

Employment and Jobs review Q&A brief

Q&A about the review process

Q Who was involved in the review, who was consulted?

A The review was sponsored by Colin Mowl (ONS, Macro-economic and Labour Market Directorate), and managed via a Steering Committee consisting of participants from ONS, other government departments and a non-government representative (from the National Institute of Economic and Social Research).

A consultation of users was led by an external consultant, Denis Allnut. Questionnaires were issued to known users of employment and jobs statistics and a number of presentations and discussions took place with the data producers, members of the steering group and key data users.

Q What is the role of the Statistics Commission in this review?

A The Statistics Commission do not have a direct role in this review. They are being sent a copy of the report and the Commission will be free to comment on this review if they choose to do so.

Q How will expert users be made aware of the findings of this review?

A An article detailing the key findings of the review will be published in the March edition of Labour Market Trends (due for publication on 9th March 2006).

Q What other reviews are planned?

A An indicative schedule of reviews planned across National Statistics is available on the National Statistics website →

<http://www.statistics.gov.uk/about/data/methodology/quality/reviews/default.asp>

Q&A about contents of the Review Report

Q What was the scope of this review?

A The Review addressed the following key issues:

- a) The causes of different estimates of employment and jobs from the different sources of jobs and hours of work data.
- b) The quality, frequency and timeliness of jobs statistics for industry groups and for the public / private sector.
- c) The quality of the jobs statistics for countries and regions within the UK and for local areas.
- d) The feasibility of developing a more coherent and better quality set of jobs statistics that meets user needs more effectively than the current statistics.

Q What statistics were reviewed?

A The review has focused on data derived from the two main sources of employment data, the Labour Force Survey (LFS) and Annual Business Inquiry (ABI) to which the quarterly Workforce Jobs Series (WFJ) is benchmarked. Other sources of employment data used in the compilation of the overall quarterly WFJ series, for example administrative sources for Armed Forces and Government-supported Trainees were also covered.

Q How does this report differ from the one published previously?

A An Emerging Findings report was published in March 2004. This outlined the findings of the consultation, made recommendations on how the statistics could be improved and presented the initial findings of the reconciliation of the figures. This final report presents a more detailed reconciliation analysis, covers the improvements to the statistics that have been made since 2004 and outlines the final recommendations in more detail.

Q Why are the LFS and WFJ statistics different?

A Statistics of employment and jobs are not the same thing. In general, household surveys are used to provide statistics of people in employment, and business surveys provide statistics of jobs. Neither the LFS nor the business surveys currently provide data that gives whole economy coverage. For example, the LFS omits 3rd and subsequent jobs, and jobs held by people living in communal establishments, and the ABI omits jobs in private households.

Q What were the main conclusions of the review?

A The review made a large number of recommendations to improve the coverage and methodology of both the business and household surveys. These include the integration of the annual business surveys in which employment data are collected, and continuing development work to find a means of routinely linking information about employers from ONS's Inter-Departmental Business Register (IDBR) into Labour Force Survey (LFS) unit records. Other conclusions cover improvements to the new statistical series on public sector employment and to estimates of hours of work.

In the longer-term the review recommends that when the other recommendations have been implemented, the feasibility of producing a single jobs series should be investigated. In the meantime, the Review has recommended preferred sources for different estimates relating to employment and jobs in order to help users apply the best statistics for their purpose.

Q If the statistics are currently considered reliable why do you need a new series?

A Although both sets of statistics provide reliable estimates of what they are designed to measure, it would be more convenient for users if there was one series rather than two. A single series would be designed to achieve whole economy coverage.

Q The figures in the table are different from those published last week (18 January)?

A The figures in the table are based on data from December 2005. This is the most recent period for which the Workforce Jobs and Labour Force Survey can be compared because the WFJ statistics are published quarterly.

Q What effect will the proposed changes have on employment and jobs statistics?

A Users are now clear on the best source of employment and jobs statistics for different purposes, and will benefit from a quarterly reconciliation of the two estimates showing where and how they differ.

The integration of business surveys will improve sub-national estimates and estimates of annual change by industry. Linking the employer information to the LFS will provide greater coherence between business and household survey estimates, and significantly enhance the analytical value of the LFS, enabling better analyses of employment by industry and public/private sector in line with the National Accounts concepts, as well as improving analyses of employment by workplace location. The new series on public sector employment has already been integrated into the estimates of workforce jobs, resulting in improved quality and coherence. Together these improvements will pave the way for further investigation into the production of a single jobs series. The recommendations on hours of work statistics will lead to

greater understanding of the different sources and publication of a wider range of statistics on this topic.

Q When will the recommended improvements be implemented?

A An Action plan will be prepared for publication within 3 months of the publication of this report. This will detail improvements already made, and outline plans to take forward the recommendations.