and 63.2% started their business between 2011 and 2020.

Ninth, the manufacturing of food and beverages has a 4.2% share of establishments and 3.5% of employment. 50% of establishments are domestic-owned, while 25% are foreign-owned. Among all sub-sectors, it has the largest share of joint ventures at 25.0%. Moreover, establishments in this sub-sector are mostly large-sized (54.2%). This sub-sector has shown strong growth lately based on the high proportion of newly established businesses, and such growth may also be linked to increasing local demands for food and beverages.

Tenth, the rubber and plastics manufacturing sub-sector comprises a 4.2% share of establishments and 1.1% of employment. The ownership structure is split between Cambodian and foreign entities, with a higher share of Cambodian ownership (50% vs. 37.5%). Elementary occupations are the primary occupations of this sub-sector, with a 60.7% share. 75.0% of all establishments are mainly small or medium-sized.

Eleventh, the manufacturing of wood and paper products sub-sector accounts for a 3.3% share of establishments and 1.1% of employment. Foreign ownership is high (65%). The dominant occupational groups are craft and related trade workers; plant and machine operators, and assemblers; and elementary occupations, accounting for 85.3% of the total establishment. A majority of establishments are medium and large-sized (89.5%), and most of them started after 2011.

Twelfth, the transportation, warehousing, and logistics sub-sector shares 7.3% of sampled establishments and 3.8% of employment. Moreover, most establishments are foreign-owned (47.6%). Professionals, service and sales workers have a total share of 51.3%. Those establishments are mostly medium-sized (57.1%).

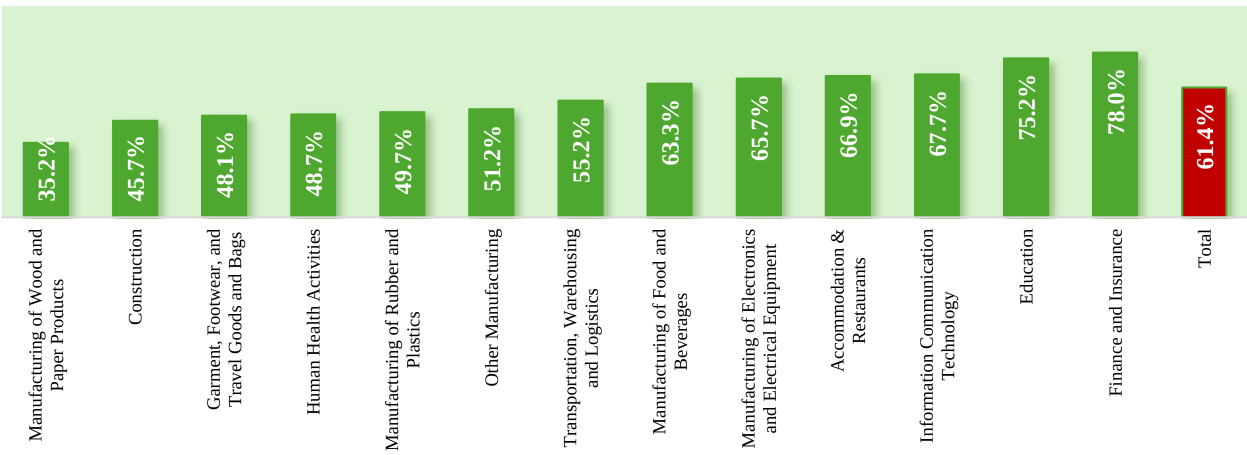
Finally, other manufacturing encompasses an 8.0% share of establishments and 4.9% of employment. Ownership is split between Cambodian and foreign entities, with 56.5% of foreign ownership and 34.8% of Cambodian ownership. The largest occupational groups are elementary occupations, plant and machine operators, and assemblers. This sub-sector also comprises 47.8% and 37.0% of the medium and large establishments, respectively.

Based on the above statistics, most establishments (79.9%) are young, given that they just started operations between 2011 and 2024, while only 4.7% started operations before 2000. Furthermore, there is a similar proportion of establishments owned by Cambodians and Foreigners (47.8% and 41.2% respectively). Interestingly, most establishments in all sub-sectors, except Finance and Insurance, are either individual proprietorships or private limited establishments. These figures demonstrate a positive sign for Cambodia’s economy, indicating a healthy entrepreneurial spirit, innovation potential, and the capacity for dynamic growth.

3.2. Business Strategy

The survey results show that 61.4% of the establishments plan to introduce new products/services and/or expand to new markets, providing a good prospect for employment and employee training (Figure 3.1). Over 75% of establishments in the education, finance and insurance sub-sectors plan to introduce new products/services and/or expand their market.

Figure 3.1. Share of establishments planning to introduce new products/services and/or expand to new markets by sub-sector

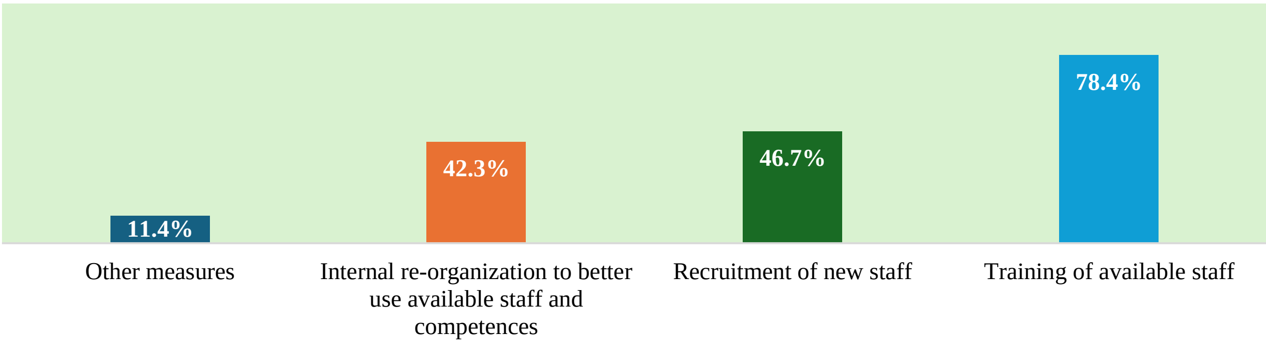


N=weighted total establishments 8,547

Some other sub-sectors also demonstrate a high proportion of establishments, between 55% and 70%, including ICT (67.7%), accommodation and restaurant (66.9%), the manufacturing of electronics and electrical equipment (65.7%), manufacturing of food and beverages (63.3%) and transportation, warehousing, and logistics (55.2%). These sub-sectors exhibit a strong inclination towards introducing new products and expanding their market. In contrast, only less than 50% of establishments in the manufacturing of rubber and plastics (49.7%), human health activities (48.7%), garment, footwear, and travel goods and bags (48.1%), and manufacturing of woods and paper products (35.2%) plan to innovate their products/services or expand their businesses to new markets.

Among 5,252 (weighted) establishments that wish to introduce new products/services or expand their market in Figure 3.2, 78.4% prefer to train their existing employees in order to equip them with sufficient skills to meet new requirements, as shown in Figure 3.2. Furthermore, about 47% of establishments consider hiring new staff to fulfil future needs, while approximately 42% of establishments wish to reorganise their internal structure to optimise the existing workforce. This result suggests that enhancing the productivity of current employees is a preferred strategy for businesses facing expansion.

Figure 3.2. Measures to address newly emerging tasks



N=weighted total establishments planning to introduce new products/services and/or expand to new markets 5,252

3.3. Employment Structure

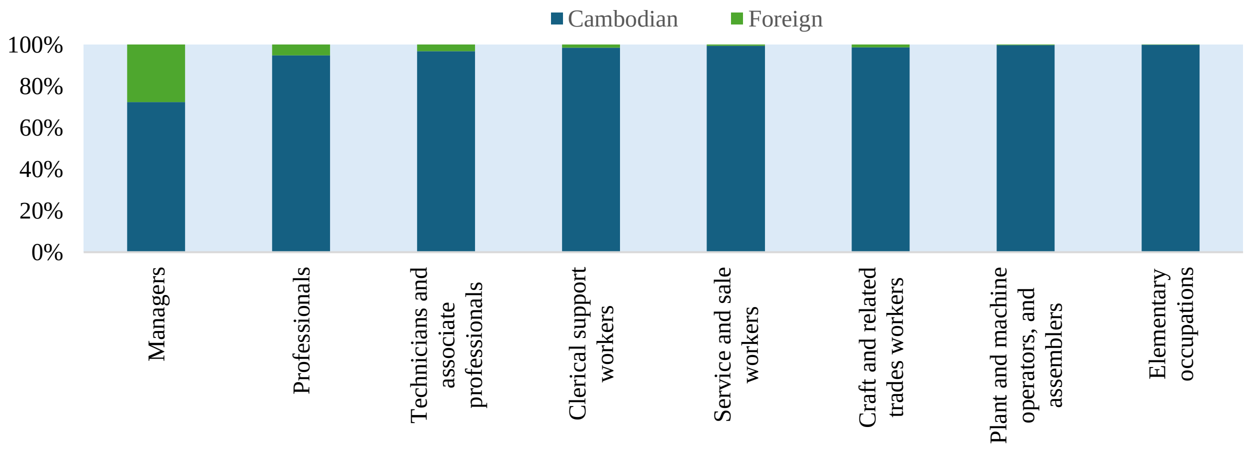
Table 3.1 provides the disaggregation of current employment—as of June 2024—and establishments' growth perspective to the following year by sub-sector. Of all sub-sectors, the garment, footwear, and travel goods and bags sub-sector accounts for the largest share (946,022 employees), followed by other manufacturing (138,174 employees) and finance and insurance (109,135 employees). On average, establishments showed a positive perspective on employment growth by 3.8% bi-annually between the second half of 2024 and 2025. In terms of absolute bi-annual employment growth, the garment, footwear, and travel goods and bags sub-sector remains the largest contributor (43,020 jobs created), although it is equivalent to just a 4.4% bi-annual growth rate. The finance and insurance sub-sector is the second largest contributor to total employment, with 2,976 new job creation or 2.7% sectoral employment growth, followed by manufacturing of electronics and electrical equipment and construction with 2,779 new jobs or 5.4% employment growth. In terms of bi-annual change rate, construction is expected to have the highest employment growth rate of 6.6%, followed by Manufacturing of wood and paper products (5.7%), and manufacturing of electronics and electrical equipment (5.4%).

Table 3.2. Current workforce and short-term growth perspective by sub-sector (S2-2024 to S2-2025)

Sub-sector	Current number of employees	Average bi-annual absolute change (persons)	Average bi-annual change (%)
Garment, Footwear, and Travel Goods and Bags	946,022	43,020	4.4%
Other Manufacturing	138,174	7,136	5.1%
Financial and Insurance	109,135	2,976	2.7%
Manufacturing of Electronics and Electrical Equipment	49,788	2,779	5.4%
Construction	35,722	2,439	6.6%
Manufacturing of Wood and Paper Products	18,311	1,094	5.7%
Education	27,906	1,002	3.5%
Manufacturing of Rubber and Plastics	22,123	951	4.1%
Transportation, Warehousing and Logistics	16,121	695	4.2%
Accommodation & Restaurants	38,752	434	1.1%
Manufacturing of Food and Beverages	16,208	434	2.6%
Human Health Activities	6,384	278	4.2%
Information Communication Technology	2,959	59	2.0%
Total	**1,427,605**	**63,298**	**3.8%**

Figure 3.3 shows the distribution of employment based on occupation and nationality (see Appendix B for the classification of occupations and skill levels). Foreign workers constitute only 2.1% of the total labour force. However, a notable disparity emerges in managerial occupations, where foreign workers occupy nearly 30% of these roles, meaning they are mostly working in high-skilled occupations. At lower skill levels, the share of foreign workers is significantly small.

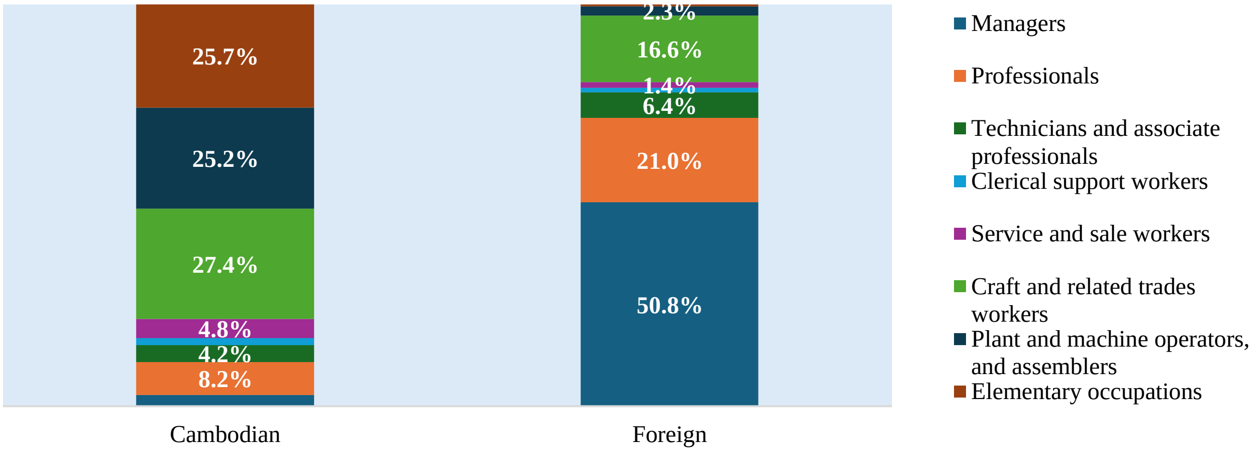
Figure 3.3. Employment by nationality and occupation



N=weighted total employment 1,427,605

As illustrated in Figure 3.4, a significant portion of foreigners working in Cambodia are employed in high-skilled positions, with approximately half occupying managerial roles. Additionally, 21.0% of foreign workers are engaged in professional occupations, while 16.6% are employed in craft and related trade roles. In contrast, Cambodian workers are predominantly concentrated in low-skilled occupations, with 27.4% in craft and related trade, 25.2% in plant and machine operations and assembly, and 25.7% in elementary occupations.

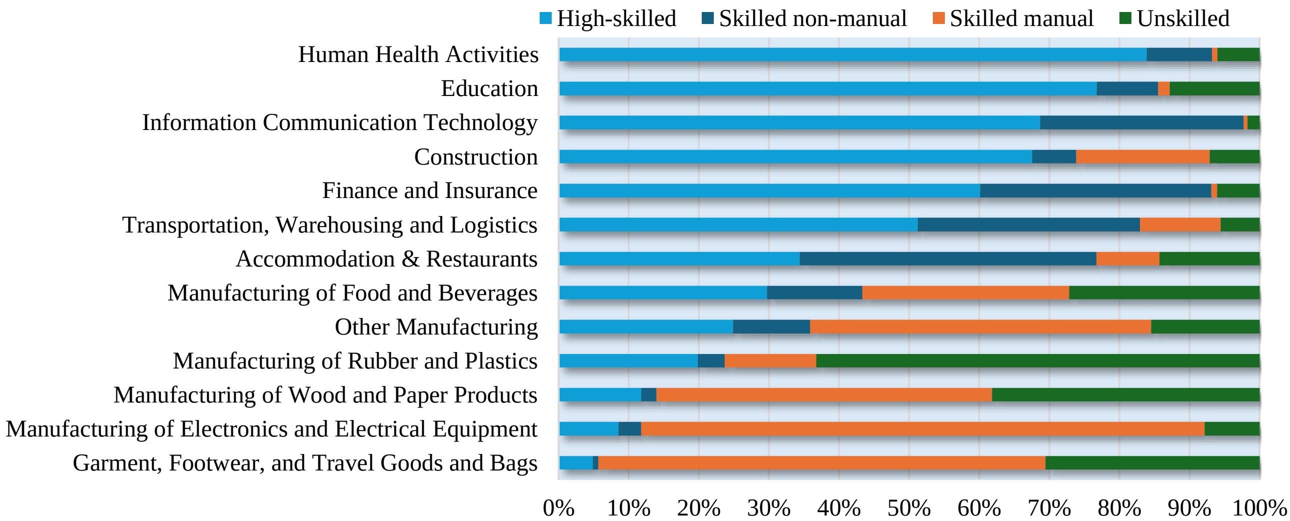
Figure 3.4. Workforce by ownership and ISCO major group (Level 1)



N=weighted total employment 1,427,605

Figure 3.5 illustrates the composition of the workforce across skill levels. Six sub-sectors are characterised by a predominance of high-skilled workers, with more than 50% of their total workforce falling into this category. These sub-sectors include human health activities, education, information communication technology, construction, finance and insurance, and transportation, warehousing, and logistics. Among these six sub-sectors, ICT, finance and insurance, and transportation, warehousing, and logistics exhibit a relatively high proportion of skilled non-manual workers, with approximately 30% of their respective workforces. In contrast, accommodation and restaurants demonstrate a more balanced distribution between high-skilled and skilled non-manual workers, accounting for 34.4% and 42.3%, respectively.

Figure 3.5. Workforce composition by sub-sector and skill level



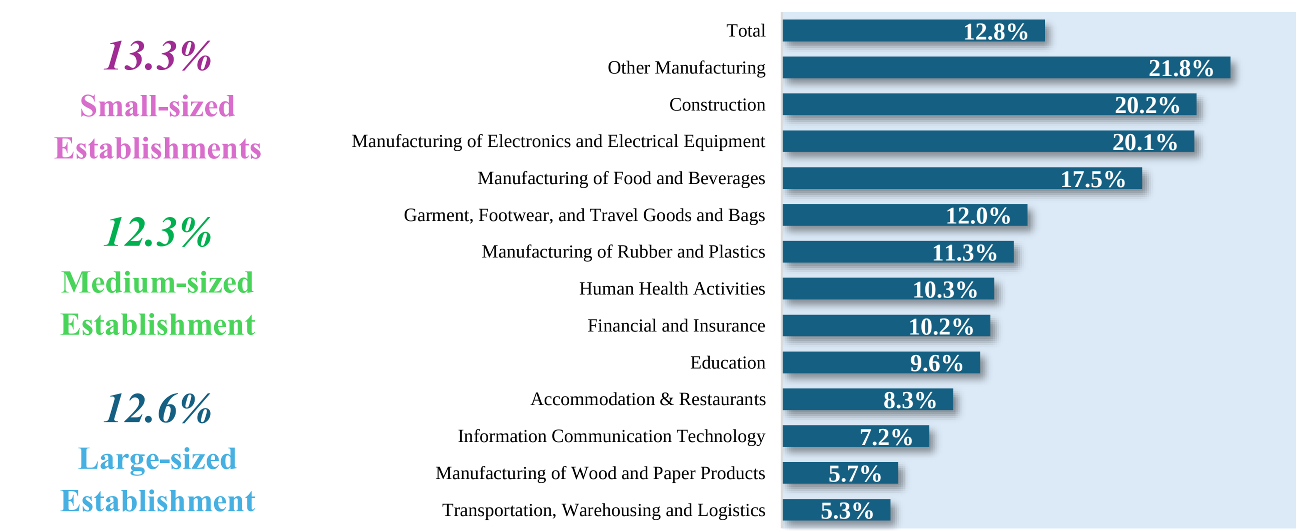
N=weighted total establishments 8,547

As depicted in Figure 3.5, manufacturing sectors are predominantly characterised by a concentration of lower-skilled workers. While high-skilled workers constitute between 5% and 30% of the workforce across these sub-sectors, the manufacturing of rubber and plastics stands out with a particularly high concentration of unskilled labour, comprising 63.2% of its workforce. Conversely, skilled manual workers account for a relatively small proportion of 13.1% in this sub-sector, and skilled non-manual workers are marginally represented at 3.8%. In contrast, garment, footwear, and travel goods and bags, as well as manufacturing of electronics and electrical equipment, exhibit significantly higher shares of skilled non-manual workers, reaching 63.8% and 80.4%, respectively. Among all manufacturing sub-sectors, manufacturing of electronics and electrical equipment demonstrates the lowest proportion of unskilled workers, with only 7.8% of its workforce.

3.4. Employment Turnover Rates

The employee turnover rate during the past six months is low at 12.8%, and it is similar across size categories, as shown in Figure 3.6. While turnover rates remain relatively consistent across various company size categories, certain sub-sectors exhibit notably higher rates. Notably, other manufacturing, construction, manufacturing of electronics and electrical equipment, and manufacturing of food and beverages report high turnover rates, reaching 21.8%, 20.2%, 20.1%, and 17.5%, respectively. In contrast, sub-sectors such as education, accommodation and restaurants, ICT, manufacturing of wood and paper products, and transportation, warehousing, and logistics demonstrate significantly lower turnover rates, ranging from 5.3% to 9.6%.

Figure 3.6. Employee turnover rate by establishment size and sub-sector

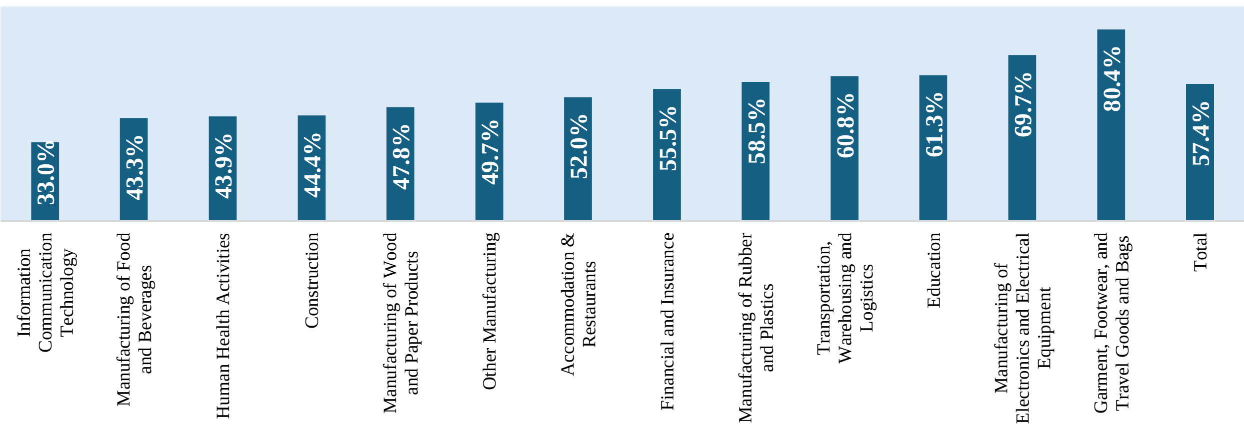


N=weighted total establishments 8,547

3.5. Recruitment Situation

As outlined in Section 3.3, the prevailing business sentiment is optimistic, with establishments actively engaged in recruitment and planning for future hiring. Figure 3.7 illustrates the proportion of establishments with at least one open position, averaging 57.4% across all sub-sectors.

Figure 3.7. Share of establishments having at least one vacancy for the next six months by sub-sector



N=weighted total establishments 8,547

Garment, footwear, and travel goods and bags exhibit the highest vacancy rates at 80.4%, followed by manufacturing of electronics and electrical equipment at 69.7% and education at 61.3%. However, the ICT sector has the lowest recruitment plan, with only 33.0% of vacancy rates.

Table 3.3 shows that, on average, establishments plan to hire another 12.1% of their current workforce in the next six months. This is higher than the employment growth rate self-forecasted in Section 3.2. This phenomenon contributes to labour shortage and recruitment difficulties which will be discussed in section 3.6. The distribution of vacancies is similar to the data in Table 3.1. Garment, footwear, and travel goods and bags, manufacturing of electronics and electrical equipment, finance and insurance, and other manufacturing are the top four contributors to employment growth and vacancies. However, in terms of vacancy density, other manufacturing has the highest rate at 21.7%, followed by ICT at 15.0%, garment, footwear, and travel goods and bags at 14.3%, and manufacturing of electronics and electrical equipment at 14.7%.

Table 3.3. Distribution and density of vacancy by sub-sector

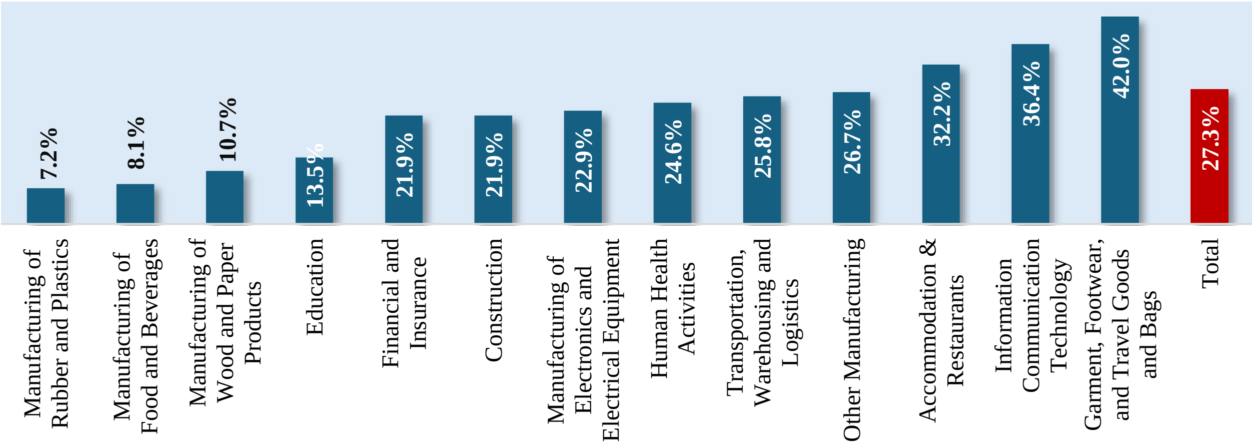
Sub-sector	Vacancies distribution	Density of vacancies
Other Manufacturing	5.6%	21.7%
Information Communication Technology	2.1%	15.0%
Manufacturing of Electronics and Electrical Equipment	11.3%	14.7%
Garment, Footwear, and Travel Goods and Bags	66.5%	14.3%
Manufacturing of Wood and Paper Products	0.9%	7.9%
Construction	1.2%	7.3%
Transportation, Warehousing and Logistics	1.1%	7.1%
Manufacturing of Food and Beverages	1.9%	6.7%
Finance and Insurance	5.6%	6.1%
Education	1.7%	5.1%
Human Health Activities	0.3%	4.9%
Accommodation & Restaurants	1.8%	4.3%
Manufacturing of Rubber and Plastics	0.4%	4.1%
Total	**100%**	**12.1%**

3.6. Recruitment Difficulties

The garment, footwear, and travel goods and bags sub-sector has the highest share of establishments with hard-to-fill vacancies, at 42.0%. This significantly exceeds the average of 27.3% (Figure 3.8). Sub-sectors with a large proportion of employees who are high-skilled and skilled manual workers are also facing recruitment difficulties. Specifically, 36.4% and 32.2% of establishments in ICT and accommodation and restaurants, respectively, foresee that the recruitment situation in the next six months will be challenging.

Figure 3.9 assesses the impacts of recruitment difficulties on recruitment processes. Nearly 70% of establishments reported extending the period of recruitment, while almost 33% reported that being unable to recruit at all. In response to recruitment difficulties, some establishments lower their recruitment requirements, such as education qualifications (31.7%), experience (25.6%), and even skills (21.4%) amongst applicants. Others turn to providing higher pay (27.2%) as well as more benefits (26.1%) to attract applicants. The impacts of recruitment difficulties by sub-sector can be found in the Appendix D (Table D.7).

Figure 3.8. Share of establishments having recruitment difficulties (% of establishments reporting having at least one vacancy in the next six months)



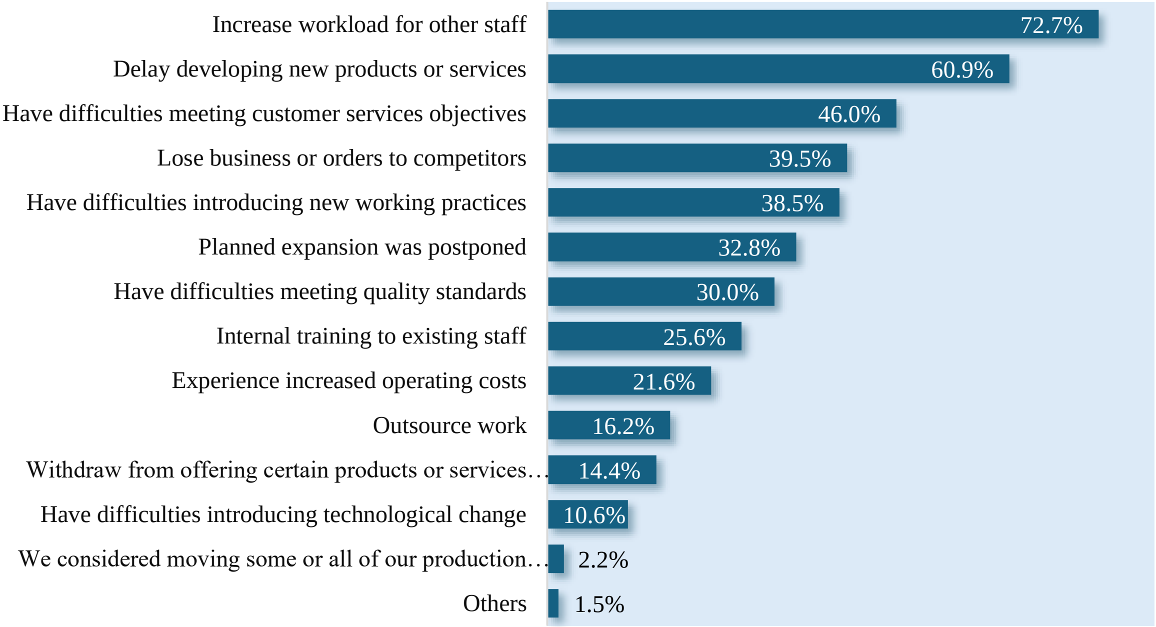
N=weighted total establishments with at least one vacancy 4,909

Figure 3.9. Impacts of recruitment difficulties on recruitment processes

N=weighted total establishments with at least one vacancy 4,909

Meanwhile, the establishments that could not recruit employees, with a significant percentage of establishments (72.7%), are reporting increased workloads for existing employees. (Figure 3.10). However, recruitment difficulties also affect other aspects of the business, such as delays in developing new products or services (60.9%), difficulties meeting customer service objectives (46.0%), loss of business or orders to competitors (39.5%), difficulties introducing new working practices 38.5%), postponing of planned expansion (32.8%) and difficulties meeting the quality standards (30.0%). Among those establishments, 25.6% opted to provide internal training for their current employees. It is important to note that because of recruitment difficulties, about 14.4% of establishments have to withdraw from offering new products or services while another 10.6% have to keep using existing technologies rather than introducing technological changes, which can potentially hinder innovations at both establishments and sector levels.

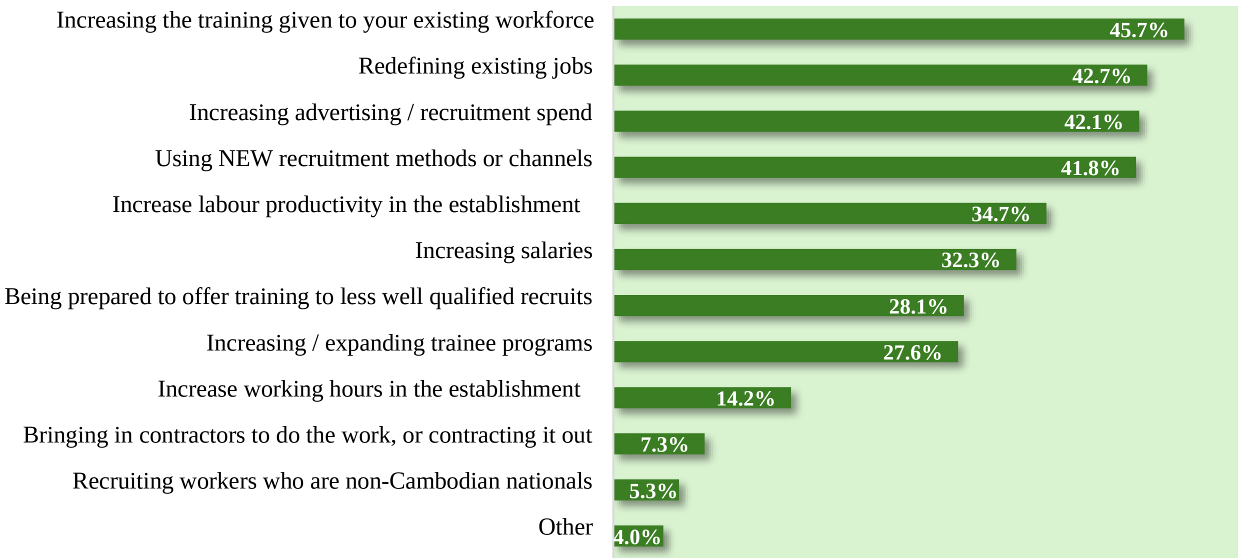
Figure 3.10. Impacts of recruitment difficulties on business (% establishments having recruitment difficulties)



N=weighted total establishments with at least one vacancy 4,909

In response to recruitment difficulties and to mitigate their negative impacts, establishments choose to improve the productivity of their existing human resources while seeking to improve recruitment strategies to mobilise a productive workforce. As shown in Figure 3.11, 45.7% of establishments would increase the training for their employees, and 42.7% would redefine existing jobs to ensure the resource is utilised effectively. 42.1% of them chose to increase their expenses on advertisement and recruitment, while 41.8% would use new recruitment methods. Some establishments chose to increase internal productivity or salary. Interestingly, options like bringing in contractors or recruiting foreign workers are among the least popular strategies, suggesting that establishments prefer to build internal capacity and minimise external dependencies to deal with recruitment difficulties.

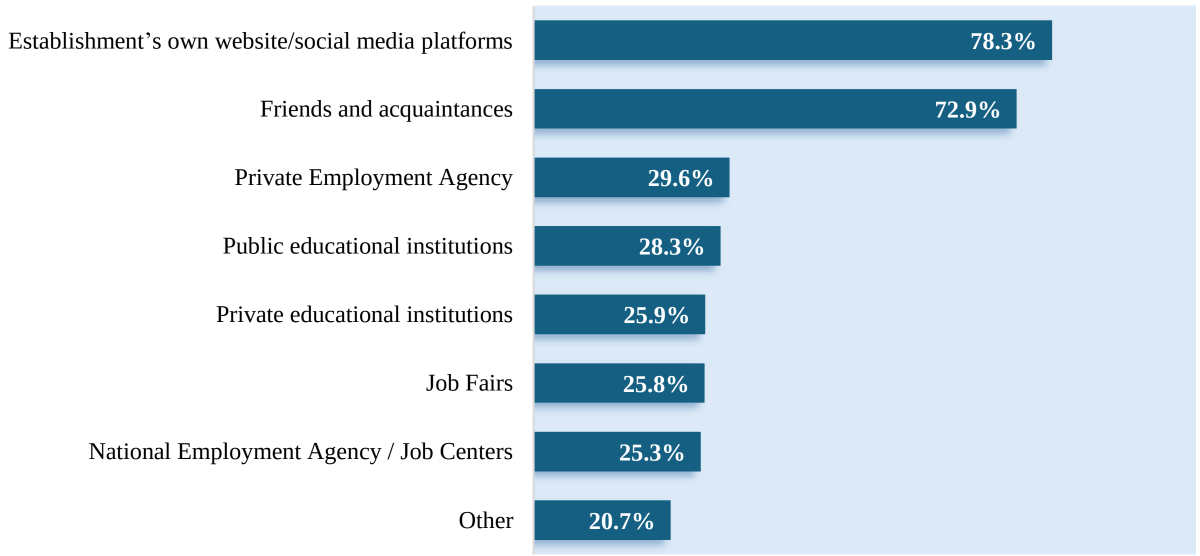
Figure 3.11. Establishments' response to recruitment difficulties



N=weighted total establishments with at least one vacancy 4,909

The most popular recruitment channels are the establishment's own website/social media platforms (78.3%), followed by friends and acquaintances (72.9%). This result suggests that personal connections and online presence are significant in job-seeking and hiring processes. Below 30% of establishments reported that they had used employment agencies, public and private educational institutions, job fairs and job centres to recruit new talents, suggesting that establishments may prefer to recruit directly or through personal networks.

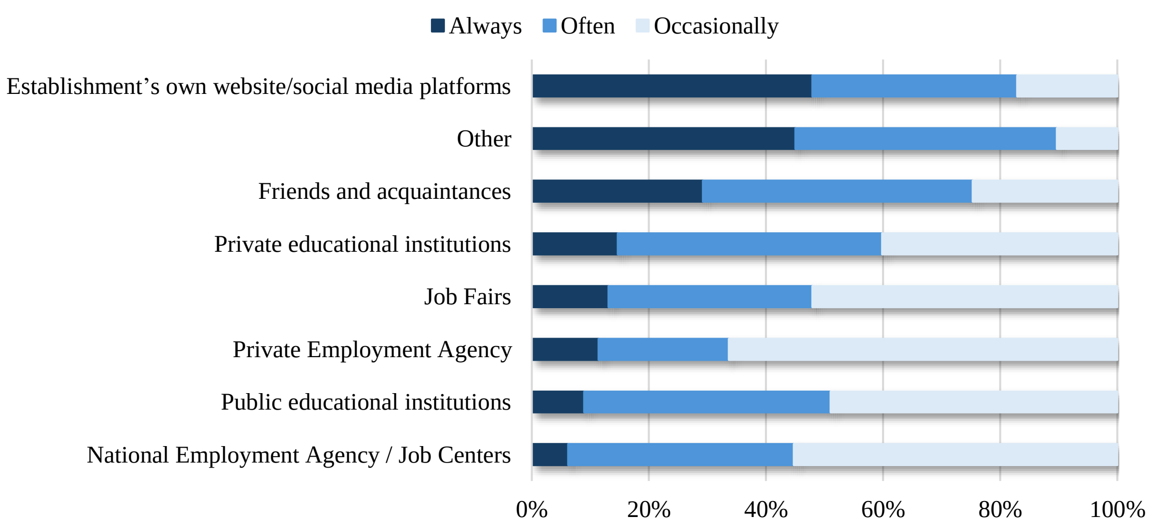
Figure 3.12. Recruitment channels used by establishments



N=weighted total establishments with at least one vacancy 4,909

Regarding the frequency of channel usage, personal network, and digital platforms are being utilized most consistently, from “often” to “always”. In contrast, private and public educational institutions demonstrate different frequency of channel usage, as nearly half of the establishments use these channels occasionally. While around 30% of establishments rely on private employment agencies and 25% on public employment agencies (i.e., National Employment Agency/job centres), they are mostly occasionally used, as shown in Figure 3.13.

Figure 3.13. Usage frequency of recruitment channels by establishments (those reporting having used each channel)



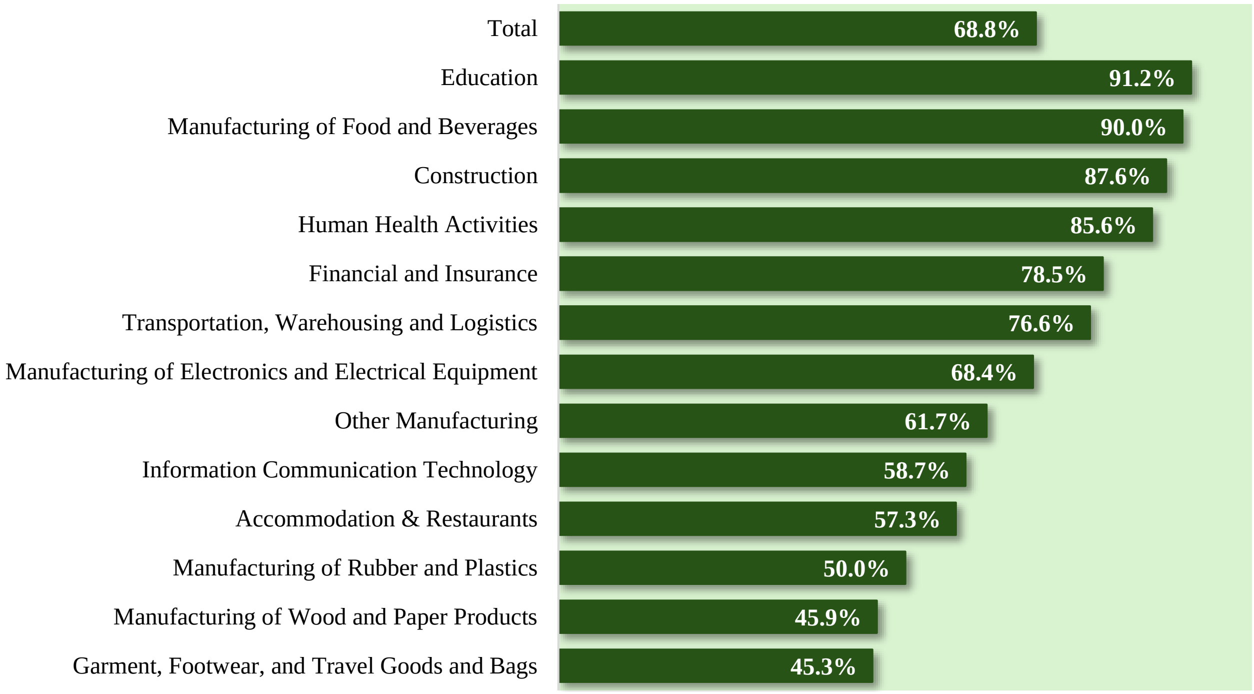
N=weighted total establishments with at least one vacancy 4,909

3.7. First-Time Job Seekers

The graph below illustrates the distribution of establishments across various sub-sectors in terms of their hiring practices for first-time job seekers (figure 3.14). The data reveals a significant disparity in the propensity of different sub-sectors to employ individuals with no prior work experience. 45.3% of establishments in garment, footwear, and bags hire first-time job seekers. The education sub-sector stands out as the most welcoming sector for candidates without prior working experience, with a dramatically high rate at 91.2% of establishments in this field hiring such individuals. This could be attributed to factors like the abundance of entry-level positions, the nature of educational institutions as training grounds, and the potential for long-term career growth within the sector. Additionally, other sub-sectors, including manufacturing of food and beverages (90.0%), construction (87.6%), human health activities (85.6%), financial and insurance (78.5%), transportation, warehousing, and logistics (76.6%), and manufacturing of electronics and electrical equipment (68.4%), also contribute to hiring first-time job seekers.

Sub-sectors such as ICT (58.7%), accommodation and restaurants (57.3%), manufacturing of rubber and plastics (50.0%), and manufacturing of wood and paper products (45.9%) demonstrate a relatively lower inclination to hire first-time job seekers. These sub-sectors may require specialized skills or qualifications that are typically acquired through prior work experience.

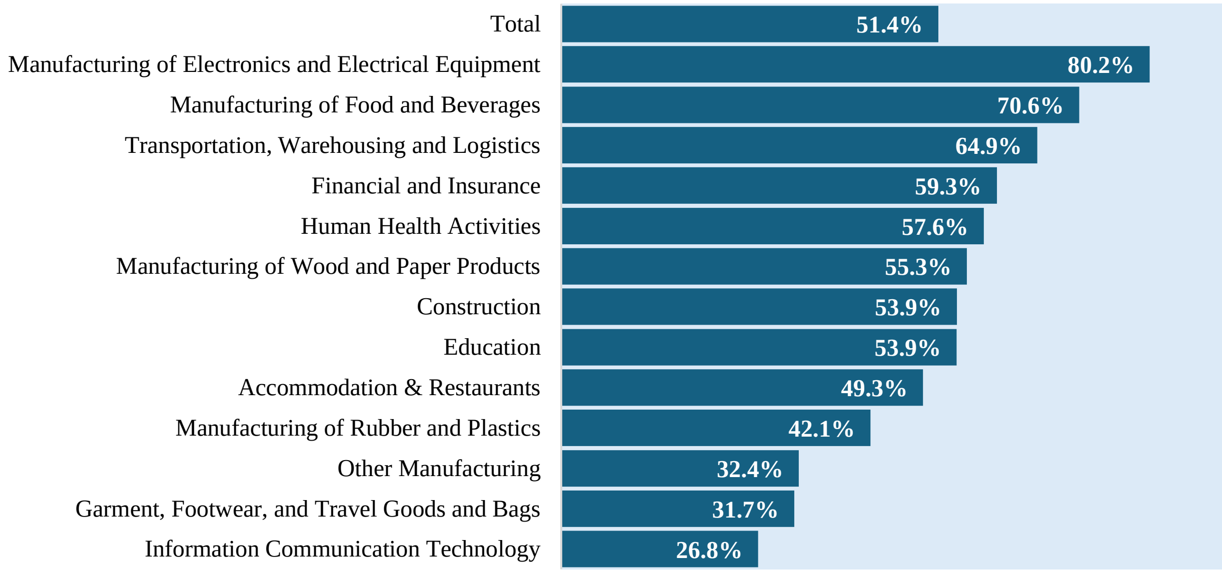
Figure 3.14. Share of establishments hiring first-time job seekers during the past six months



N=weighted total establishments 8,547

The extent to which first-time job seekers were selected compared to the total workers recruited during the past six months is illustrated in Figure 3.15. The figure indicates that, on average, approximately 50% of new recruits across all sub-sectors in the past six months are first-time job seekers. Establishments in the manufacturing of electronics and electrical equipment tend to have hired a majority of their employees who are first-time job seekers, on average, 80.2% of the total recruits. The number is followed by the manufacturing of food and beverages (70.6%) and transportation, warehousing, and logistics (64.9%). ICT, garment, footwear, and travel goods and bags, and other manufacturing are sub-sectors with the smallest proportion of first-time job seekers hired, at 26.8%, 36.7%, and 32.4%, respectively.

Figure 3.15. Share of first-time job seekers to total recruits during the past six months by sub-sector



N=weighted total establishments reported having new recruits during the past six months 5,454

Although a majority of establishments have been hiring first-time job seekers during the past six months, the hiring concentration is primarily on individuals who have graduated from secondary education or Grade 9 and above. However, there are notable variations across sectors. As illustrated in Table 3.5, the education, finance and insurance sub-sectors have absorbed the highest number of new university graduates. In contrast, manufacturing sectors generally tend to hire far fewer university graduates, with the exception of the garment, footwear, and travel goods and bags sub-sector, which has been hiring a significant number of university graduates; nevertheless, the number of university graduates hired in these manufacturing sectors remains smaller compared to the number of high school and secondary school graduates.

In addition to the garment, footwear, and travel goods and bags sub-sector, high school graduates are also frequently employed in a variety of sub-sectors spanning both high-skilled and lower-skilled occupations. For example, a significant number of high school graduates have found employment in finance and insurance (1,101), other manufacturing sub-sectors (1,213), manufacturing of electronics and electrical equipment (989), and transportation, warehousing, and logistics (887). Conversely, lower secondary school graduates are predominantly absorbed into lower-skilled sub-sectors, such as the manufacturing of wood and paper products (1,161) and other manufacturing sub-sector (1,145).

The table also indicates that graduates from vocational and technical education and training (TVET) programs have been hired in smaller numbers compared to those with general education degrees. However, due to the lack of data on the total number of graduates in both educational streams, this lower figure does not necessarily imply lower employability or employment opportunities for TVET graduates. However, Table 3.5 provides insight into the fact that post-secondary TVET graduates, specifically those with bachelor's degrees, tend to be employed in the construction, finance, and insurance sub-sectors, compared to other sub-sectors. TVET Certificate Level 2 graduates, on the other hand, had more employment opportunities in other manufacturing sectors; TVET Certificate Level 1 graduates found more employment in accommodation and restaurants.

Table 3.4. Number of first-time job seekers hired by education level and sub-sector

Sub-sector	Higher Education (bachelor's degree or above)	General Education – Upper secondary completed (Grade 12)	General Education – Lower secondary completed (Grade 9)	Bachelor of Technology/ Business Education	Higher Diploma of Technology/ Business Education	Technical and Vocational Certificate3	Technical and Vocational Certificate2	Technical and Vocational Certificate1
Accommodation & Restaurants	265	366	72	46	-	4	-	126
Construction	867	282	158	305	-	-	-	-
Education	1,843	391	59	68	-	34	34	-
Financial and Insurance	3,891	1,101	187	349	66	-	-	-
Garment, Footwear, and Travel Goods and Bags	749	3,681	4,393	-	18	73	-	73
Human Health Activities	107	57	12	23	-	-	-	-
Information Communication Technology	24	5	-	3	-	-	-	-
Manufacturing of Electronics and Electrical Equipment	324	989	455	27	-	-	-	-
Manufacturing of Food and Beverages	141	310	240	11	7	-	-	-
Manufacturing of Rubber and Plastics	40	55	162	39	-	-	-	-
Manufacturing of Wood and Paper Products	22	162	1,161	-	-	-	-	-
Other Manufacturing	826	1,213	1,145	145	-	729	-	-
Transportation, Warehousing and Logistics	552	887	259	21	-	-	-	-
Total	**9,650**	**9,500**	**8,302**	**1,037**	**91**	**840**	**34**	**199**

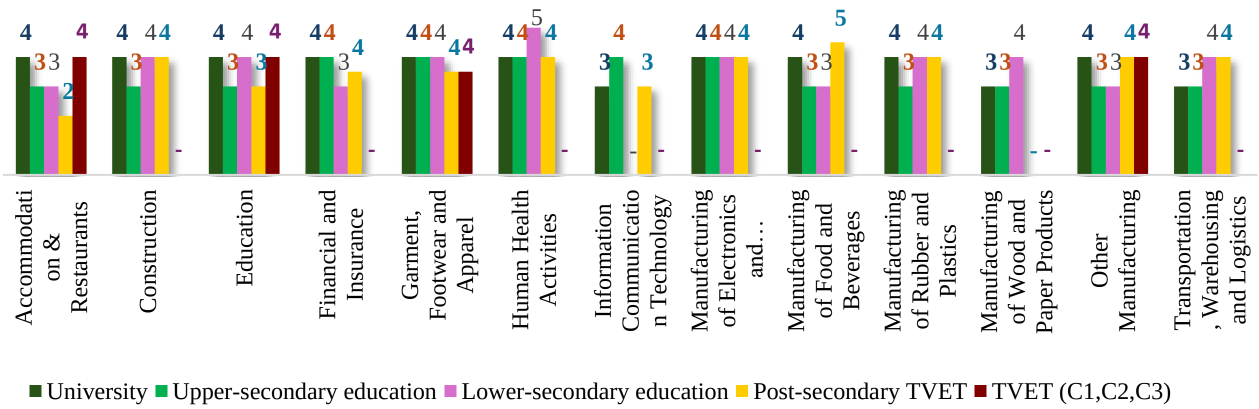
Table 3.6 provides insights into how establishments evaluate the preparedness of first-time job seekers across various educational levels. Overall, on a scale of 1 to 5, first-time job seekers at all educational levels demonstrate a satisfactory level of preparedness, with average ratings ranging from 3.2 to 4.0. Notably, TVET Certificate Level 1 and 2 graduates are perceived as the most prepared, with an average rating of 4.0. Following closely are TVET bachelor's degree holders at 3.9, followed by higher education bachelor's degree holders at 3.7, and upper and lower secondary school graduates at 3.5. Disaggregating the preparedness score by sub-sector and education level, the score does not vary; average scores do not vary significantly, except in accommodation and restaurants where the average score for post-secondary TVET is low at 2.

Table 3.5. Average preparedness score by educational level

Education level	Preparedness core
Higher Education (bachelor's degree or above)	3.7
General Education – Upper secondary completed (Grade 12)	3.5
General Education – Lower secondary completed (Grade 9)	3.5
Bachelor of Technology/Business Education	3.9
Higher Diploma of Technology/Business Education	3.2
Technical and Vocational Certificate 3	3.6
Technical and Vocational Certificate 2	4.0
Technical and Vocational Certificate 1	4.0

N=weighted total establishments reported having new recruits during the past six months 5,454

Figure 3.16. Average preparedness score of first-time job seekers by education level and sub-sector

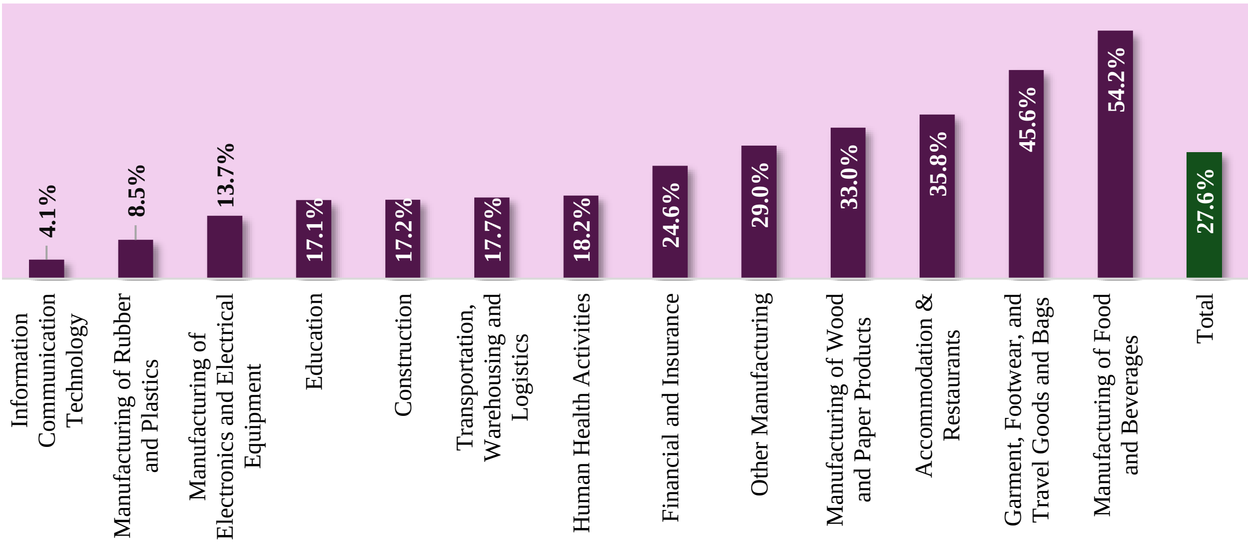


N=weighted total establishments reported having new recruits during the past six months 5,454

3.8. Skill Gaps

This section examines the prevalence of skill gaps and the state of human resource development within businesses. Overall, nearly 28% of establishments reported encountering skill gaps (Figure 3.17), indicating a significant challenge for many organisations. However, the incidence of skill gaps varies considerably across different sub-sectors. Sub-sectors predominantly employing lower-skilled workers, such as skilled manual and skilled nonmanual labour, exhibit a higher likelihood of experiencing skill deficiencies. For instance, the manufacturing of food and beverages has the highest proportion of establishments reporting skill gaps at (54.2%), followed by garment, footwear, and travel goods and bags at 45.6%, Accommodation and restaurants at 35.8%, and manufacturing of wood and paper products at 33.0%. In contrast, the high-skilled sub-sector, such as ICT, has the lowest share of establishments facing skill gaps at 4.1%.

Figure 3.17. Prevalence of skill gaps by sub-sector



N=weighted total establishments 8,547

The sub-sector with the highest average density is education, with a density rate of 2.5%, followed by financial and insurance at 2.1%, construction and transportation, warehousing and logistics at 1.4%, and garment, footwear, and travel goods and bags at 1.2%. The sub-sector with the least density of skill gap is other manufacturing besides garment, footwear, and travel goods and bags (less than 0.5%), ICT (0.2%), and accommodation and restaurants (0.3%).

Despite reporting skill gaps, the density is marginal. On average, just around 1% of the total employees in an establishment have a deficiency of skills required by the establishment, as shown in Table 3.7.

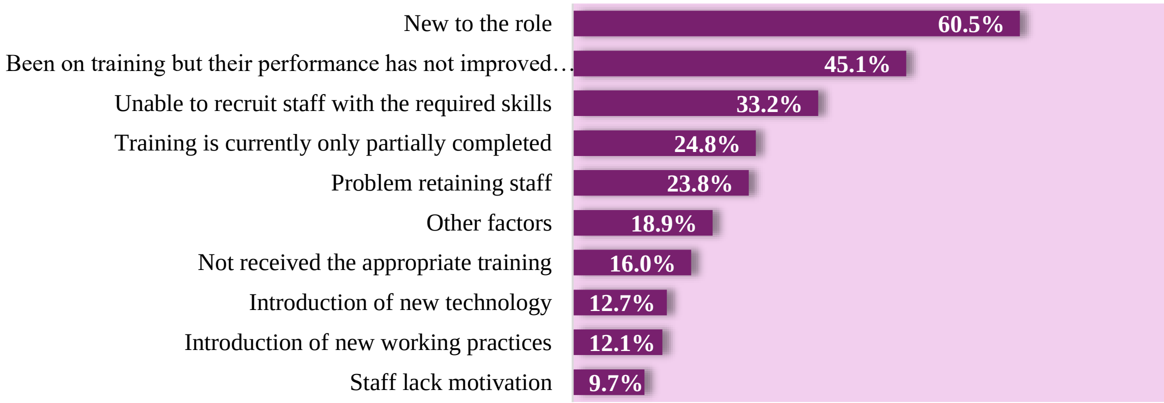
Table 3.6. Density of skill gap by sub-sector

Sub-sector	Density of skill gap
Other Manufacturing	0.1%
Manufacturing of Food and Beverages	0.2%
Manufacturing of Electronics and Electrical Equipment	0.2%
Information Communication Technology	0.2%
Manufacturing of Rubber and Plastics	0.3%
Accommodation and Restaurants	0.3%
Manufacturing of Wood and Paper Products	0.8%
Human Health Activities	0.9%
Garment, Footwear, and Travel Goods and Bags	1.2%
Transportation, Warehousing and Logistics	1.4%
Construction	1.4%
Financial and Insurance	2.1%
Education	2.5%
Total	**0.9%**

N=weighted total employments 1,427,605

As depicted in Figure 3.18, the most frequently cited reason for establishments experiencing skill gaps is the newness of employees to their roles, accounting for 60.5% of reported challenges. Additionally, training-related issues emerged as significant contributors, with 45.1% of establishments citing the inefficiency of training, 24.8% reporting partially completed training, and 16.0% indicating a lack of appropriate training. Recruitment difficulties, specifically the inability to find candidates with the required skills, were cited by 33.2% of establishments. Furthermore, 23.8% of businesses identified employee retraining as a challenge. While the introduction of new technology and working practices is often considered a key driver of skill gaps in the digital age, these factors were reported by less than 15% of establishments.

Figure 3.18. Reasons for experiencing skill gap by establishments (% of establishments reported skill gaps)

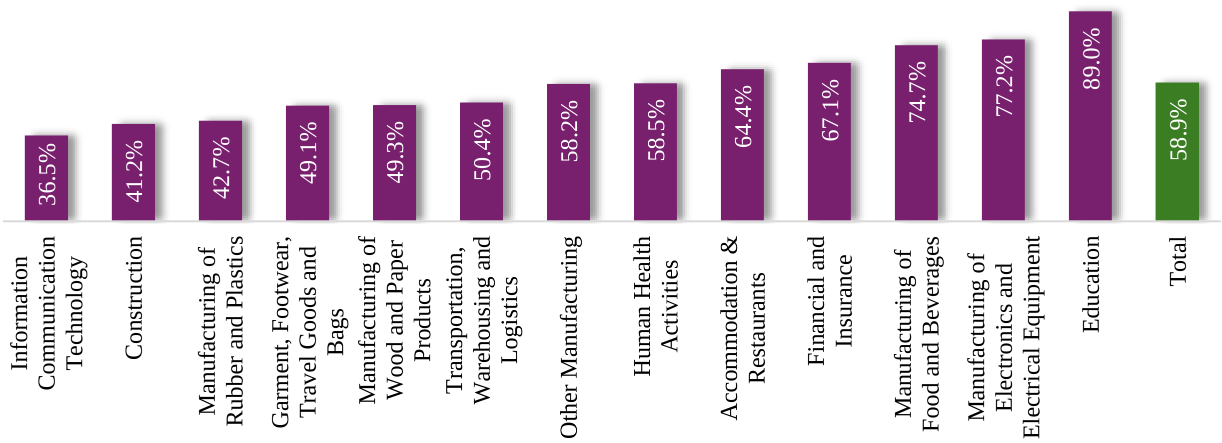


N=weighted total establishments reported skill gaps 2,281

3.9. Human Resource Development Practices

Employee training is essential to enhance their capacity and productivity. Figure 3.19 shows that nearly 60% of establishments provided training during the last six months. The education sub-sector stands out with the highest percentage of establishments providing training at 89.0%. Manufacturing sectors generally exhibit lower rates of training provision compared to service sectors, with notable exceptions like manufacturing of electronics and electrical equipment (77.2%) and manufacturing of food and beverages (74.7%). ICT and construction demonstrate relatively lower rates of training, 36.5% and 41.2%, respectively.

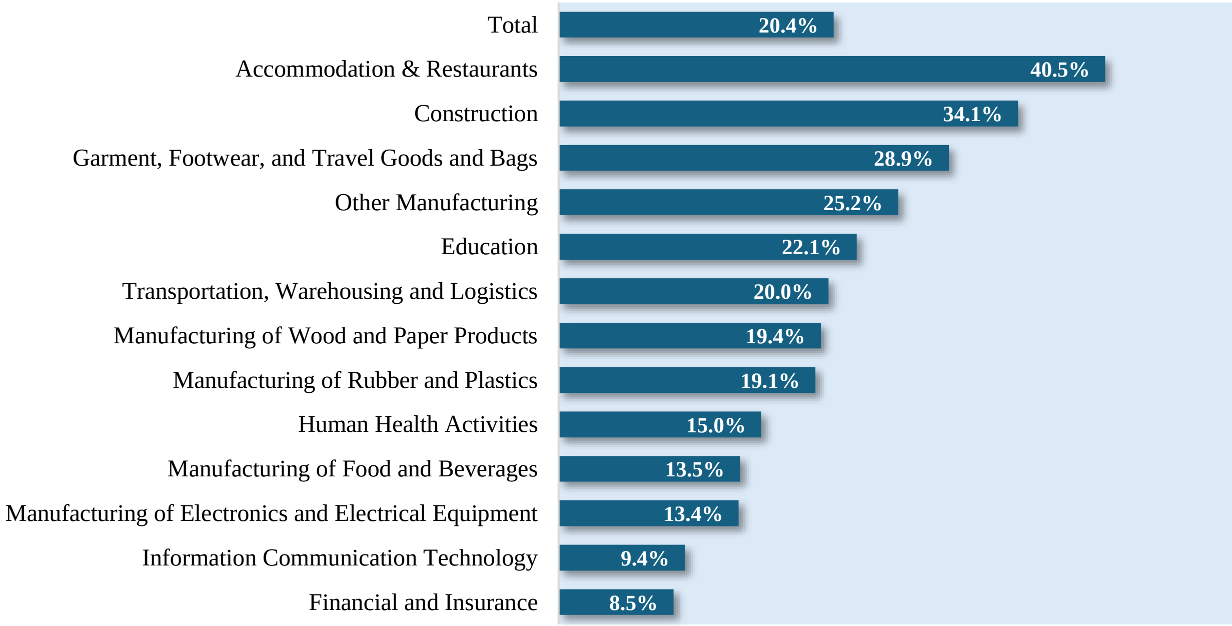
Figure 3.19. Share of establishments provided training to employees during the last six months



N=weighted total establishments 8,547

Figure 3.20 depicts the share establishments having difficulties providing training amongst those who provided training in the last six months. It can be seen from the figure that 20.4% of establishments had difficulties providing training overall, as shown in Figure 3.20; however, the highest share is in accommodation and restaurants (40.5%), followed by construction (34.1%), garment, footwear, and travel goods and bags (28.9%). Sub-sectors with the least share of establishments having training difficulties are ICT (9.4%) and finance and insurance (8.5%).

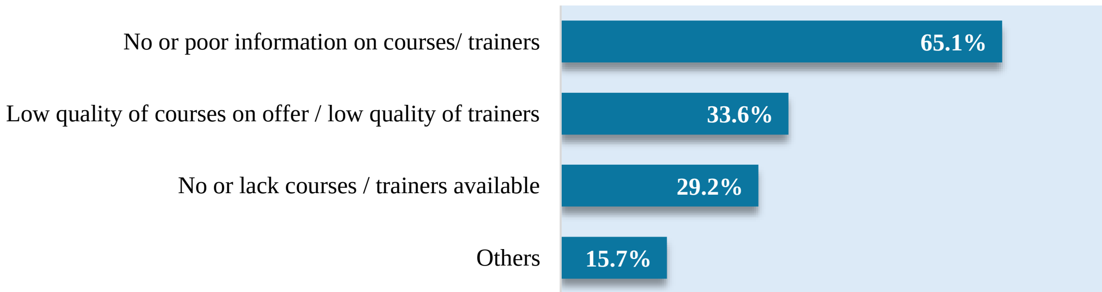
Figure 3.20. Share of establishments having difficulties providing training (% of establishments provided training)



N=weighted total establishments provided training during the past six months 5,031

Figure 3.21 illustrates the reasons establishments have difficulties providing training. Lack of information or poor information of courses/trainers emerges as the most significant challenge, with 65.1% of establishments. Meanwhile, insufficient availability of courses or trainers is a concern for 29.2% of establishments. Training quality, on the other hand, is a concern for 33.6% of them.

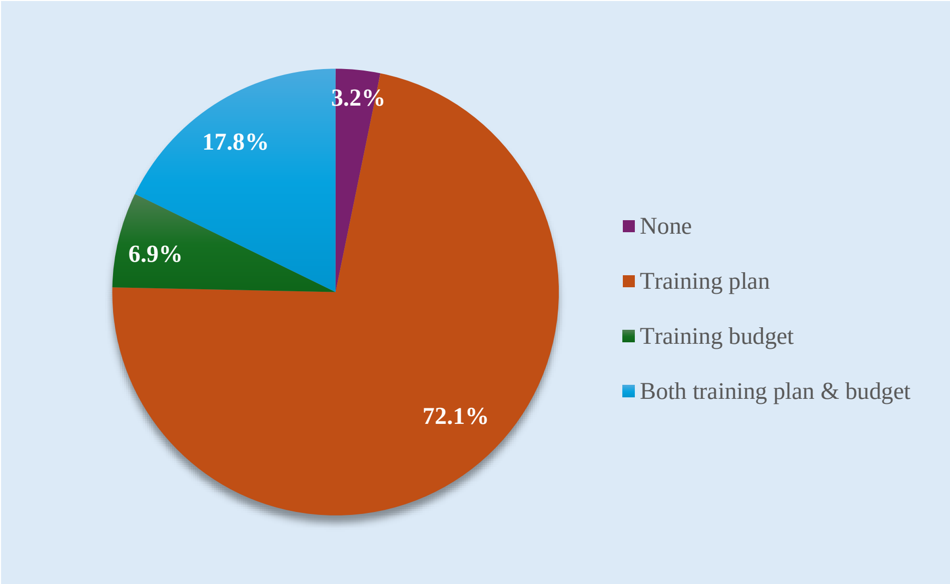
Figure 3.21. Reasons for having difficulties in providing training



N=weighted total establishments provided training during the past six months 5,031

Despite challenges in providing training, when asked about the following year's training provision (see Figure 3.22), a significant proportion of establishments (72.1%) reported having a training plan that identifies the types and levels of training required. However, those with training budgets account for just nearly 25% (17.8% have both the training plan and budget). A marginal proportion of them (3.2%) reported having neither the plan nor the budget.

Figure 3.22. Share of establishments having the training plan and budget (% of establishments provided training in the last six months)



N=weighted total establishments provided training during the past six months 5,031

4. Conclusion

The Cambodian labour market presents a dynamic landscape with both promising growth prospects and persistent challenges. While sub-sectors like garment, footwear, and travel goods and bags continue to drive employment, diversification into other manufacturing and service sectors has been in processing. The prevalence of skill gaps and recruitment difficulties, particularly in certain sub-sectors, underscores the urgent need for targeted interventions to address these issues. Therefore, the Employer Skill Need Survey offers an analysis of the Cambodian labour market, including sectoral distribution, skill levels, skill gaps, recruitment challenges, training practices, and information related to first-time job seekers.

The survey revealed optimistic prospects for business through bringing in innovative products/services and market expansion, leading to direct and indirect job creation. With a bi-annual employment growth rate of nearly four percent amongst the selected key sub-sectors, it provides a significant implication for the preparedness of youth, job seekers, and government as well as relevant stakeholders in ensuring this expectation and facilitating it effectively. The analysis showed that the garment, footwear, and travel goods and bags sub-sector is the backbone of the Cambodian economy, employing a substantial 946,022 workers, representing approximately 66.4% of the total workforce in the selected key sub-sectors. It is also projected to witness the highest absolute job growth, adding 43,020 new jobs (a 4.4% increase) on average bi-annually by the second half of 2025. This continued expansion highlights the sector's significance for employment generation. Other manufacturing sub-sectors including manufacturing of electronics and electrical equipment also illustrated a high prospect for employment growth as the sub-sector is considered expanding and significant for the country moving up a higher value chain. Service sub-sectors such as finance and insurance and education are also anticipating relatively high employment growth. Meanwhile, accommodation and restaurants, a key sub-sector in services and significant to the tourism sector, expect a minor growth of around 400 workers or equivalent to a growth rate of 1.1% bi-annually. The average turnover rate of around 12% shows a level of workers moving out of the establishments during the past six months, except for manufacturing of electronics and electrical equipment, other manufacturing, and construction, whose average turnover rates are high at more than 20%. However, these sub-sectors are also expecting their employment to expand, either as a result of high turnover or business expansion.

Examining the vacancies, a substantial share of establishments, totalling 57.4%, are recruiting during the next six months, making a density of vacancies of 12.1%, which is a higher figure than that of the bi-annual growth figure (3.8%). This might happen when establishments are expecting difficulties in recruitment or that they cannot recruit the desired number of workers; thus expecting the actual growth to be lower than vacancy figures. This relationship can be explained when nearly 30% of establishments that have at least one vacancy are facing recruitment difficulties, which then results in tangible impacts, with 68.6% of affected establishments reporting that "It took longer than normal to recruit" and 32.7% stating that they "Were unable to recruit staff" and others reporting that these delays and unfilled positions can hamper productivity and growth."

In response, establishments adjust hiring conditions and practices, such as providing higher wages and other benefits to attract qualified applicants, lowering recruitment requirements such as education and skills, and changing hiring channels. Establishments being forced to adjust wage offers is consistent with the law of supply and demand, where prices go higher when the supply is scarce. However, as an alternative to offering higher wages, the establishment lowered education and skill qualification requirements, which may affect their productivity while increasing their operational expense, such as employee training. Other responses to recruitment difficulty include training existing staff to increase their capacity, perfuming the increasing workload, and increasing expenditure or changing hiring channels. Currently, digital platforms such as establishments' websites and social media are being popularly adopted, although a majority of them also complement it with informal channels such as through friends and acquaintances to recruit workers. Meanwhile, the utilisation of formal employment agencies, either private or public, remains low. This may indicate that formal employment agencies are not popular amongst employers, but their roles can be significant if utilised effectively. Therefore, increasing the awareness of their services and their effectiveness is essential to reduce the employer's burden on the one hand and facilitate the labour market on the other.

Besides recruitment difficulties, some establishments are also facing the issue of skill gaps. The survey results show that nearly 30% of them are facing skill gap challenges; nonetheless, the density appears marginal at almost 1% overall. The main reason for the skill gap is that workers are primarily new to the positions, while training appears to be not so effective. This is combined with the inability to recruit qualified workers, apparently when they tend to accept applicants with education and skills lower than the level needed. It appears from the survey that most establishments, nearly 70%, are open to first-time job seekers or new graduates, and on average, first-time job seekers or new graduates account for around 50% of the total recruits. Nevertheless, these new graduates have been rated as well-prepared for the job on average in all education and skill levels and sub-sectors. Consequently, recruitment difficulties and skill gaps emphasise the need for improved hiring, onboarding, and training processes and targeted skill development initiatives.

Establishments tend to have a good understanding of the importance of employee training. To tackle the lack of adequately skilled workers, the majority of establishments (58.9% overall) provide some form of training, but there is significant variation across sub-sectors. Amongst establishments that provided training, a proportion of them faced difficulties, with the overall share being 20.4%. This share is particularly high in accommodation and restaurants (40.5%) and construction (34.1%). The primary reasons cited for training difficulties are "No or poor information on courses or due to trainers" (65.1%) and "Low quality of courses on offer or low quality of trainers" (33.6%), highlighting the need to improve the training ecosystem.

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Appendix A

Operational Terminology and Concepts

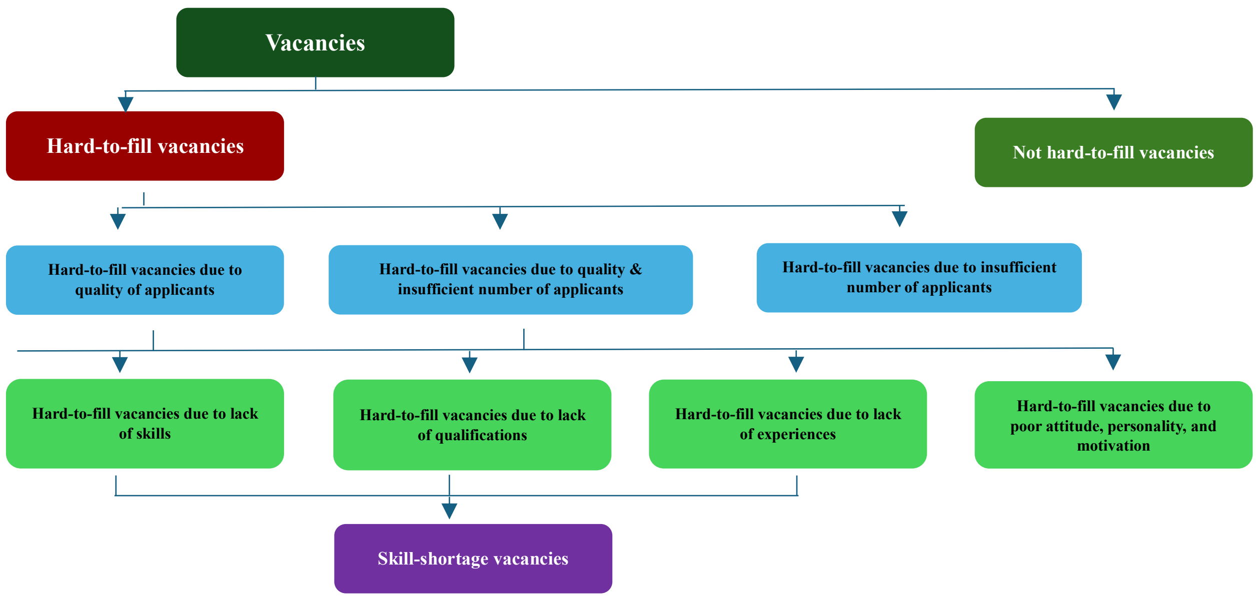
While research on skills gaps and shortages has been conducted extensively in developed countries, such studies are relatively new in developing nations. Moreover, the lack of standardised definitions has hindered cross-country comparisons. To align with international research, particularly CEDEFOP's user guide for developing employer surveys, this report will define the following terms: skills, skills shortages, recruitment difficulties, and skills gaps.

"Skills" are defined as the ability to perform specific tasks at a certain level of competence (Holt, Sawicki, & Sloan, 2010; Shah & Burke, 2003; Trendle, 2008). These skills can be acquired through practical experience or formal education. Skills needs are determined by the specific job requirements of employers (Holt, Sawicki, & Sloan, 2010).

On the other hand, skills shortages arise from "excess demand" which cannot be shifted in the short term, in combination with information asymmetry or due to biases in hiring decisions that may discourage the hiring of qualified candidates, leading to skills shortages (Shah & Burke, 2003).

"Skills shortage vacancies" are specifically those that remain unfilled due to a lack of skills, qualifications, or experience. In contrast, vacancies that are difficult to fill due to factors like poor attitude, personality, motivation, or insufficient applicants are not categorised as skills shortages. Therefore, skills shortage vacancies represent a subset of hard-to-fill vacancies defined by the three aforementioned criteria The route map to skill shortage is illustrated in the following figure (Figure A.1).

Figure A.1. Skill shortage route map



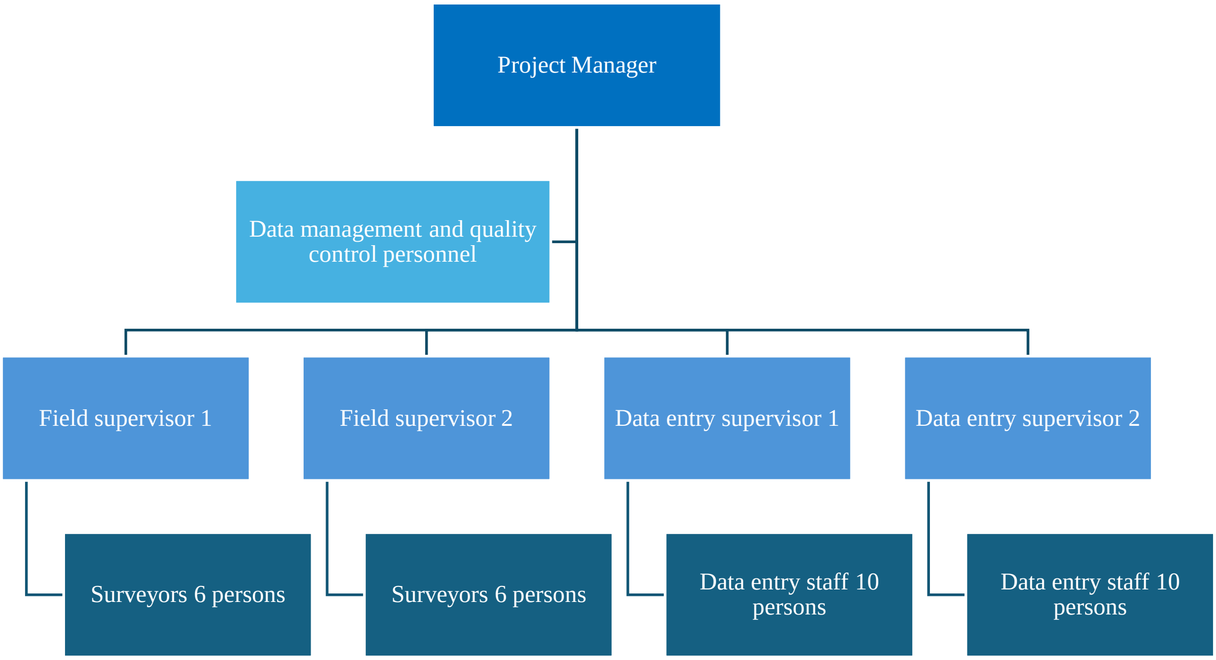
Timeframe of the Fieldwork

The survey was conducted over four weeks, from 27th May 2024 to 29th June 2024, with fieldwork carried out by a team of 12 trained surveyors. There is support from job centres throughout the province, which is also the target of the survey. After closing the data collection activities, a team of 20 data entry personnel was tasked with accurately recording all responses into the survey database (Epi Data); the data entry process takes ten days, starting on 1st July 2024 and concluding on 9th July 2024.

Research Team's Structure

Based on the number of samples and the timing of data collection, we propose forming two teams of surveyors to engage with representatives from businesses and enterprises. Each team will include a supervisor responsible for overseeing six surveyors. All supervisors will report to the project manager, who will be supported by data management and quality control personnel. Additionally, two supervisors will be designated as data entry supervisors, each overseeing ten data entry staff. These data entry managers will report directly to the data management and quality control team.

Figure A.2. Research team's structure



Data Collection

Given the complexity of the questionnaire, coupled with the time-intensive nature of the interviews—estimated to last approximately 60 minutes—the method employed for data collection is face-to-face interviews. This approach offers the advantage of facilitating high-quality responses, thereby enabling the collection of both quantitative and qualitative data concerning the demand, skill gaps, and shortages across various sectors in the current and future labour market.

The target demographic for the interviews encompasses representatives from various businesses or enterprises, potentially including owners or shareholders, chief executives, general managers, production managers, heads of human resources, and other senior management personnel. These individuals are expected to possess a comprehensive understanding of their organisation's circumstances, particularly in relation to demographic data, workforce composition, perceptions regarding first-time job seekers, skill gaps, available positions, business strategies, and the utilisation of government electronic services.

Data management and quality control procedures

Data management and quality control procedures are integrated into the essential processes of survey implementation, encompassing the development of questionnaires, training, pilot testing, and face-to-face interviews. These interviews are conducted under direct supervision and in the office, with a thorough review of completed questionnaires.

- The questionnaire design incorporates skip logic rules and outlines the numerical data that must be recorded or entered for effective data input.
- Project managers, data management and quality control personnel, supervisors, data entry supervisors, surveyors, data entry staff, and all stakeholders involved in the survey must participate in training sessions that address the questionnaire, ethical guidelines, data collection procedures, and the selection and replacement of samples. This participation is crucial for minimising discrepancies and ensuring high-quality, accurate, and reliable data collection.
- Comprehensive training and a clear understanding of the questionnaire before initiating face-to-face interviews with businesses or enterprises are fundamental principles that must not be neglected. This is crucial for ensuring the quality of the questionnaire, which includes the formulation of questions, responses, recording procedures, decision-making, and any supplementary notes that may emerge during the interview process.
- Implementing a pilot test interview is crucial for ensuring a comprehensive understanding of the questionnaire. Interviewers must engage in training and practice during this pilot phase. A feedback section following the pilot interview is essential for identifying any unclear aspects, and supplementary training will be provided as needed, particularly if inconsistencies among interviewers are detected.
- In light of this survey, we employ hard-copy questionnaires. All completed questionnaires must be meticulously cleaned and finalised prior to submission in PDF format to the data management and quality control team. Additionally, all hard-copy questionnaires should be collected and returned to Phnom Penh upon the conclusion of the data collection process. Daily submission of the questionnaires in PDF format is mandated to ensure that the management and quality control team have ample time for review and can offer timely feedback.
- Following the conclusion of data collection and entry, the data management and quality control team requires adequate time to clean and review any inconsistent data. They may also need to verify or reach out to respondents to confirm and acquire accurate information.
- Once the data has been cleaned, the team employs STATA and Excel for analysis and to generate charts or tables according to specific usage needs.

Appendix B. International Standard Classification of Occupations (ISCO)

The International Standard Classification of Occupations (ISCO) is a primary international classification system created by the International Labour Organization (ILO). It categorises jobs into distinct groups based on the specific tasks and duties involved. Its primary objectives are to facilitate international reporting, comparison, and exchange of occupational data, serve as a model for developing national and regional occupational classifications, and offer a directly usable system for countries without their own national classifications. The definitions of the four ISCO skill levels are outlined below. These definitions clarify the existing boundaries between skill levels and address situations where formal education might not accurately reflect the skill level of a particular occupation. Each definition includes examples of typical tasks, required skills, and occupations classified at that skill level.

Skill Level 1 jobs typically involve simple, repetitive physical tasks. These tasks might include using tools like shovels or vacuum cleaners, cleaning, lifting heavy objects, sorting items, operating non-motorized vehicles, or picking fruits and vegetables. These jobs often require physical strength and stamina. While basic literacy and numeracy skills might be helpful, they aren't the primary focus. A primary education or basic education level (International Standard Classification of Education Level 1 [ISCED]) is usually needed for these jobs, and on-the-job training may also be required. Examples of Skill Level 1 occupations include office cleaners, freight handlers, garden workers, and kitchen assistants.

Skill Level 2 occupations typically involve operating machinery, driving vehicles, maintaining and repairing equipment, and handling information. These jobs require moderate literacy, numeracy, and interpersonal skills, often for a significant portion of the work. Manual dexterity is also essential for many of these roles. To achieve competency in these occupations, individuals generally need to complete at least the first stage of secondary education (ISCED Level 2), and some need to complete the secondary stage of secondary education (ISCED Level 3). However, some require additional education or experience, including vocational training or on-the-job learning after completion of secondary education (ISCED Level 4). Examples of Skill Level 2 occupations include butchers, bus drivers, secretaries, accounting clerks, sewing machine operators, dressmakers, shop sales assistants, police officers, hairdressers, building electricians, and automotive mechanics.

Skill Level 3 occupations involve complex technical tasks requiring specialised knowledge. These roles demand strong literacy, numeracy, and interpersonal skills, including the ability to comprehend complex information, write reports, and interact with people in distress. The necessary knowledge and skills are typically acquired through higher education for one to three years (ISCED Level 5b). after completing secondary education. In certain cases, extensive work experience and on-the-job training can substitute for formal education. Examples of Skill Level 3 occupations include shop managers, medical laboratory technicians, legal secretaries, commercial sales representatives, computer support technicians, and broadcasting and recording technicians.

Skill Level 4 occupations involve complex problem-solving and decision-making based on extensive specialised knowledge. These roles often include research, diagnosis and treatment, teaching, design, and process development. They require exceptional literacy, numeracy, and interpersonal skills, including understanding complex information and effectively communicating complex ideas. The necessary knowledge and skills are typically gained through advanced higher education for three to six years, leading to a first degree or higher qualification (ISCED Level 5a or higher). While experience and on-the-job training can sometimes substitute for formal education, appropriate qualifications are often essential for entry into these occupations. Examples of Skill Level 4 occupations include sales and marketing managers, civil engineers, secondary school teachers, medical practitioners, operating theatre nurses, and computer systems analysts.

Table B.1. Relationship between ISCO-08 major groups and skill levels

ISCO-08 major groups		Skill Level
1-	Managers	3 + 4
2-	Professionals	4
3-	Technicians and Associate Professionals	3
4-	Clerical Support Workers	2
5-	Services and Sales Workers	
6-	Skilled Agricultural, Forestry and Fishery Workers	
7-	Craft and Related Trades Workers	
8-	Plant and Machine Operators, and Assemblers	
9-	Elementary Occupations	1
0-	Armed Forces Occupations	1 + 2 + 4

Note: A significant problem regarding the application of the concept of "skill level" in ISCO_88 relates to occupations with similar tasks and duties (or content) but with a different (higher or lower) "skill level" requirement, as measured in particular countries. This is because, given realistic differences in national education systems, the same occupation (with the same set of tasks and duties) can be undertaken by individuals with different educational levels without affecting the level of skill required for competent performance of the tasks. This is the case for some elementary, craft, and technical occupations, which in many countries require higher education levels than those assigned in ISCO_88. Source: (ILO, 2012).

Source: ISCO-08 Volume 1, ILO 2012

The skill level of an occupation is measured partly by formal education and training requirements, defined using the International Standard Classification of Education (ISCED-97). However, these skills can also be acquired through informal training and experience. It's important to note that ISCO-08 focuses on the skills needed to perform the tasks of an occupation, not on comparing the skill levels of individual workers within the same occupation. The table below shows the relationship between ISCO skill levels and ISCED-97 education levels.

Table B.2. Relationship between skill level and ISCED-97

Skill Level	ISCED-97	
4	6-	Second stage of tertiary education (leading to an advanced research qualification)
	5a-	First stage of tertiary education, 1st degree (medium duration)
2	5b-	First stage of tertiary education (short or medium duration)
3	4-	Post-secondary, non-tertiary education
	3-	Upper secondary level of education
	2-	Lower secondary level of education
1	1-	Primary level of education

Source: ISCO-08 Volume 1, ILO 2012

Appendix C. International Standard Industrial Classification (ISIC)

The table below shows the 10 sectors covered by the survey and their corresponding ISIC (revision 4) definitions.

ISIC Code	Description	ISIC Code	Description
	Accommodation and Restaurants		**Construction**
55	***Accommodation***	***41***	***Construction of buildings***
5510	Short-term accommodation activities	4100	Construction of buildings
5520	Camping grounds, recreational vehicle parks and trailer parks	***42***	***Civil engineering***
5590	Other accommodation	4210	Construction of roads and railways
56	***Food and beverage service activities***	4220	Construction of utility projects
5610	Restaurants and mobile food service activities	4290	Construction of other civil engineering projects
5621	Event catering	***43***	***Specialized construction activities***
5629	Other food service activities	4311	Demolition
5630	Beverage serving activities	4312	Site preparation
5610	Restaurants and mobile food service activities	4321	Electrical installation
	Education	4322	Plumbing, heat and air-conditioning installation
85	***Education***	4329	Other construction installation
8521	General secondary education	4330	Building completion and finishing
8522	Technical and vocational secondary education	4390	Other specialized construction activities
8530	Higher education		**Human Health Activities**
	Manufacturing of Rubber and Plastics	***86***	***Human health activities***
20	***Manufacture of chemicals and chemical products***	8610	Hospital activities
2011	Manufacture of basic chemicals	8620	Medical and dental practice activities
2012	Manufacture of fertilizers and nitrogen compounds	8690	Other human health activities
2013	Manufacture of plastics and synthetic rubber in primary forms		**Transportation, Warehousing and Logistics**
2021	Manufacture of pesticides and other agrochemical products	***49***	***Land transport and transport via pipelines***
2022	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	4911	Passenger rail transport, interurban
2023	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	4912	Freight rail transport
2029	Manufacture of other chemical products n.e.c.	4921	Urban and suburban passenger land transport
2030	Manufacture of man-made fibres	4922	Other passenger land transport
22	**Manufacture of rubber and plastics products**	4923	Freight transport by road
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	4930	Transport via pipeline
2219	Manufacture of other rubber products	***50***	***Water transport***
2220	Manufacture of plastics products	5011	Sea and coastal passenger water transport
	Finance and Insurance	5012	Sea and coastal freight water transport
64	***Financial service activities, except insurance and pension funding***	5021	Inland passenger water transport
6411	Central banking	5022	Inland freight water transport
6419	Other monetary intermediation	***51***	***Air transport***
6420	Activities of holding companies	5110	Passenger air transport
6430	Trusts, funds and similar financial entities	5120	Freight air transport
6491	Financial leasing	***52***	***Warehousing and support activities for transportation***
6492	Other credit granting	5210	Warehousing and storage

ISIC Code	Description	ISIC Code	Description
6499	Other financial service activities, except insurance and pension funding activities, n.e.c.	5221	Service activities incidental to land transportation
65	***Insurance, reinsurance and pension funding, except compulsory social security***	5222	Service activities incidental to water transportation
6511	Life insurance	5223	Service activities incidental to air transportation
6512	Non-life insurance	5224	Cargo handling
6520	Reinsurance	5229	Other transportation support activities
6530	Pension funding		**Garment, Footwear, and Travel Goods and Bags**
66	***Activities auxiliary to financial service and insurance activities***	***13***	***Manufacture of textiles***
6611	Administration of financial markets	1311	Preparation and spinning of textile fibres
6612	Security and commodity contracts brokerage	1312	Weaving of textiles
6619	Other activities auxiliary to financial service activities	1313	Finishing of textiles
6621	Risk and damage evaluation	1391	Manufacture of knitted and crocheted fabrics
6622	Activities of insurance agents and brokers	1392	Manufacture of made-up textile articles, except apparel
6629	Other activities auxiliary to insurance and pension funding	1393	Manufacture of carpets and rugs
6630	Fund management activities	1394	Manufacture of cordage, rope, twine and netting
	Manufacturing of Food s and Beverages	1399	Manufacture of other textiles n.e.c.
10	***Manufacture of food products***	***14***	***Manufacture of wearing apparel***
1010	Processing and preserving of meat	1410	Manufacture of wearing apparel, except fur apparel
1020	Processing and preserving of fish, crustaceans and mollusks	1420	Manufacture of articles of fur
1030	Processing and preserving of fruit and vegetables	1430	Manufacture of knitted and crocheted apparel
1040	Manufacture of vegetable and animal oils and fats	***15***	***Manufacture of leather and related products***
1050	Manufacture of dairy products	1511	Tanning and dressing of leather; dressing and dyeing of fur
1061	Manufacture of grain mill products	1512	Manufacture of luggage, handbags and the like, saddlery and harness
1062	Manufacture of starches and starch products	1520	Manufacture of footwear
1071	Manufacture of bakery products		**Information Communication Technology**
1072	Manufacture of sugar	***61***	***Telecommunications***
1073	Manufacture of cocoa, chocolate and sugar confectionery	6110	Wired telecommunications activities
1074	Manufacture of macaroni, noodles, couscous and similar farinaceous products	6120	Wireless telecommunications activities
1075	Manufacture of prepared meals and dishes	6130	Satellite telecommunications activities
1079	Manufacture of other food products n.e.c.	6190	Other telecommunications activities
1080	Manufacture of prepared animal feeds	***62***	***Computer programming, consultancy and related activities***
11	***Manufacture of beverages***	6201	Computer programming activities
1101	Distilling, rectifying and blending of spirits	6202	Computer consultancy and computer facilities management activities
1102	Manufacture of wines	6209	Other information technology and computer service activities
1103	Manufacture of malt liquors and malt	***63***	***Information service activities***
1104	Manufacture of soft drinks; production of mineral waters and other bottled waters	6311	Data processing, hosting and related activities
	Manufacturing of Electronics and Electrical Equipment	6312	Web portals
26	***Manufacture of computer, electronic and optical products***	6391	News agency activities
2610	Manufacture of electronic components and boards	6399	Other information service activities n.e.c.

ISIC Code	Description	ISIC Code	Description
2620	Manufacture of computers and peripheral equipment		***Manufacturing of Woods and Paper Products***
2630	Manufacture of communication equipment	***16***	***Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials***
2640	Manufacture of consumer electronics	1610	Sawmilling and planning of wood
2651	Manufacture of measuring, testing, navigating and control equipment	1621	Manufacture of veneer sheets and wood-based panels
2652	Manufacture of watches and clocks	1622	Manufacture of builders' carpentry and joinery
2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment	1623	Manufacture of wooden containers
27	**Manufacture of electrical equipment**	1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
2710	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus		Other Manufacturing
2720	Manufacture of batteries and accumulators	17	Manufacture of paper and paper products
2731	Manufacture of fibre optic cables	1701	Manufacture of pulp, paper and paperboard
2732	Manufacture of other electronic and electric wires and cables	1702	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
2733	Manufacture of wiring devices	1709	Manufacture of other articles of paper and paperboard
2740	Manufacture of electric lighting equipment		**Other manufacturing**
2750	Manufacture of domestic appliances	-	Any manufacturing not classified in this table
2790	Manufacture of other electrical equipment		

Appendix D. Additional Graphs and Tables

Table D.1. Total number of sampled establishments by sector and province

	Sector	Kandal	Kampong Cham	Kampong Chhnang	Kampong Speu	Takeo	Battambang	Preah Sihanouk	Phnom Penh	Siem Reap	Svay Rieng	Total
Selected sample	Accommodation & Restaurants	3	3	0	0	0	1	0	91	83	0	**181**
	Construction	37	4	0	28	0	4	0	161	12	0	**246**
	Education	7	1	0	9	1	2	0	138	8	0	**166**
	Financial and Insurance activities	15	9	0	9	9	9	0	138	2	0	**191**
	Garment, Footwear, and Travel Goods and Bags	0	0	6	0	0	0	3	31	0	2	**42**
	Human Health Activities	1	1	0	0	0	4	0	71	4	0	**81**
	Information Communication Technology	4	0	0	2	1	6	0	88	5	0	**106**
	Manufacturing of Electronics and Electrical Equipment	7	0	0	7	10	0	0	33	0	0	**57**
	Manufacturing of Food and Beverages	8	2	0	2	0	4	0	79	12	0	**107**
	Manufacturing of Rubber and Plastics	18	2	0	14	0	0	0	39	0	0	**73**
	Manufacturing of Wood and Paper Products	9	1	0	14	3	0	0	45	0	0	**72**
	Other Manufacturing	45	4	0	62	4	2	0	81	6	0	**204**
	Transportation, Warehousing and Logistics	8	1	0	3	0	0	0	133	3	0	**148**
	Total	**162**	**28**	**6**	**150**	**28**	**32**	**3**	**1,128**	**135**	**2**	**1,674**
Achieved sample	Accommodation & Restaurants	0	2	0	0	0	0	0	20	23	0	**45**
	Construction	0	1	0	1	0	2	0	30	0	0	**34**
	Education	2	0	0	2	0	2	0	78	6	0	**90**
	Financial and Insurance activities	3	5	0	6	6	6	0	98	0	0	**124**
	Garment, Footwear, and Travel Goods and Bags	7	0	6	8	2	0	3	31	0	2	**59**
	Human Health Activities	1	0	0	0	0	2	0	29	2	0	**34**
	Information Communication Technology	0	0	0	0	0	3	0	11	0	0	**14**
	Manufacturing of Electronics and Electrical Equipment	3	0	0	2	5	0	0	13	0	0	**23**
	Manufacturing of Food and Beverages	4	0	0	0	0	4	0	14	2	0	**24**
	Manufacturing of Rubber and Plastics	3	1	0	1	0	0	0	19	0	0	**24**
	Manufacturing of Wood and Paper Products	3	0	0	2	0	0	0	14	0	0	**19**
	Other Manufacturing	1	1	0	8	1	2	0	31	1	0	**45**
	Transportation, Warehousing and Logistics	1	0	0	0	0	0	0	41	0	0	**42**
	Total	**28**	**10**	**6**	**30**	**14**	**21**	**3**	**429**	**34**	**2**	**577**

Table D.2. Distribution of sampled establishments by sizes

Sector	Small	Medium	Large	Total
Accommodation & Restaurants	10	24	11	45
Construction	12	16	6	34
Education	18	48	24	90
Financial and Insurance	34	57	33	124
Garment, Footwear, and Travel Goods and Bags	1	3	55	59
Human Health Activities	21	11	2	34
Information Communication Technology	7	4	3	14
Manufacturing of Electronics and Electrical Equipment	1	3	18	22
Manufacturing of Food and Beverages	5	6	13	24
Manufacturing of Rubber and Plastics	6	10	8	24
Manufacturing of Wood and Paper Products	2	9	8	19
Other Manufacturing	7	22	17	46
Transportation, Warehousing and Logistics	9	24	9	42
Total	**133**	**237**	**207**	**577**
Accommodation & Restaurants	22.2%	53.3%	24.4%	100.0%
Construction	35.3%	47.1%	17.6%	100.0%
Education	20.0%	53.3%	26.7%	100.0%
Financial and Insurance	27.4%	46.0%	26.6%	100.0%
Garment, Footwear, and Travel Goods and Bags	1.7%	5.1%	93.2%	100.0%
Human Health Activities	61.8%	32.4%	5.9%	100.0%
Information Communication Technology	50.0%	28.6%	21.4%	100.0%
Manufacturing of Electronics and Electrical Equipment	4.5%	13.6%	81.8%	100.0%
Manufacturing of Food and Beverages	20.8%	25.0%	54.2%	100.0%
Manufacturing of Rubber and Plastics	25.0%	41.7%	33.3%	100.0%
Manufacturing of Wood and Paper Products	10.5%	47.4%	42.1%	100.0%
Other Manufacturing	15.2%	47.8%	37.0%	100.0%
Transportation, Warehousing and Logistics	21.4%	57.1%	21.4%	100.0%
Total	**23.1%**	**41.1%**	**35.9%**	**100.0%**

Table D.3. Distribution of sampled establishments year established

Sector	Before 2000	2000-2010	2011-2020	2021-2024	Total
Accommodation & Restaurants	6.7%	13.3%	46.7%	33.3%	100.0%
Construction	0.0%	2.9%	64.7%	32.4%	100.0%
Education	3.3%	16.7%	48.9%	31.1%	100.0%
Financial and Insurance	8.1%	23.4%	46.0%	22.6%	100.0%
Garment, Footwear, and Travel Goods and Bags	1.7%	11.9%	76.3%	10.2%	100.0%
Human Health Activities	0.0%	5.9%	35.3%	58.8%	100.0%
Information Communication Technology	7.1%	14.3%	35.7%	42.9%	100.0%
Manufacturing of Electronics and Electrical Equipment	0.0%	4.5%	63.6%	31.8%	100.0%
Manufacturing of Food and Beverages	8.3%	16.7%	37.5%	37.5%	100.0%
Manufacturing of Rubber and Plastics	0.0%	20.8%	41.7%	37.5%	100.0%
Manufacturing of Wood and Paper Products	0.0%	10.5%	63.2%	26.3%	100.0%
Other Manufacturing	8.7%	15.2%	47.8%	28.3%	100.0%
Transportation, Warehousing and Logistics	7.1%	19.0%	50.0%	23.8%	100.0%
Total	**4.7%**	**15.4%**	**51.0%**	**28.9%**	**100.0%**

Table D.4. Distribution of sampled establishments by establishment and ownership type

Sector	Establishment Type			Ownership			Total
	Single Unit	Headquarter	Branch	Cambodian	Foreign	Cambodian + Foreign	
Accommodation & Restaurants	68.9%	15.6%	15.6%	68.9%	22.2%	8.9%	100.0%
Construction	60.0%	25.7%	11.4%	57.1%	25.7%	17.1%	100.0%
Education	34.8%	30.3%	36.0%	85.4%	12.4%	2.2%	100.0%
Financial and Insurance	8.9%	33.1%	58.1%	33.9%	49.2%	16.9%	100.0%
Garment, Footwear, and Travel Goods and Bags	72.4%	12.1%	17.2%	10.3%	86.2%	3.4%	100.0%
Human Health Activities	82.4%	11.8%	5.9%	73.5%	14.7%	11.8%	100.0%
Information Communication Technology	71.4%	28.6%	0.0%	85.7%	14.3%	0.0%	100.0%
Manufacturing of Electronics and Electrical Equipment	36.4%	18.2%	45.5%	9.1%	72.7%	18.2%	100.0%
Manufacturing of Food and Beverages	58.3%	29.2%	12.5%	50.0%	25.0%	25.0%	100.0%
Manufacturing of Rubber and Plastics	87.5%	12.5%	0.0%	50.0%	37.5%	12.5%	100.0%
Manufacturing of Wood and Paper Products	70.0%	15.0%	10.0%	30.0%	65.0%	5.0%	100.0%
Other Manufacturing	54.3%	28.3%	17.4%	34.8%	56.5%	8.7%	100.0%
Transportation, Warehousing and Logistics	59.5%	21.4%	19.0%	38.1%	47.6%	14.3%	100.0%
Total	**48.7%**	**23.9%**	**27.4%**	**47.8%**	**41.2%**	**10.9%**	**100.0%**

Table D.5. Distribution of sampled establishments by entity type

Sector	Individual proprietor	General partnership	Limited partnership	Private limited establishment	Public limited establishment	State owned organization (Include Autonomous organization)	Other	Total
Accommodation & Restaurants	48.9%	0.0%	6.7%	40.0%	2.2%	0.0%	2.2%	100.0%
Construction	20.6%	0.0%	5.9%	64.7%	2.9%	2.9%	2.9%	100.0%
Education	27.8%	5.6%	3.3%	53.3%	4.4%	0.0%	5.6%	100.0%
Financial and Insurance	4.0%	0.8%	6.5%	12.9%	75.0%	0.8%	0.0%	100.0%
Garment, Footwear, and Travel Goods and Bags	16.9%	0.0%	1.7%	79.7%	0.0%	0.0%	1.7%	100.0%
Human Health Activities	38.2%	2.9%	5.9%	38.2%	8.8%	0.0%	5.9%	100.0%
Information Communication Technology	42.9%	0.0%	0.0%	42.9%	14.3%	0.0%	0.0%	100.0%
Manufacturing of Electronics and Electrical Equipment	22.7%	0.0%	4.5%	72.7%	0.0%	0.0%	0.0%	100.0%
Manufacturing of Food and Beverages	20.8%	0.0%	0.0%	66.7%	4.2%	0.0%	8.3%	100.0%
Manufacturing of Rubber and Plastics	20.8%	0.0%	4.2%	75.0%	0.0%	0.0%	0.0%	100.0%
Manufacturing of Wood and Paper Products	15.8%	0.0%	0.0%	78.9%	0.0%	0.0%	5.3%	100.0%
Other Manufacturing	23.9%	0.0%	6.5%	69.6%	0.0%	0.0%	0.0%	100.0%
Transportation, Warehousing and Logistics	11.9%	0.0%	4.8%	73.8%	4.8%	0.0%	4.8%	100.0%
Total	**21.1%**	**1.2%**	**4.5%**	**51.6%**	**18.5%**	**0.3%**	**2.6%**	**100.0%**

Table D.6. Distribution of occupations by sector

Sector	Managers	Professionals	Technicians and associate professionals	Clerical support workers	Service and sale workers	Craft and related trades workers	Plant and machine operators, and assemblers	Elementary occupations	Total
Accommodation & Restaurant	6.8%	11.3%	17.2%	3.3%	40.5%	5.3%	1.4%	14.3%	100.0%
Construction	6.5%	64.8%	2.2%	1.7%	3.4%	14.0%	3.5%	4.1%	100.0%
Education	9.8%	51.5%	16.2%	5.8%	2.2%	0.5%	1.1%	12.8%	100.0%
Financial and Insurance	10.5%	46.6%	17.6%	3.8%	16.3%	0.8%	0.1%	4.3%	100.0%
Garment, Footwear, and Travel Goods and Bags	1.1%	1.5%	2.1%	0.7%	0.1%	36.5%	27.9%	30.0%	100.0%
Human Health Activities	13.3%	34.2%	34.4%	3.3%	6.3%	1.3%	0.1%	7.2%	100.0%
Information Communication Technology	10.2%	35.4%	16.4%	11.5%	24.8%	0.0%	0.4%	1.3%	100.0%
Manufacturing of Electronics and Electrical Equipment	3.7%	3.5%	0.9%	1.8%	1.3%	6.5%	75.2%	7.1%	100.0%
Manufacturing of Food and Beverages	4.4%	14.6%	11.9%	0.9%	8.2%	28.9%	3.0%	28.1%	100.0%
Manufacturing of Rubber and Plastics	5.9%	5.5%	9.1%	1.4%	2.9%	9.3%	5.2%	60.7%	100.0%
Manufacturing of Wood and Paper Products	6.8%	3.4%	2.1%	1.1%	1.2%	29.1%	20.5%	35.7%	100.0%
Other Manufacturing	5.5%	14.2%	6.3%	1.9%	8.7%	17.4%	30.6%	15.4%	100.0%
Transportation, Warehousing and Logistic	14.3%	26.3%	9.2%	7.5%	25.0%	2.0%	10.7%	5.2%	100.0%

Table D.7. Impact of recruitment difficulties on recruitment processes by sub-sector

Sub-sector	We were unable to recruit staff	It took longer than normal to recruit	We lowered our requirements for qualification (Education/ Training)	We lowered our requirements for experience	We lowered our requirements for skills	We recruited abroad	We offered higher pay	We offered other benefits	None	Other
Accommodation & Restaurants	58.0%	94.7%	59.2%	48.5%	23.6%	-	64.5%	13.0%	-	-
Construction	7.3%	39.6%	16.1%	16.1%	-	7.3%	16.1%	-	-	60.4%
Education	23.7%	88.2%	15.1%	19.4%	11.8%	38.8%	31.2%	23.7%	-	25.7%
Financial and Insurance	27.0%	83.3%	35.1%	16.7%	25.9%	8.3%	21.2%	8.3%	-	8.3%
Garment, Footwear, and Travel Goods and Bags	46.4%	49.7%	35.0%	26.8%	26.8%	19.1%	19.1%	42.6%	3.8%	7.7%
Human Health Activities	-	68.4%	18.4%	18.4%	36.8%	18.4%	50.0%	18.4%	-	31.6%
Information Communication Technology	-	100.0%	-	-	-	-	-	100.0%	-	-
Manufacturing of Electronics and Electrical Equipment	-	43.0%	43.0%	43.0%	-	43.0%	100.0%	57.0%	-	-
Manufacturing of Food and Beverages	50.0%	100.0%	50.0%	50.0%	-	-	100.0%	-	-	-
Manufacturing of Rubber and Plastics	-	-	-	-	-	-	100.0%	100.0%	-	-
Manufacturing of Wood and Paper Products	-	100.0%	-	100.0%	-	-	100.0%	-	-	-
Other Manufacturing	24.3%	100.0%	27.2%	24.3%	24.3%	-	24.3%	13.6%	13.6%	-
Transportation, Warehousing and Logistics	-	91.8%	-	48.7%	-	-	43.0%	43.0%	8.2%	-

N=weighted total establishments with at least one vacancy 4,909

Appendix E. Questionnaire

Royal Government of Cambodia
Ministry of Labour and Vocational Training
National Employment Agency
Skill Need Survey, Semester 2, 2024

Good morning/afternoon. My name is……………………… I am from the National Employment Agency of the Ministry of Labour and Vocational Training. We are conducting a survey of employers, which aims to identify skills required and future skills needed in your establishment. The information collected is strictly confidential and will be used only for statistical purposes. We would appreciate it if you would dedicate some of your time to answering all the following questions.

Ordinal Number of Questionnaire: ___________________
Business Registration Number: ___________________

Interview Record
Interviewer's name:____
Telephone number: ____
Date of interview: ____
Time started:______________________Time completed:_______________________________________

Quality Control by team leader
Survey team leader's name:_______________________Date: __________________________________
Telephone number: ______________________________Signature:_______________________________
Remarks:____

Quality Control by technical team
Name:_____________________Time:_______________Signature:_________________________________
Remarks:____

Data Entry Record
Name of data encoder: ___________________________Date: __________________________________
Remarks: ____

Records on data cleaning and entry
Name of data cleaning person: _____________________Date: __________________________________
Remarks: ____

Questionnaires

Section A – Firmographics

A1. Name of the establishment in Khmer:____
A2. Name of the establishment in English:____
A3. Address of the establishment: Building no________street______________________village________
commune/sangkat_____district_province/city.__
A4. Address ____
A5. Name of contact person:________________________**A6.** Position of contact person________________
A7. Contact person (Tel. no.) (1)_____________________(2)_________________________
A8. Office Tel. no.____**A9.** Contact person (email)____________
____

If the interviewee is different from contact person
A10. Name of the interviewee________________________**A11.** Position of the interviewee_______________
A12. Interviewee phone no.__________________________**A13.** Interviewee's office tel. no._______________
A14. Interviewee
(email)____
A15. When did your establishment start business? Year:
|__|__|__|__|

A16. Has your establishment been registered at the Ministry of Commerce or Provincial Department of Commerce?	Registered	1
	Not registered	2

A17. The establishment is a/an:	Individual proprietor	1
	General partnership	2
	Limited partnership	3
	Private limited establishment	4
	Public limited establishment	5
	State owned organization (Include Autonomous organization)	6
	Others (specify: ____)	7

A18. The establishment is a:	Single unit	1
	Head office	2
	Branch Office	3

A19. What share of this company is owned:	Cambodian (100%)	1
	Foreign (100%); Specify nationality: ______________________________	2
	Joint share; Specify the majority of share's nationality: ______________	3

A20. Could you please briefly describe the main business activity of the establishment, and indicate your main products or services, and your customers:____
____

Code ISIC: |__|__|__|__|

A21. Of the total output, please indicate what share is:	Sold domestically	_______%
	Exported directly	_______%
	Exported through an intermediary (indirect export)	_______%

Section B – Employment

B1. Could you please indicate the number of employees at your workplace in the following years, including yourself? (Estimate the approximate number based on your knowledge of your enterprise and your industry).

	30/06/2023	31/12/2023	30/06/2024	31/12/2024	30/06/2025	31/12/2025
Total	_______	_______	_______	_______	_______	_______

B2. **Could you please indicate how many employees of your establishment work in each of the following occupations, and their educational qualifications?** (In case of more than one occupation, choose the main one i.e. the one that takes up the greatest proportion of time)**:**

Occupation	**Number of people** ***(Please write 0 if not applicable)***		
	31/05/2024		
	Total	Female	Foreigner
Managers *This category includes chief executives; general and corporate managers; managing director; administrative, finance, production, service and sale manager; and regional and branch manager who plan, direct and coordinate the policies and activities of business and other organization.*			
Professionals *Professionals increase the existence of knowledge, apply scientific or artistic concepts and theories, or teach in a systematic manner. Most occupations in this category- such as engineers, lawyers, economists, computing professionals, teachers and health professionals- require skills at graduate and postgraduate education.*			
Technicians and associate professionals *This category performs mostly technical and related tasks connected with research and application of scientific, artistic, or operational methods. These occupations, which typically require skills at upper secondary or tertiary education, include industrial robot controllers, photographers and medical assistants.*			
Clerical support workers *This category performs clerical duties associated with money-handling operations, travel arrangements, requests for information and arrangement. Most of these jobs, such as secretaries, cashiers, or transport clerks, require skills at least lower secondary educations.*			
Service and sale workers *This category provides personal services related to travel, housekeeping, catering, personal care, or protection, or they demonstrate and sell goods. Most occupations require skills at least lower secondary education.*			
Skilled agricultural, forestry, and fishery workers *This group includes occupations that require skills at least secondary education or equivalent critical skills and knowledge such as crop growers, gardeners and dairy and livestock producers.*			
Craft and related trades workers *This group applies their skills in the fields of mining and construction, making or repairing machinery, printing, processed food, textiles, or articles including handicrafts goods which involve the performance of complex physical duties that normally involve initiative, manual dexterity and other practical skills. Most of these occupations, such as builders, bricklayers, plumbers, or electronic mechanics require a substantial period of training.*			

Occupation	Number of people *(Please write 0 if not applicable)*		
	31/05/2024		
	Total	Female	Foreigner
Plant and machine operators, and assemblers *This group operates and monitors industrial and agricultural machinery and equipment, drives and operates motor vehicles and mobile machinery, or assembles products. Most occupations have not a particular standard of education but will usually have formal experience related training.*			
Elementary occupations *This group consists of simple and routine tasks that mainly require the use of hand tools plus physical effort. Most occupations in this group, such as cleaners, building caretakers, doorkeepers or laborers do not require formal education qualification.*			

B3. Could you please indicate the number of people who have left or will leave and the number of people who have been or will be recruited at your establishment? *(State the number of persons and make an estimate about the future)*

	Last 6 months	**Next 6 months**
Number of people have left or will leave (Retirement and other departures)	___________	___________
Number of people have been or will be recruited (Replacements and new recruits)	___________	___________

B4. Could you please indicate the number of persons that has left from your establishment in the last 6 months?

*(**Quits** are generally voluntary separations initiated by the employee. **Layoffs and discharges** are involuntary separations initiated by the employer. **Other separations** include separations due to retirement, death, disability, and transfers to other locations of the same firm)*.

	Quit	Layoffs and discharges	Other separations
Total			
Managers			
Professionals			
Technicians and associate professionals			
Clerical support workers			
Service and sale workers			
Skilled agricultural, forestry, and fishery workers			
Craft and related trades workers			
Plant and machine operators, and assemblers			
Elementary occupations			

B5. Could you please indicate the number of persons that has been recruited in the last 6 months?

	Total number of recruits	Number of recruits to replace people who left, retired, or promoted
Total		
Managers		
Professionals		

Technicians and associate professionals		
Clerical support workers		
Service and sale workers		
Skilled agricultural, forestry, and fishery workers		
Craft and related trades workers		
Plant and machine operators, and assemblers		
Elementary occupations		

Section C – Employers' perception on first time job seeker

C1. During the last 6 months, has your establishment filled any vacant full-time or part-time positions?

Yes	1	**Go to C.2**
No	2	**Go to D.1**

C2. If yes, has your establishment hired any first-time job seekers that were leaving higher secondary school; technical and vocational schools; or university?

Yes, specify the number: __________	1	**Go to C.3**
No	2	**Go to D.1**

C3. Which type of education have any of these been first time job seekers coming from? How well did they prepare for work for each category? (Please using from 1- very poorly prepared to 5 very well prepared to evaluate their readiness)

	Specify number of hired	**Score (from 1 to 5)**
Higher Education (bachelor's degree or above)		
General Education – Upper secondary completed (Grade 12)		
General Education – Lower secondary completed (Grade 9)		
Bachelor of Technology/Business Education		
Higher Diploma of Technology/Business Education		
Technical and Vocational Certificate 3		
Technical and Vocational Certificate 2		
Technical and Vocational Certificate 1		

Section D – Skills Gaps

D1. Do you have any problems related to your employees who do not perform jobs at the required level?

Yes	1	**Go to D.2**
No	2	**Go to D.3**

D2. Which of the following factors cause your employees not being able to do their jobs up to the required level *(Select all that apply)*

Training is currently only partially completed	1
New to the role	2
Been on training but their performance has not improved sufficiently	3
Staff lack motivation	4
Introduction of new working practices	5
Not received the appropriate training	6
Introduction of new technology	7
Unable to recruit staff with the required skills	8
Problem retaining staff	9
Other factors (please specify____)	10

D3. In the last 6 months, did your employees participate in any external or internal training courses, completely or partially financed by the establishment?

Yes	1	**Go to D.4**
No	2	**Go to E.1**

D4. Does your establishment have a training plan or budget that specifies in advance the level and type of training employees will need in the coming year?

Training plan	1
Training budget	2

D5. Did your establishment experience difficulties in organizing the courses or in finding the trainers?

Yes	1	**Go to D.6**
No	2	**Go to E.1**

D6. What were the main reasons of the difficulties? *(Select all that apply)*

No or poor information on courses/ trainers	1
No or lack courses / trainers available	2
Low quality of courses on offer / low quality of trainers	3
Others (please specify………………………….)	4

Section E – Vacancies

E1. In the next 6 months, do you have any vacancies?

	Next 6 months	
Yes, specify number of vacancies	1 ___________	**Go to E.2**
No	2	**Go to F.1**

E2. What are the typical means that your establishment utilize in recruitment?

No.	Recruitment Agency	Utilized *Check if "yes"*	Frequency 1= Occasionally, 2= Frequently, 3= Always
1	Private Employment Agency	☐	1 2 3
2	National Employment Agency / Job Centers	☐	1 2 3
3	Establishment's own website/social media platforms	☐	1 2 3
4	Friends and acquaintances	☐	1 2 3
5	Public educational institutions	☐	1 2 3
6	Private educational institutions	☐	1 2 3
7	Job Fairs	☐	1 2 3
8	Other (specify ....)	☐	1 2 3

E3. What is the overall recruitment situation expected to face by your establishment?

	Next 6 months	
Very easy	1	**Go to F.1**
Easy	2	**Go to F.1**
Normal	3	**Go to F.1**
Difficult	4	**Go to E.4**
Very difficult	5	**Go to E.4**

E4. How was your establishment affected by the recruitment difficulty? *(Select all that apply)*

We were unable to recruit staff	1
It took longer than normal to recruit	2
We lowered our requirements for qualification (Education/Training)	3
We lowered our requirements for experience	4
We lowered our requirements for skills	5
We recruited abroad	6
We offered higher pay	7
We offered other benefits	8
None	9
Other affects (specify:……………………………………………………………………)	10

E5. Are hard-to-fill vacancies causing this establishment to… *(Select all that apply)*

Lose business or orders to competitors	1
Delay developing new products or services	2
Have difficulties meeting quality standards	3
Experience increased operating costs	4
Have difficulties introducing new working practices	5
Increase workload for other staff	6
Outsource work	7
Withdraw from offering certain products or services altogether	8
Have difficulties meeting customer services objectives	9
Have difficulties introducing technological change	10
Internal training to existing staff	11
Planned expansion was postponed	12
We considered moving some or all of our production abroad	13
None	14
Others (specify: ____)	15

E6. What, if anything, is your establishment doing to overcome the difficulties that you are having finding candidates to fill these hard-to-fill vacancies? *(Select all that apply)*

Increasing salaries	1
Increasing the training given to your existing workforce	2
Redefining existing jobs	3
Increasing advertising / recruitment spend	4
Increasing / expanding trainee programs	5
Using NEW recruitment methods or channels	6
Recruiting workers who are non-Cambodian nationals	7
Bringing in contractors to do the work, or contracting it out	8
Being prepared to offer training to less well qualified recruits	9
Increase labour productivity in the establishment	10
Increase working hours in the establishment	11
Nothing	12
Other (please specify………………………………………………………………………………………………)	13

Section F – Establishment's Business strategy

F1. Does your establishment plan to introduce new products, services, technologies or expand/switch to new markets?	Yes	1
	No **Go to F.3**	2

F2. Linked to these plans, does your establishment plan to apply any of the following measures to address newly emerging tasks?	Training of available staff	1
	Internal re-organization to better use available staff and competences	2
	Recruitment of new staff	3
	Other measures (Specify________________________)	4

F3. What do you think could be the strategy to improve the competitiveness of your establishment?

____

____

Thank you very much for taking the time to answer all the questions!

MINISTRY OF LABOUR AND VOCATIONAL TRAINING

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