

FEATURE

Nick Barford
Office for National Statistics

Revisions to workforce jobs

SUMMARY

This article explains the revisions made to the workforce jobs (WFJ) series, released on 14 March 2007, in the Labour Market Statistics First Release. It was originally intended to release these revisions in December 2006 but further quality assurance was required. This quality assurance has now been concluded and a Review of Workforce Jobs Benchmarking has been published separately, which includes a comparison of annual growth in jobs as measured by the revised WFJ series and the Labour Force Survey.

Workforce jobs (WFJ) is a quarterly measure of the number of jobs in the UK and is the preferred measure of short-term change by industry. It is the sum of employee jobs (measured by surveys of employers), self-employment jobs (from the Labour Force Survey (LFS)), those in HM Forces, and government-supported trainees (from administrative sources).

Revisions have resulted from the following developments and annual processes:

- annual benchmarking of short-term GB employee jobs to the latest Annual Business Inquiry (ABI) estimates for December 2004 and 2005
- self-employment jobs estimates (derived from the LFS) have been revised upwards, back to 1959, reflecting more appropriate treatment of second self-employed jobs
- revisions to public sector employment (PSE), back to 1959
- revisions to the sources for government-supported trainees and Northern Ireland civilian jobs, back to 2001, and
- a seasonal adjustment review, back to 1996

The first two items are the predominant cause of revisions. **Tables 1 to 4** show the revisions to UK WFJ back to 1996. In total, the level in September 2006 has been revised upwards by 376,000. The annual change in WFJ to December 2005 has been revised upwards by 230,000. This is driven by the benchmarking of employee

jobs. The revision to self-employment jobs has raised the level of the entire series, by approximately 100,000, but this has little impact on annual movements.

Benchmarking GB employee jobs

Benchmarking is an annual process to align the short-term GB employee jobs series to the latest ABI estimates. The December data points of the short-term series are aligned to the ABI, and the differences are wedged back in stepped increments over the previous months or quarters in the year to maintain the short-term path. For most industries, the revised ABI benchmark for 2004 and the provisional benchmark for 2005 have been applied, revising the series back to the start of 2004. Note that there are some components of the employee jobs series that are not benchmarked:

- the public sector components within sections L, M and N (public administration and defence, education, health and social work), division 64 (post and telecommunications) and division 92 (recreation, cultural and sporting activities) – these are sourced from the definitive public sector employment (PSE) series that were integrated into WFJ in 2006. Revisions to this source are discussed below. The private sector components of these industries are benchmarked
- section A (agriculture) – this series is sourced from the LFS and does not have a benchmark

Benchmarking is the predominant cause of the upward revision of 230,000 to the annual change in UK WFJ to December 2005, a revision of 351,000 to the level. The service sector (sections G to O) has been revised up by 255,000 to the annual change to December 2005, a revision of 377,000 to the level, driven by section K (real estate, renting and business activities). This is partly offset by downward revisions to the production sector (sections C to E), 47,000 to the annual change to December 2005 and 58,000 to the level.

The short-term employment surveys (STES) estimator tends to underestimate the rate of change, that is, the growth in services and the decline in production. When the series are subsequently benchmarked to the ABI, it causes these sectors to be revised in opposite directions. At the whole economy level, the service sector revisions dominate because the service sector is much larger. Both the National Statistics Quality Review of Employment and Jobs Statistics and the more recent Review of Workforce Jobs Benchmarking have recommended that the STES estimator should be changed, and this is being pursued.

Revisions to GB self-employment jobs

The self-employment jobs estimates that feed into workforce jobs are derived from the LFS. Until now, the estimates explicitly excluded any self-employment second jobs held by people whose main jobs were self-employed. The rationale for this was that if a person has two self-employment jobs then their second job was likely to be an extension of their main job. As part of the ongoing work to reconcile WFJ and LFS jobs estimates (again, following the Review of Employment and Jobs Statistics), analysis has shown that this assumption is not valid. Therefore, the series has been revised back to 1959 to include self-employment second jobs held by people whose main jobs are also self-employed. This has raised the level of the series by approximately 100,000 in recent years (slightly higher in earlier years). The impact on the annual change is small. The revisions are spread across all industries. Those with a large self-employed component have been revised the most, for example sections F (construction), G (distribution) and K (real estate, renting and business activities).

Revisions to public sector employment

The public sector components within sections L, M and N (public administration and defence, education,

Table 1
Workforce jobs:¹ revisions to levels

-	Thousands, seasonally adjusted				
	Workforce jobs	Employee jobs	Self-employment jobs	HM Forces	Government-supported trainees
	1	2	3	4	5
Mar 96	129	-2	132	0	0
Jun 96	131	2	129	0	0
Sep 96	126	10	116	0	0
Dec 96	102	-11	114	0	0
Mar 97	116	-3	119	0	0
Jun 97	132	3	129	0	0
Sep 97	126	12	114	0	0
Dec 97	99	-15	114	0	0
Mar 98	113	-4	118	0	0
Jun 98	112	4	108	0	0
Sep 98	107	16	91	0	0
Dec 98	90	-18	108	0	0
Mar 99	92	-4	96	0	0
Jun 99	80	5	75	0	0
Sep 99	120	17	103	0	0
Dec 99	76	-16	92	0	0
Mar 00	90	-4	94	0	0
Jun 00	66	5	61	0	0
Sep 00	96	16	80	0	0
Dec 00	67	-16	83	0	0
Mar 01	78	-7	85	0	0
Jun 01	76	0	77	0	0
Sep 01	93	10	83	0	0
Dec 01	68	-17	85	0	0
Mar 02	74	-9	82	0	0
Jun 02	86	-5	91	0	0
Sep 02	92	6	87	0	0
Dec 02	74	-8	81	0	0
Mar 03	80	-1	81	0	0
Jun 03	83	-7	89	0	1
Sep 03	101	5	96	0	-1
Dec 03	86	-5	91	0	0
Mar 04	111	6	105	0	0
Jun 04	117	8	108	0	1
Sep 04	131	33	99	0	-1
Dec 04	121	27	94	0	-1
Mar 05	174	87	87	0	0
Jun 05	232	129	102	0	1
Sep 05	316	199	115	0	1
Dec 05	351	241	110	0	0
Mar 06	329	237	94	0	-2
Jun 06	344	248	96	0	0
Sep 06	376	266	109	0	1

Relationship between columns: 1=2+3+4+5

Note:

¹ Workforce jobs figures are a measure of jobs rather than people. For example, if a person holds two jobs, each job will be counted in the workforce jobs total. For this reason, self-employment jobs (which come from LFS) will not equal the figures for self-employed persons from the LFS. Workforce jobs figures come from a variety of sources and, where possible, from the employer rather than the individual. Employee jobs (the largest component of Workforce Jobs) come from quarterly surveys of employers carried out by ONS, and administrative sources.

Table 2
Workforce jobs:¹ revisions to annual changes

United Kingdom	Thousands, seasonally adjusted				
	Workforce jobs	Employee jobs	Self-employment jobs	HM Forces	Government-supported trainees
	1	2	3	4	5
Dec 97	-4	-4	0	0	0
Dec 98	-8	-3	-6	0	0
Dec 99	-14	2	-16	0	0
Dec 00	-9	0	-9	0	0
Dec 01	1	0	2	0	0
Dec 02	5	9	-4	0	0
Dec 03	12	3	10	0	0
Dec 04	35	32	3	0	0
Dec 05	230	214	16	0	0
Sep 06	60	67	-6	0	0

Relationship between columns: 1=2+3+4+5

Note:

1 See note 1 to Table 1.

health and social work), division 64 (post and telecommunications) and division 92 (recreation, cultural and sporting activities) are sourced from the definitive PSE series that were integrated into WFJ in 2006. Revisions to these series result mainly from the annual process of re-referencing estimates of local authority employment in England and Wales to bring the historical time series in line with the latest survey levels. This causes small revisions back to 1959.

Revisions to other sources

Revisions from sources for government-supported trainees and Northern Ireland civilian jobs have been taken on, causing small revisions back to 2001.

Seasonal adjustment review

A seasonal adjustment review has been conducted, causing small revisions back to 1996.

CONTACT

✉ elmr@ons.gsi.gov.uk

REFERENCES

Office for National Statistics (2006) *National Statistics Quality Review of Employment and Jobs Statistics* and at www.statistics.gov.uk/about/data/methodology/quality/reviews/labour.asp

Office for National Statistics (2007) *Review of Workforce Jobs Benchmarking* and at www.statistics.gov.uk/cci/article.asp?ID=1745

Table 3
Workforce jobs¹ by industry: revisions to annual changes

United Kingdom	Thousands, seasonally adjusted								
	All jobs	Agriculture and fishing	Production	Construction	Distribution, hotels and catering	Transport and communications	Finance, real estate, renting and business activities	Public administration, education and health ²	Other services
	A-O	A,B	C-E	F	G,H	I	J, K	L-N	O
SIC 2003 sections	1	2	3	4	5	6	7	8	9
Dec 97	-4	0	0	-3	0	0	2	-1	-1
Dec 98	-8	-1	-1	-3	-4	0	0	1	0
Dec 99	-14	-1	-3	-4	-2	-1	-2	0	-1
Dec 00	-9	-1	-1	-1	0	1	-1	-5	-1
Dec 01	1	0	0	3	1	1	-2	0	0
Dec 02	5	-1	-2	1	-1	2	6	2	-2
Dec 03	12	0	-2	3	4	2	0	3	2
Dec 04	35	2	-7	-14	11	5	19	0	19
Dec 05	230	0	-47	23	14	0	199	40	2
Sep 06	60	10	-8	6	-7	0	42	5	13

Relationship between columns: 1=2+3+4+5+6+7+8+9

Notes:

1 See note 1 to Table 1.

2 Includes both public and private sectors.

Table 4
Workforce jobs¹ by industry: revisions to levels

United Kingdom										Thousands, seasonally adjusted
SIC 2003 sections	All jobs	Agriculture and fishing	Production	Construction	Distribution, hotels and catering	Transport and communications	Finance, real estate, renting and business activities	Public administration, education and health ²	Other services	
	A-O	A,B	C-E	F	G,H	I	J, K	L-N	O	
	1	2	3	4	5	6	7	8	9	
Mar 96	129	9	11	26	22	8	22	16	16	
Jun 96	131	8	10	28	25	7	23	13	17	
Sep 96	126	9	11	27	27	8	19	11	14	
Dec 96	102	7	7	22	20	5	16	11	14	
Mar 97	116	7	9	26	19	7	21	12	14	
Jun 97	132	8	11	25	26	9	23	13	17	
Sep 97	126	8	12	23	29	8	20	10	15	
Dec 97	99	6	6	19	20	5	18	11	13	
Mar 98	113	7	9	22	20	6	21	12	16	
Jun 98	112	7	12	19	21	6	20	13	14	
Sep 98	107	6	11	18	24	7	17	10	14	
Dec 98	90	5	5	17	16	6	18	11	12	
Mar 99	92	5	7	18	16	5	18	13	13	
Jun 99	80	4	5	15	14	4	15	10	12	
Sep 99	120	6	14	20	25	9	21	11	14	
Dec 99	76	4	2	13	14	5	16	11	11	
Mar 00	90	4	7	16	15	4	18	12	14	
Jun 00	66	4	5	11	11	4	12	9	10	
Sep 00	96	5	11	15	20	8	17	9	12	
Dec 00	67	3	1	12	14	5	15	6	10	
Mar 01	78	3	6	15	13	2	17	7	13	
Jun 01	76	5	6	13	14	5	14	7	12	
Sep 01	93	4	10	14	18	7	17	9	14	
Dec 01	68	3	15	15	7	13	6	10		
Mar 02	74	3	8	16	11	2	16	5	13	
Jun 02	86	6	8	18	16	7	14	5	13	
Sep 02	92	4	10	15	16	8	16	9	15	
Dec 02	74	2	-2	16	14	8	19	8	8	
Mar 03	80	3	9	17	11	1	16	8	15	
Jun 03	83	6	6	16	12	6	16	8	12	
Sep 03	101	5	12	14	15	8	20	13	15	
Dec 03	86	2	-3	19	18	10	19	11	10	
Mar 04	111	4	7	25	15	4	31	6	20	
Jun 04	117	8	2	22	19	11	38	2	15	
Sep 04	131	4	1	18	21	14	50	7	17	
Dec 04	121	3	-11	5	29	16	39	11	29	
Mar 05	174	2	-19	11	22	10	96	27	27	
Jun 05	232	3	-21	21	22	11	143	23	30	
Sep 05	316	6	-40	38	33	18	186	47	27	
Dec 05	351	3	-58	28	43	16	237	50	31	
Mar 06	329	19	-48	12	18	24	213	54	37	
Jun 06	344	12	-47	16	33	22	224	47	38	
Sep 06	376	16	-48	44	26	18	228	52	40	

Relationship between columns: 1=2+3+4+5+6+7+8+9

Notes:

1 See note 1 to Table 1.

2 Includes both public and private sectors.