



Learning+Skills Council

LMI Matters!

understanding labour market information

a toolkit for people who give advice and
guidance on education and employment

department for
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Introduction

LMI Matters! aims to help develop awareness of labour market information (LMI) and to show how it can be used effectively. It is for anyone who is helping adults or young people to explore opportunities for work or further learning.

People who may find *LMI Matters!* useful include those working in:

- information, advice and guidance (IAG)
- information and advice delivery networks (IADNs)
- Connexions services
- schools, colleges and universities
- training providers
- Jobcentre Plus
- voluntary or community organisations
- union learning representatives.

How *LMI Matters!* can help you

LMI Matters! sets out some basic guidelines to help you find your way through the enormous amount of information that currently exists about the labour market. It can help you to:

- gain a better understanding of what is meant by LMI and the terms associated with LMI
- increase your awareness of the value of labour market information and intelligence
- feel more confident about using LMI to help clients make informed choices about jobs or careers, or about appropriate programmes of learning.

'To make informed choices, people need access to excellent quality, comprehensive and impartial information and advice about local learning and work opportunities and their relevance to the labour market.'

Coherent IAG Services for Adults. LSC, January 2004



We've all heard stories of famous people who were told they would never make it in their chosen career. Ringo Starr was advised to be a car mechanic as there was 'no future in drumming.' It all worked out for Ringo, but to be properly informed, an aspiring music star would need advice about the progression routes in the automotive industry alongside those in the music industry.

Using LMI effectively

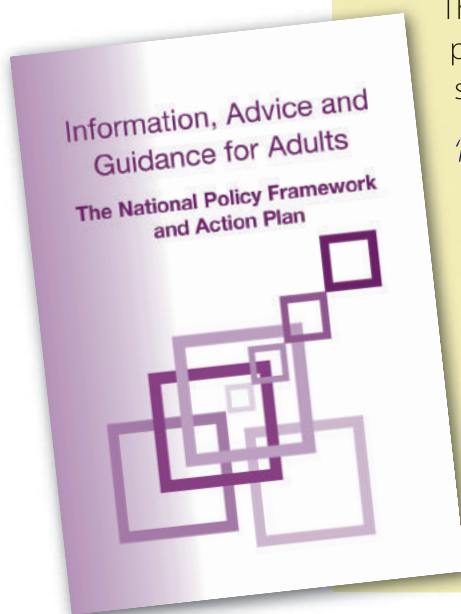
When someone receives good labour market information that leads to a good decision, it benefits the individual, the employer and the economy.

- Clients need to know where the jobs are: the **sectors**, occupations and localities that where job opportunities are on the increase, and what skills are needed for them.
- LMI can help people identify the skills they might require in the future. Even within familiar occupations, job tasks and job titles change and develop as products and technology change and develop. For example, e-commerce has changed the way businesses operate, and subsequently the way that administration and finance workers operate.
- People need to be aware of how easy or hard it will be to get into their chosen career. They also benefit from accurate LMI about pay levels, job security and local prospects which they need to take into account if they are to make realistic and informed career decisions.
- LMI can help people broaden their aspirations to include similar occupational areas in the event that their first choice not possible or not available in their area.
- It's important for people to recognise the discrepancy between unrealistic aspirations and the likely outcomes. LMI can be used to set out the realities of the job market and allow people to avoid wasting time in areas where they are unlikely to be successful.
- Unforeseen events can affect the jobs market. The foot and mouth epidemic had a major impact on farming and rural tourism (jobs were lost and businesses closed). Being aware of external factors that could affect an industry or occupational area can help people ensure that they are prepared; for example, by continuing to learn so they can use their transferable skills elsewhere.
- Learning and training is expensive. Take-up needs to be focused and related to the labour market; drop-out rates from training need to be kept to a minimum. LMI helps the individual to unpick marketing messages about courses and training.
- The continued shift from manufacturing jobs to service jobs has resulted in an increased need to understand occupations in terms of the skills that are required to do them well. Understanding the labour market helps individuals in disappearing jobs to recognise the value of their transferable skills.
- In times of major change in patterns of labour market and job opportunity, individuals need to be aware of these changes to enable them to adapt their learning, qualifications and career choices. LMI can help them to make sensible decisions about jobs and learning.

The 21st Century Skills strategy – Realising Our Potential

Providing high quality LMI is key to the Government's 21st Century Skills strategy. It stresses that people need access to comprehensive and impartial information and advice about local learning and work opportunities and their relevance to the labour market.

The strategy outlines the need to improve the availability of on-line labour market information, and training for IAG practitioners in helping clients to use labour market information to make well-informed decisions about learning and work.



The *National Policy Framework and Action Plan for IAG for Adults*, published by the DfES, states that core information services should include information on:

'national and local labour market information and intelligence. This should be in a format which is accessible to the user and provides the most up-to-date and accurate information on the labour market at national, regional and local level including local employer information and trends; and career, occupational and sector profiles.'

Core advice services should include 'meaningful interpretation of labour market information and intelligence.'

Source: *The National Policy Framework and Action Plan for IAG for adults*, at: www.lifelonglearning.co.uk/iag/



photo: Connexions Chester and Warrington

photo: Connexions Chester and Warrington

How to use *LMI Matters!*

The booklet is divided into a series of sections that guide you through different aspects of LMI. Depending on your particular needs, you may choose to read through the whole booklet, or read only the sections that are relevant to you.

The sections are:

- 1** The labour market and the factors that influence it
- 2** What exactly is LMI?
- 3** So where do I start?
- 4** Reading, assessing and interpreting LMI
- 5** Presenting LMI
- 6** Disseminating LMI
- 7** Sources of LMI

A glossary is also included at the end of the booklet. Like any area of specialism, LMI has its own specialised language. Terms that appear in the glossary are **highlighted** in the text.

LMI Matters can be accessed through the National Resource Service (NRS) Website www.advice-resources.co.uk where in future you will be able to:

- download and print out a copy of this booklet
- access a facility that shows how to present graphical information
- access a directory of links to key sources of LMI.

Section 1 starts with a discussion of the labour market and the factors that influence it.

SECTION 1 The labour market and the factors that influence it

Introduction

This section covers the term 'labour market' and some of its influences. Understanding these influences will help you in your role of supporting young people or adults to make the best decisions in planning their future.

The labour market

The term 'labour market' is used to refer to the interactions between those in need of labour (employers or buyers), and those who can supply labour (employees or sellers). The **labour market** is in a constant state of change as it responds to the needs of employers, who in turn respond to influences in the wider environment.

Many things can affect the labour market. For example, the closure or opening of a single company can have a huge impact at local level.



In December 2000 Vauxhall Motors announced that its 100-year-old car plant at Luton in Bedfordshire would close in 2002. This would mean the loss of over 2,000 jobs at the plant.

Union officials and the chief executive of Bedfordshire Chamber of Commerce, Richard Lacy, estimated that the impact on the local economy would affect far more people.

'There are 2,000 people being made redundant by Vauxhall but when you consider the **trickledown** effect, it could end up being much more.

'You can double that figure if you include the immediate supply chain to the plant and then when you look at the service-sector support industries, the figure rises steeply again.

'The effect of the closure is devastating. We think anything from 35,000 to 50,000 people could be affected. The numbers are enormous,' Lacy said.

In response to these concerns, the East of England Development Agency set up a partnership group including Vauxhall, Luton Borough Council and government agencies to tackle the effects of the closure.

The partnership provided skills re-training for the affected Vauxhall workers, counselling and support for those wishing to go into self-employment, and a support network for companies that had supplied the Vauxhall plant, aiming to help them find new markets.

As a result, when the plant finally closed in July 2002, unemployment in the area barely rose.

Some of the more recent influences on the labour market have resulted in changes in opportunities:

- reduced opportunities for secure long-term employment
- fewer **manufacturing-sector** jobs and more **service-sector** jobs
- higher pay for high skills, lower pay for low skills
- many jobs requiring computer skills.

These changes have led to new ways of doing business, and changes in the way work is organised. The changes demand more education and training, and make it difficult for anyone to predict with certainty what types of work will remain, and what new work will emerge. For this reason, practitioners can help prepare service users for the future by raising their awareness of the skills and attitudes they already possess and those they need to gain in order to be successful, no matter what jobs remain and what new work emerges.

If people are prepared, they are more likely to be able to:

- make informed choices about choosing an occupation
- identify the best sources of training and education
- check out trends in a particular **sector** or geographical area
- conduct a focused job search.

Influences on the labour market

An individual can be helped to make sense of their own situation through understanding some of the key influences on the labour market, such as:

- demography
- globalisation
- education and training
- technological change
- change brought about by government policy.

Demography

Demography – the study of the characteristics of a population – includes information such as average age, population size, density, growth, distribution. By promoting an understanding of demographics, you can help your audience to gain a better indication of the broader issues of trends in population, and future opportunities.

For example, the population of the UK is ageing – the proportion of older people is growing. Not only will this mean that the country will face future skill needs in certain areas (sectoral and geographical) as large numbers of the **baby boomer generation** retire but that there will be greater demands on health and social services. As a result, there is likely to be a large number of jobs available in those sectors in the future; there may also be **skills shortages** in these sectors.

Globalisation

The influence of **globalisation** on the labour market can be seen in the stiff competition for international markets that has led to the transfer of some manufacturing jobs to developing countries. Computers and the Internet have made it easy to transfer information between companies and countries and this process now allows even the smallest firm to operate globally, as falling trade barriers make it easier and less expensive for them to serve foreign markets.

This has created new areas of work and occupations in global entrepreneurship, international marketing, finance, distribution, trade research and international legal and trade management.



The level of training and education in some countries has made it possible to transfer some service industry jobs out of the UK and into those countries. The 'customer contact' industry has set up units in India where there are large numbers of graduates with the necessary motivation and language skills. This has resulted in job losses in some areas of the UK, notably the North West of England, as call centres are closed and replaced by call centres based in India.

Businesses can now operate all over the world, and around the clock ('24/7'). While some workers are happy to travel anywhere to follow their chosen career many will want to

stay in their area. However, the influence of globalisation is likely to affect individuals wherever they work.

Education and training

Education and training 'feed' the labour market and changes in supply or in policy will affect the labour market. If there are too few trained personnel, **skills shortages** will result; if there are too many, they will not find work in their chosen field.

Education and training is vital for companies who want their workers to have the relevant knowledge, skills and attitudes. It also affects the individual, as everyone needs to know that even employees who are fairly secure in their jobs need to commit to continuous learning throughout their career. The length of time it takes to train or educate someone can lag behind the marketplace by three or four years if the **demand** has suddenly increased.

Technological change

Computers are only one example of technological change. New technologies have always resulted in the shift of jobs from one sector to another, e.g. from agriculture to the production of farm machinery at the beginning of the first industrial revolution. Few occupations remain unchanged by new technologies and this results in the requirement for new skills to do the same job.



From the 1960s to the 1980s and beyond, many Cambridge University graduates stayed in the area and founded a range of high-technology companies (mostly related to computing or biotechnology); this attracted other high-technology companies to the area and encouraged other related developments.

This led to the term 'Silicon Fen', due to the similarities with Silicon Valley, the economic boom area in southern California based on the development of computer software and other high-technology industries. A similar effect occurred in 'Silicon Glen', a area of high-tech industries near Edinburgh. In each case a strongly scientific university community is on hand to supply ideas and personnel.

Job creation by companies that make greater use of technology is not limited to just scientific or technical jobs. Growing companies in high-tech sectors also need workers in administration, finance, logistics and sales. In turn, these workers increase the need for personal and local services, such as dry cleaners, childcare, hairdressers, craft trades such as plumbers and electricians, and eateries.

You can help your service users understand their skills and abilities against this background of the labour market and use this information to:

- anticipate the skills they will need in the future
- understand about 'disappearing' jobs
- focus their efforts on emerging occupations and industries.

Government policy

With the increased emphasis on education and health, there has been an increase in the employment opportunities in these areas. The impact of change on public-sector jobs, such as the Civil Service and local authorities, has brought about changes in employment conditions. Government

initiatives to decentralise the Civil Service and transfer jobs from areas of **skills shortages**, especially in London, to areas of high unemployment in the English regions have resulted in an increased **demand** for clerical and administrative staff in those areas.

European funding can also have a significant impact on the profile of skills required in areas of high unemployment and social deprivation.



Merseyside is one of the most economically deprived areas in the UK, and as such qualifies for Objective 1 funding from the European Commission. Much of this funding has been aimed at encouraging new **service-sector** companies to move into the area, and promote urban regeneration.

Partly as result of this funding, the number of service-sector jobs in Liverpool has increased by 27% in the period 1996–2002, and construction jobs have increased by 63% over the same period.

Sectors, occupations and geography

The **labour market** is usually organised or broken down into industrial sectors, occupations and by geographical areas. An understanding of skills and skills needs across and within these artificial boundaries can help advisers to provide well-grounded guidance. Service users need to understand how their skills relate to other occupations, to other industrial sectors and even to another geographical area if their own corner of the labour market is threatened by change.

Sectoral change

Sectoral change is the shift of emphasis from one type of employment to another.

In Lancashire, traditionally part of the UK's industrial heartlands, there has been a dramatic change in emphasis between **manufacturing** and **service sectors** over the last 50 years.

Jobs in manufacturing have changed from a peak of over 280,000 jobs in 1955 to 120,000 in 2002. Meanwhile, service-sector jobs have gone from 185,000 in 1955 to over 430,000 in 2002. The largest growth over the period has been in health and social care (up nearly 450%) and real estate and business services (up by over 1,500%).

Occupational change

Occupational change occurs as the qualifications and skills that are needed change over time.

Recent changes in the NHS and the UK requirements for qualifications for nursing mean that registered nurses are now required to hold a diploma or degree-level qualification.

As a result, anyone considering a career in nursing in the UK needs to pay more attention to academic qualifications when planning their future career path.

**Geographical change**

Geographical change refers to the movement of jobs from one area to another or even within the same area.

For example, at a local level, increases in the number of jobs in the retail food trade cluster around large supermarket outlets, but this is often at the expense of other retail jobs in surrounding small towns and villages, and in city centres.

Section 2 explores what LMI is, and what it looks like.

SECTION 2 What exactly is LMI?

This section covers:

- definitions – what ‘LMI’ means
- types of LMI
- what LMI looks like
- what it is used for
- who produces it, and
- where you might find it.

Definitions

The term ‘LMI’ is used to mean two things:

- labour market *information*, and
- labour market *intelligence*.

Both terms are used to describe and make sense of the **labour market**. However, there are differences between labour market ‘information’ and ‘intelligence’.

It is generally accepted that **labour market information** refers to either **quantitative** or **qualitative** data found in tables, spreadsheets, maps, graphs, charts, reports, newspaper articles or anecdotally.

Labour market intelligence refers to subsets of information that have been subjected to further analysis. It is an interpretation of labour market information. It can aid understanding and can also be used to make a point, as in the example.

There are indications that jobs are becoming more complex. Our survey shows that fewer jobs require less than one month for people to learn to do them well (20% in 2001, compared with 27% in 1986.*) At this stage, this is *information*, but if it is considered a trend, then it becomes *intelligence* – that is, that there will be fewer jobs in the future that people can learn to do well after less than one month of practice.

*from Felstead, Gallie and Green *Work Skills in Britain 1986–2001* (DfES 2002)

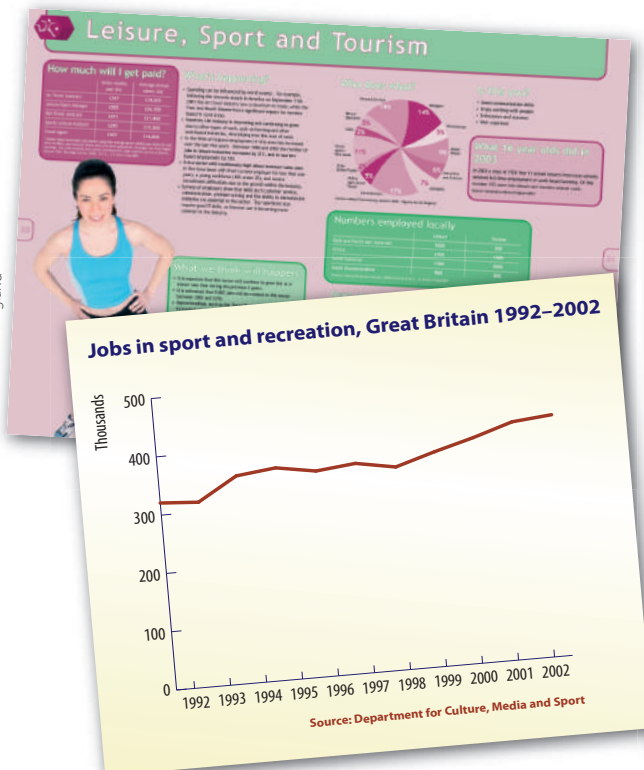
Types of LMI

There are two main types of information that can be gained from LMI research:

- quantitative
- qualitative.

What exactly is LMI?

Courtesy of Connexions West of England and Learning and Skills Council West of England



For example, interviews with England's premiership footballers would provide detailed insight into life at the top of the football profession (**qualitative** information). But the interviews could not give an indication of whether the **demand** for work associated with football is expanding or contracting.

In contrast, the Census of Population, which is made up of **quantitative** data, and repeated every ten years, shows that sport and leisure as an industry has grown enormously since 1991, therefore providing useful trends in this occupational area.

The definitions are further compounded by the *quality* or 'fitness for purpose' of the information and intelligence. The terms 'hard' and 'soft' are applied to indicate the **reliability** of the LMI (although not the **validity**).

'**Hard**' LMI is usually **quantitative** and is the result of a rigorous research methodology e.g. Government-sponsored surveys and studies such as the Census of Population, the Labour Force Survey and those undertaken by qualified research units.

'**Soft**' LMI refers to information that has come from sources other than rigorously applied research. It may even be anecdotal. It is more usually **qualitative** in nature and can come from a variety of sources, for example:

- newspaper articles
- local knowledge based on the experiences of neighbours and family
- your own information gleaned from years of experience in an area
- your professional networks.

'Soft' LMI can be just as accurate and valid as 'hard' LMI. In each case, you will need to assess the information to establish how useful or valid the information is to each individual.

An IAG adviser, in conversation with a department store employee, hears that the store is about to close, with the loss of 300 jobs. Clearly, in this case, the adviser would need to check that the employee is correct in his belief before acting on the information. However, if the adviser sees this 'soft' information reported in the local newspaper, with a date and a statement from the store manager, there is evidence on which to act.

You will have an opportunity to consider the quality checks you should make about LMI in Section 4 *Reading, assessing and interpreting LMI*.

What does LMI look like?

LMI comes in a variety of formats. Here is a set of formats that relates to the topic *Employee Jobs in Cambridge*. Parts of the same information are presented in four different ways:

- table
- bar chart
- pie chart
- line graph.

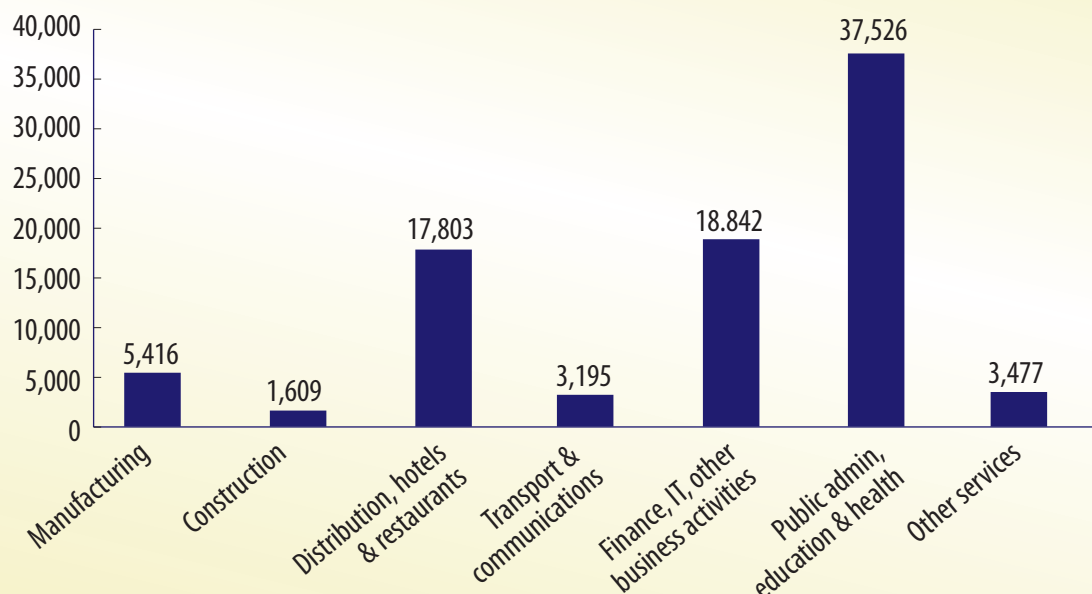
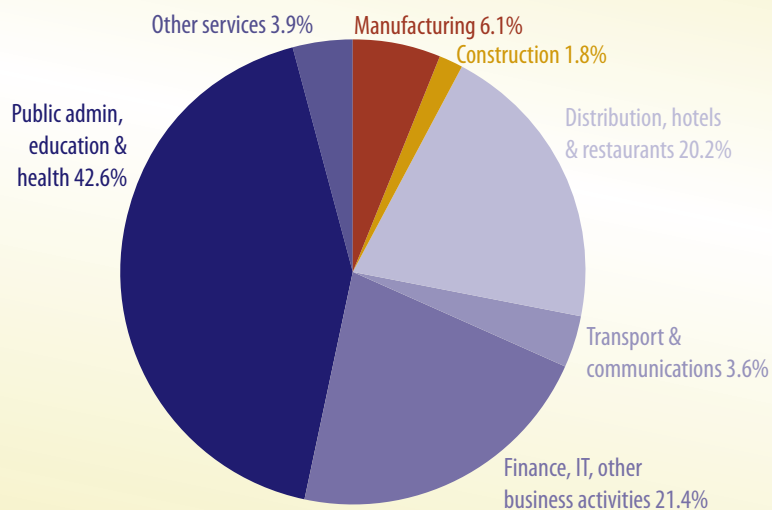
The data used to produce the diagrams in this section was extracted from www.nomisweb.co.uk, where you can find labour market profiles and overviews of the **labour market** within local authority areas. The figures are drawn from the **NOMIS** database.

	Cambridge (employee jobs)	Cambridge (%)	Eastern (%)	GB (%)
Total employee jobs	88,156	-	-	-
Full-time	57,616	65.4	66.2	68.5
Part-time	30,539	34.6	33.7	31.5
Manufacturing	5,416	6.1	13.5	13.4
Construction	1,609	1.8	5.3	4.5
Services	80,843	91.7	79.2	80.4
Distribution, hotels & restaurants	17,803	20.2	26.2	24.6
Transport & communications	3,195	3.6	6.3	6.1
Finance, IT, other business activities	18,842	21.4	19.1	19.6
Public admin, education & health	37,526	42.6	22.6	24.9
Other services	3,477	3.9	5.0	5.3

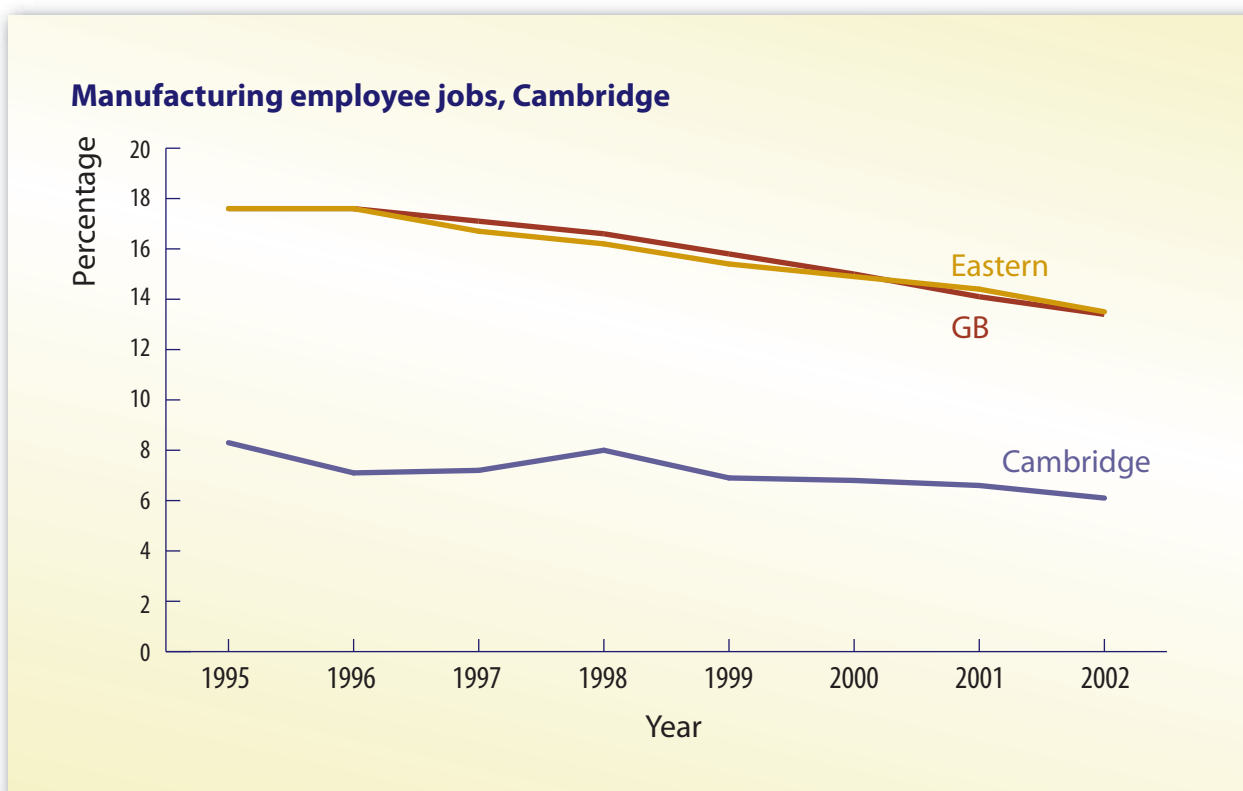
Percentages are based on total employee jobs.

Source: Annual business inquiry employee analysis (2002)

What exactly is LMI?

Employee jobs, Cambridge**Employee jobs, Cambridge***Narrative summary*

The most striking change in the industrial and occupation profile of employment over the past 25 years has been the shift from blue-collar (manual) to white-collar (non-manual) jobs and that this trend is forecast to continue for the foreseeable future. It can be seen above that in line with the UK, the Cambridge Local Authority area has an overall trend of shedding manufacturing jobs although the 'curve' shows that this has not been a uniform decline.



Validity of presentation

All of these forms of presentation are valid. No one form is 'better' than another (except that data shown in graph format has less detail). However, you may personally find one type of presentation immediately more understandable than another or more appropriate for a particular client group.

Later on, in Section 4, you will have the opportunity to look at different methods of graphical presentation to assess their effectiveness.

Who produces LMI?

LMI is collected by many different organisations. There is a list of sources with descriptions in Section 7 *Sources of LMI*. Here are some examples of the major LMI producers:

- **government departments** – for example, the Department for Education and Skills (DfES); the Department for Work and Pensions (DWP); and the Department for Trade and Industry (DTI); the Scottish Executive; the National Assembly for Wales
- **local government** – County, District and Borough Councils and the Local Government Association
- **government agencies** – regional observatories, Sector Skills Development Agency, **Sector Skills Councils** (SSCs), Learning and Skills Council, Regional Development Agencies, Jobcentre Plus, HEFC, Worktrain, Ufi, local Connexions, IAG partnerships, Small Business Service
- **employer organisations** – the Confederation of British Industry, Chamber of Commerce

- **trade unions and professional associations** – the TUC, NASUWT, the NUJ, UNISON, Institute of Directors, Chartered Institute of Marketing, Royal Institute of British Architects, etc.
- **national non-governmental organisations** – Equal Opportunities Commission, Disability Rights Commission
- **academic and research establishments** – university research departments e.g. Institute for Employment Research at Warwick University, Centre for Guidance Studies at Derby University.

Finding your way through

At the national and regional levels, a great deal of reliable and comparable LMI is available. However, at local level reliable and comparable LMI is harder to source. As outlined above, there are many organisations that produce LMI. Often, the challenge is to make sense of it all. Some agencies can help to clarify the process of finding out what you need to know. The major agencies are:

- Sector Skills Development Agency (SSDA)
- DfES
- NOMIS
- DWP Worktrain – an Internet service.

In Section 7 *Sources of LMI* you will find more information about these organisations and services and how to contact them. You will also find a list of useful web sites and publications, with a description of the information and intelligence that they provide.

Section 3 looks at service users' needs and key messages.

SECTION 3 So where do I start?

Introduction

In this section you will look at:

- various client groups
- key messages
- how to identify individuals' needs
- selecting the right information to meet their needs
- seeking help.

There is so much labour market information available that it is easy to become distracted with information that is only partly relevant. It may be helpful to start by grouping service users according to their particular requirements. However, wherever possible, people should be encouraged to learn more about their chosen sector, occupation or skills on an individual basis.

Client groups

IAG professionals specified some of groups of individuals that they work with and these have been categorised under two headings – broad groups and specific groups – although the list is not exhaustive.

Broad groups	Specific groups
<ul style="list-style-type: none"> • School leavers • Adults • Jobcentre Plus clients • FE college students • HE students/graduates • Adult literacy or numeracy learners • ESOL learners • People living in rural areas 	<ul style="list-style-type: none"> • Employees facing redundancy • Labour market returners • People over 50 • Offenders • People with sensory impairments and other disabilities • People with dyslexia • People with mental health problems • People from minority ethnic communities • Low-paid, short-term employees • Asylum seekers • The Worktrain (national jobs and training web site) audience

Each of these groups will have a set of differing needs, though there will be some key LMI messages that will be useful for all groups. You will need to get across some key LMI messages, as well as offering specific examples with which to illustrate some of the more specific requirements of individuals within the group.

Key messages

The higher profile of labour market information

There is a huge amount of labour market information available now, partly because we have access to the Internet but mostly because government institutions now have a policy of transparency and provision of information to help decision-makers at all levels.

Skills

Skills have become much more central to the labour market – occupations are viewed as packages of skills that are likely to change. It may be hard to choose a job for life, but it is much easier to obtain valuable, useful, transferable skills if you have some understanding of labour market trends.

Learning

Expect to undertake learning and training as a matter of course throughout your working career.

Identifying individuals' needs

Every individual will have a different set of circumstances and different priorities and probably ask some quite specific questions such as:

- What is the likelihood of getting a particular job at the end of this course?
- What is the competition for places on a specific course or training programme?
- What type and level of qualification are employers looking for?
- What jobs are available locally?
- What earnings can I expect?
- What are the chances of career progression in ... ?
- Where will I be able to find work as ... ?

Encouraging people to ask questions and find out some of the answers for themselves is a good way of helping them to make sense of the labour market. In fact, none of these questions is entirely straightforward and there will be a requirement for very personal answers to a host of new questions:

- Where does he or she want to work?
- What other commitments does he or she have?
- What ambitions does she or he want to develop within a particular career?
- How much money does he or she want to earn?
- Is it important for this person to have stability or is he or she more of a risk taker?
- What kind of organisation does he or she want to work for?

When they are clear and specific about the occupation they wish to pursue, then you can seek out the LMI that is appropriate, or guide them towards further sources of reading and learning in preparation for entry into the labour market.

The case study is based on these questions and indicates the sources of LMI to which an adviser might refer.



A 24-year-old student has a good record of work experience, having worked for two years in a fashion boutique in her local county town before going to university. She has held part-time jobs throughout her three-year degree course in fashion design, from which she will shortly graduate. She would like to work abroad for a while, and then feels she must work in London to be in the hub of her chosen industry. Eventually she would like to establish her own 'label'.

She wants to be financially independent and to pay back her student loan and overdraft, and knows she will have to earn a good salary to cover living expenses in London. She would like to gain further experience working for a large multinational organisation and wants to know what opportunities are available to her, and what sort of income it may be possible to earn as a graduate.

She is clear and specific about her future career, so labour market information from the following sources will provide her with information to enable her to take things forward:

- Department for Education and Skills (DfES) – the Higher Education Gateway provides information on careers.
- Prospects – official graduate careers web site at www.prospects.ac.uk
- Skillsfast-UK – the **sector skills council** for apparel, footwear, textiles and related businesses. Reports and information undertaken by this SSC would highlight sector **demand** and future skill needs, e.g. more IT skills.
- Sector Skills Development Agency (SSDA) – at a higher level, provides a web site portal to access sectoral LMI across the UK which can help individuals understand how their particular package of skills is transferable and desirable in other sectors, e.g. Skillsmart, the SSC for retail. The student's practical knowledge of the retail sector, customer care skills and eye for design would open up opportunities beyond fashion.
- New Earnings Survey – can help a graduate plan their finances.

Seeking help

It is unlikely that you will have time or be able to obtain all the LMI you want or need for each individual. And when you need information about the **demand** for occupations in the local area you may find that it is not currently available.

Working up meaningful local LMI is best achieved by agencies working together to make their information needs known. In this way providers of information can present the local detail that is so valued amongst practitioners. Many organisations collect LMI, sometimes for purposes other than understanding the labour market, for example:

- Connexions Service
- Jobcentre Plus
- local authorities
- Learning and Skills Council (LSC)
- information and advice delivery networks
- local learning partnership.

Information of this kind may already be gathered and presented so that it applies at the local level, e.g. RDAs lead on the provision of good quality LMI and will be able to tell you of the structures that are already in place.

Below are some examples of service users, brief descriptions of their needs and some sources of relevant LMI that may be useful.

Service user description and sources at national, regional and local levels

- 1 A 50-year-old accountant who has been made redundant wants to know if she can improve her chances of employment locally if she upgrades her IT skills.

National

- Skillsbase (DfES)

Local

- Vacancies and hard-to-fill jobs (Job Centre Plus)

- 2 A young man wishes to become a self-employed chiropodist.

National

- New Earnings Survey
- HESA
- NOMIS
- professional body, such as the British Chiropody and Podiatry Association or the Society of Chiropodists and Podiatrists

Regional

- RDA
- Workforce Development Confederation

Local

- Observatories
- Yellow Pages
- Business Link
- local authority and other enterprise agencies

-
- 3** A group of GNVQ leisure and tourism students wants to know about 'snow-repping' opportunities in Europe.
- the Internet: recruitment agencies on the web, for example: www.snow.co.uk
-

- 4** A group of year 11 students wants to consider their FE options.
- Learning and Training at Work (DfES)
 - careers services
 - Connexions
 - local learning partnership reports
 - ILR reports
 - NOMIS
-

- 5** A retired head teacher wants to know about her chances of gaining voluntary work teaching abroad.
- Council for Voluntary Services (CVS)
 - Voluntary Services Overseas (VSO)
 - other voluntary organisations.
-

- 6** A parent wants to know about the employment prospects in the new media industries – his daughter wants to study multimedia technology at university.

National

- NOMIS
- Labour Force Survey
- SSDA
- Skillset
- New Earnings Survey

Regional

- NOMIS
- Labour Force Survey
- SSDA
- Skillset

- 7** A disabled graduate is thinking of going into maths teaching within reach of his caring network.
- local education authority
 - professional teaching unions
 - university careers services

Regional Development Agencies (RDAs) are the main regional agencies – they take different approaches and provide different levels of support and information.

This section has begun to indicate the extent of LMI there is available, the value of focusing on the level of information the client needs, and whether it is likely to be easily accessible.

Section 4 gives advice on how to read and assess the quality of LMI, and on how to interpret it, before you pass it on to others.

SECTION 4 Reading, assessing and interpreting LMI

Introduction

This section looks at how to read tables and charts so you can extract useful information. However, you need to be confident that the information you are intending to use is valid. You cannot guarantee that LMI is objective and of high quality just because it is published (whether in paper or electronic form). So as well as looking at how to 'read' LMI, this section also looks at how you can make an assessment of its quality.

Once you feel confident about reading the information and assessing its quality, you will be ready to extract what you need from it and tailor it to suit your particular purpose – interpreting LMI.

Reading tables

Labour market summary by sex for Somerset; March 2001 to February 2002, not seasonally adjusted

	All 16+ (000s)	Economically active (000s)	In employment (000s)	Unemployed (000s)	Economically inactive (000s)
Aged 16 and over					
All	391	251	243	8	141
Male	188	134	130	*	54
Female	203	117	113	*	86
Working age					
All	288	242	234	8	46
Male	149	131	127	*	18
Female	139	110	107	*	29

* Sample size too small for reliable estimate.

Source: Annual local area Labour Force Survey data

In this case, the title: *Labour market summary by sex for Somerset; March 2001 to February 2002, not seasonally adjusted* is a precise description of what is contained in the table and the geography or area covered.

Start with the headings and subheadings before looking at the body of the table, e.g. 'not seasonally adjusted' or 'working age'. 'Not **seasonally adjusted**' means that the figures for employment and unemployment have not been adjusted for variations in the levels of employment caused by seasonal work (such as casual summer employment in the leisure and tourism and land-based industries). '**Working age**' refers to people over school leaving age (16+) but under retirement age (60 for women, 65 for men).

- Check the date of the information. Does it matter whether it is the latest and most up-to-date available?
- Before looking at the figures, examine how each column and row is derived, and what units of measurement are used. In the table above, the population figures are measured in thousands (000s), e.g. there are 391,000 people over the age of 16 in Somerset.
- Check for logic and patterns in the data. You would expect the population of working age, i.e. from 16 to either 59 or 64 years old, to be less than the overall 16+ population of the county. You would also expect to see this replicated across the other categories.
- Look for differences between groups or categories. From these figures you can deduce that there are approximately 9,000 people over their official retirement age who are still **economically active** (251,000 minus 242,000) and in employment (243,000 minus 234,000) in Somerset.
- Work out how any totals or subtotals are calculated. For example, if you add the number of people who are in employment to those who are unemployed you will find the subtotal in the economically active column.
- Read the sources and any footnotes. These often explain any anomalies or apparent inconsistencies, especially where there are errors from **rounding up or rounding down**. The footnote about the **sample** size, for example, explains why some of the subtotals in the economically active column don't add up and stops the reader making assumptions based on small samples.
- Where there is a verbal summary or narrative, check your understanding against it. Check sources and authorship to assess possibility of bias.

The next table shows the same figures produced as percentages. Figures produced as percentages often help to standardise the information. It is then easier to make comparisons, either between geographical areas or over time.

Labour Market Summary by sex for Somerset; March 2001 to February 2002, not seasonally adjusted

	All 16+ (000s)	Economically active (%)	In employment (%)	Unemployed (%)	Economically inactive (%)
Aged 16 and over					
All	391	64.0	62.1	3.1	36.0
Male	188	71.1	68.9	*	28.9
Female	203	57.4	55.7	*	42.6
Working age					
All	288	83.9	81.3	3.2	16.1
Male	149	88.1	85.3	*	11.9
Female	139	79.4	76.9	*	20.6

* Sample size too small for reliable estimate.

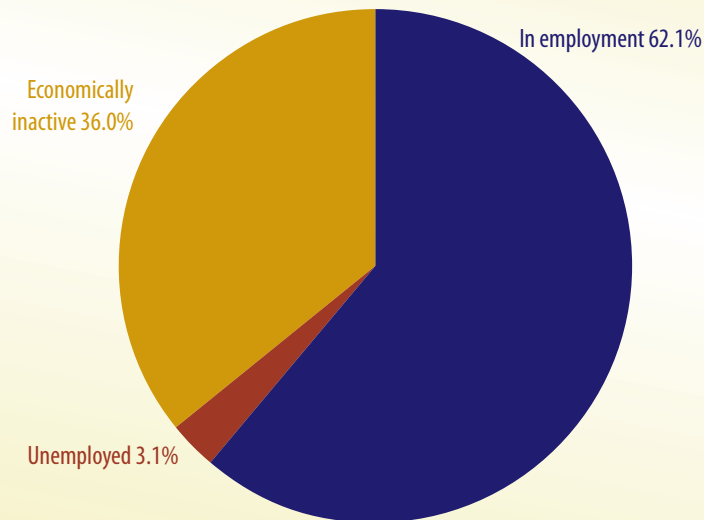
Source: Annual local area Labour Force Survey data

However, you should remember that percentages may not be a very reliable guide if they are based on a very small **sample** – for example, if three out of four police officers in a sample group happened to be female, that would give a percentage of 75% for female police officers. But if you took a sample of 4,000 police officers, it's very unlikely that 75% (3,000) would be female.

Reading charts

LMI can be presented as pie charts, bar charts, line charts, scattergrams, etc. Some charts are more effective at illustrating certain types of data than others.

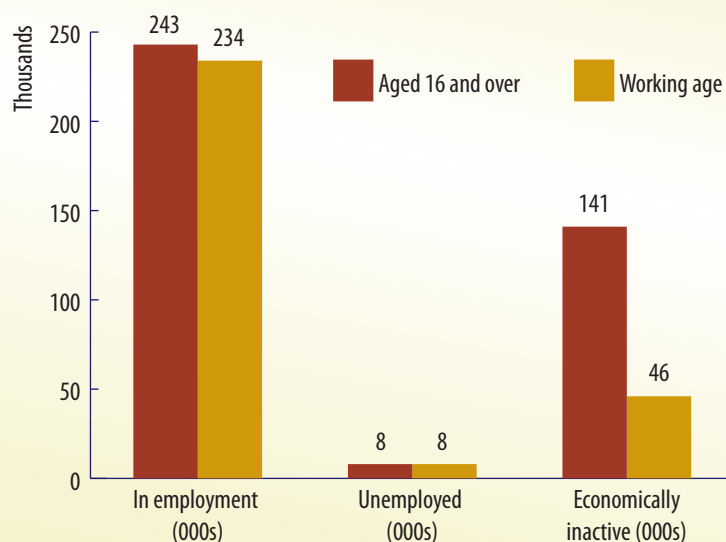
**Labour market summary for Somerset (16+),
March 2001 to February 2002**

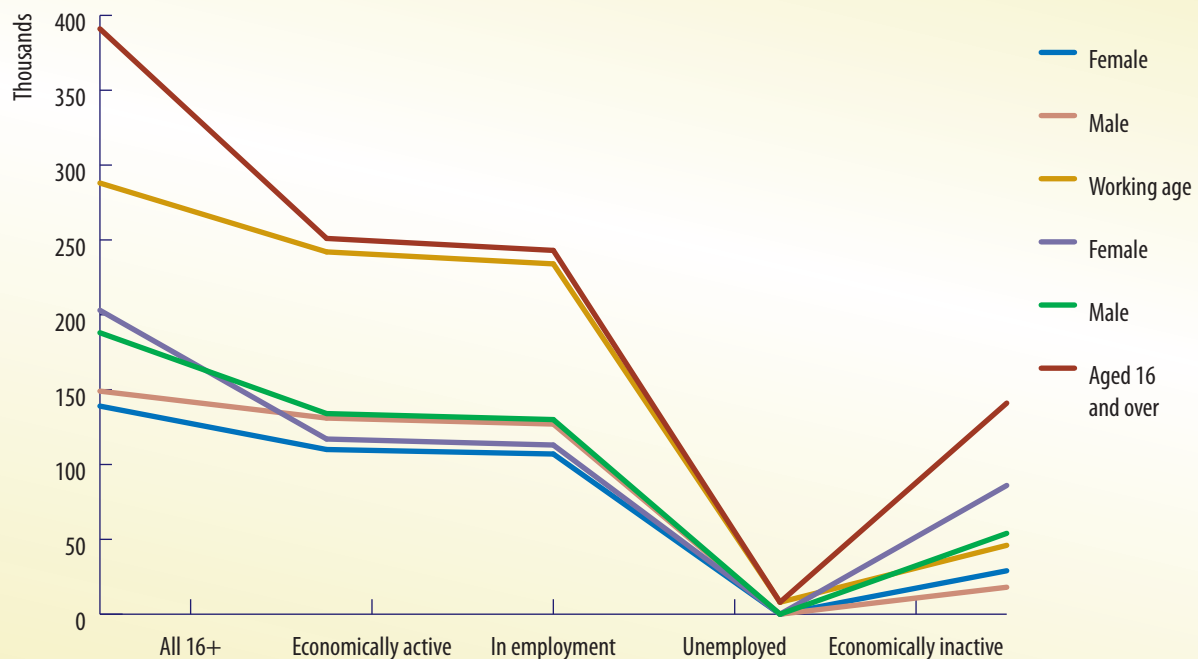


Pie charts are good where clear visual representation is needed. In this case, the immediately noticeable aspect of the chart is that there is such a small percentage shown as unemployed. However, pie charts can only show one aspect of the information. To show how the figures relate to the sex of the population, you would need to present two separate pie charts.

A **column** or **bar chart** is the most commonly used type. It has the combined advantages of both the pie chart and the line graph, i.e. it can give the reader a sense of proportions of different categories, or it can be used to show trends or changes over a period of time.

**Labour market summary for Somerset (16+),
March 2001 to February 2002**



Labour market summary for Somerset (16+), March 2001 to February 2002

In this case, a **line graph** presents a confusing and misleading illustration of the data. A line graph is most useful for showing trends or changes over time – the values on the **x-axis** would usually be years or months. In the graph shown, a line graph is not the appropriate format, as the values on the x-axis represent discrete categories, not a continuous range of numerical values. (**‘Discrete data’** is data which falls into one of a number of predefined categories; **‘continuous data’** represents values on a continuous numerical scale – so for example any point along the x-axis represents a specific point in time.)

Now look at this new set of data:

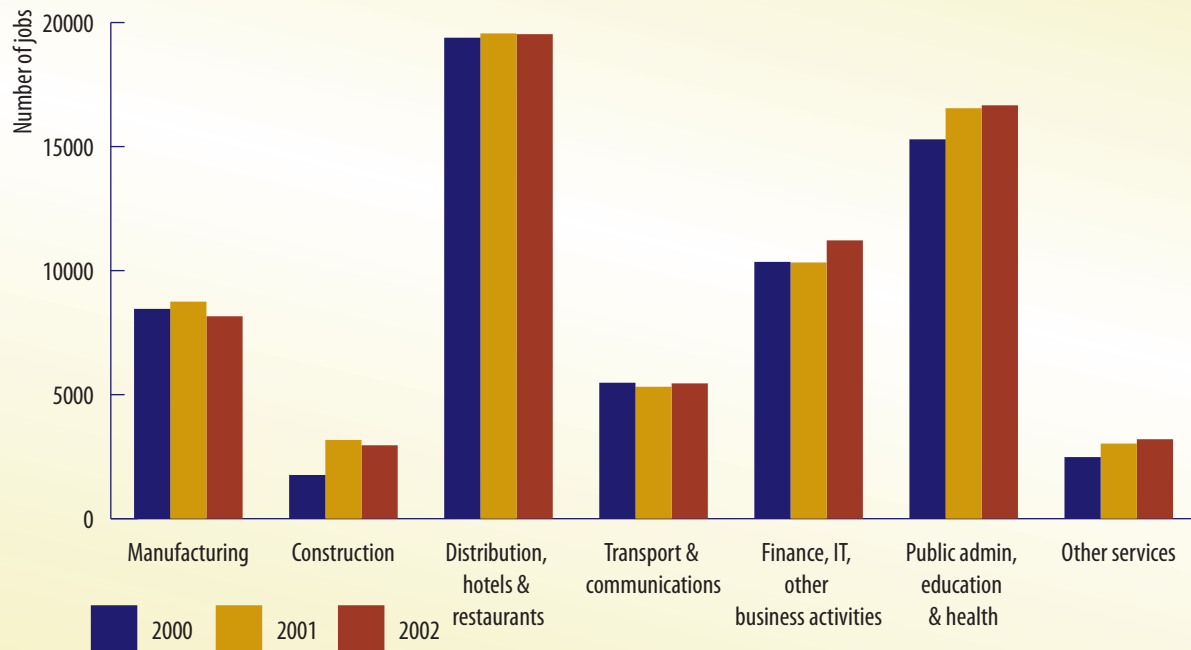
North Somerset employee jobs by sector 1995–2002

	1995	1996	1997	1998	1999	2000	2001	2002
Manufacturing	7,523	8,129	7,766	7,845	8,440	8,458	8,750	8,159
Construction	1,993	2,092	2,498	2,650	2,309	1,761	3,174	2,959
Services	43,502	46,115	46,444	51,286	53,771	52,996	54,783	56,072
Distribution, hotels & restaurants	15,232	16,737	14,511	16,451	15,934	19,389	19,562	19,532
Transport & communications	3,420	3,477	4,033	4,160	4,925	5,480	5,318	5,454
Finance, IT, other business activities	8,422	8,268	9,620	12,300	12,123	10,352	10,328	11,219
Public admin, education & health	14,115	14,999	15,429	15,654	16,030	15,292	16,547	16,664
Other services	2,313	2,634	2,851	2,721	4,759	2,483	3,028	3,203
Total employee jobs	53,018	56,336	56,708	61,781	64,520	63,215	66,707	67,190

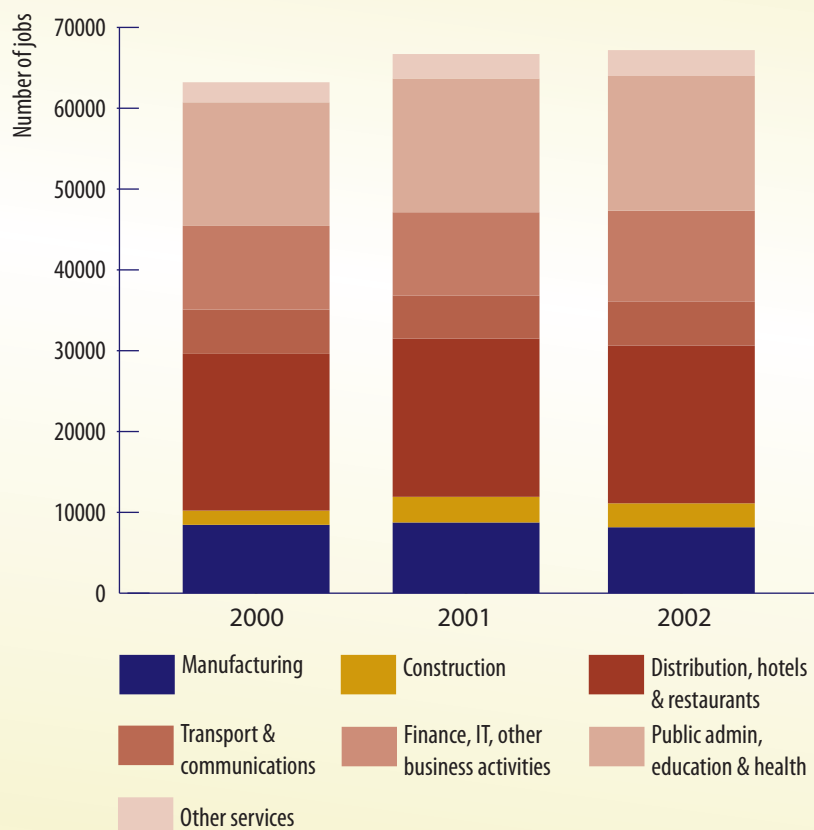
Source: annual business inquiry employee analysis (2002), from nomisweb.co.uk
Crown copyright 2003

We can use part of this data to make a bar chart showing changes in the sectors over time, by grouping the bars for each sector together.

North Somerset employee jobs by sector 2000–2002

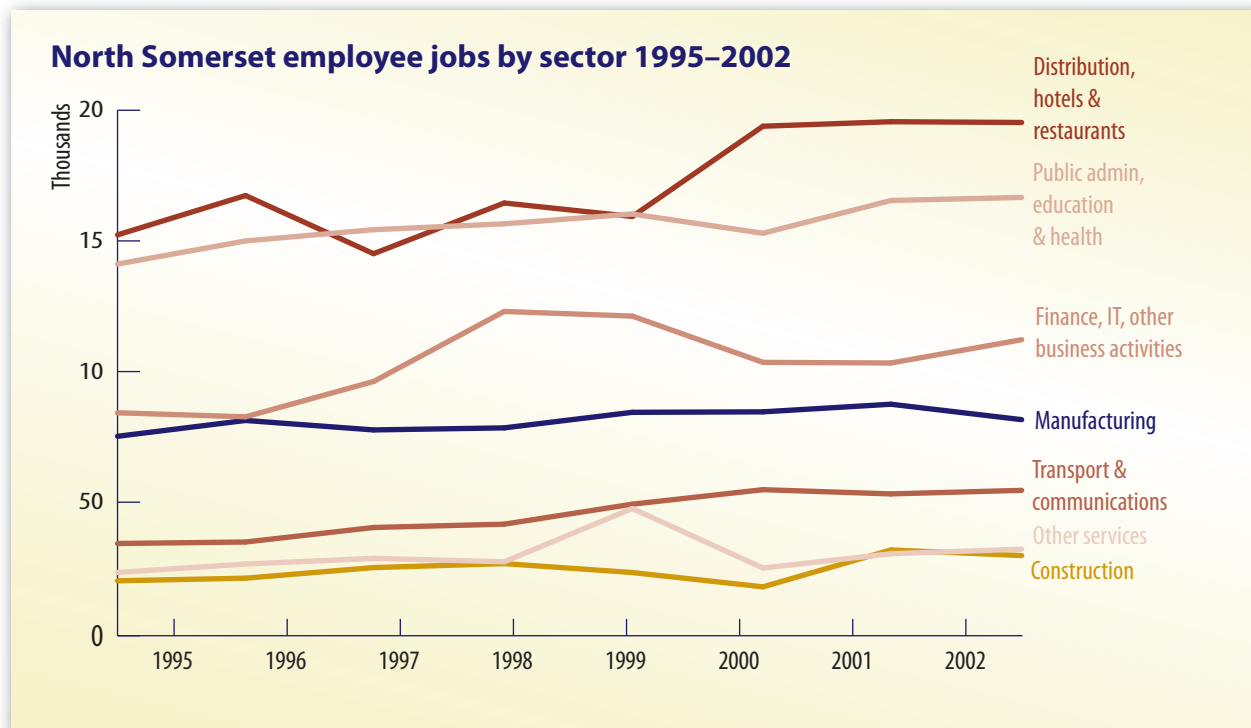


North Somerset employee jobs by sector 2000–2002

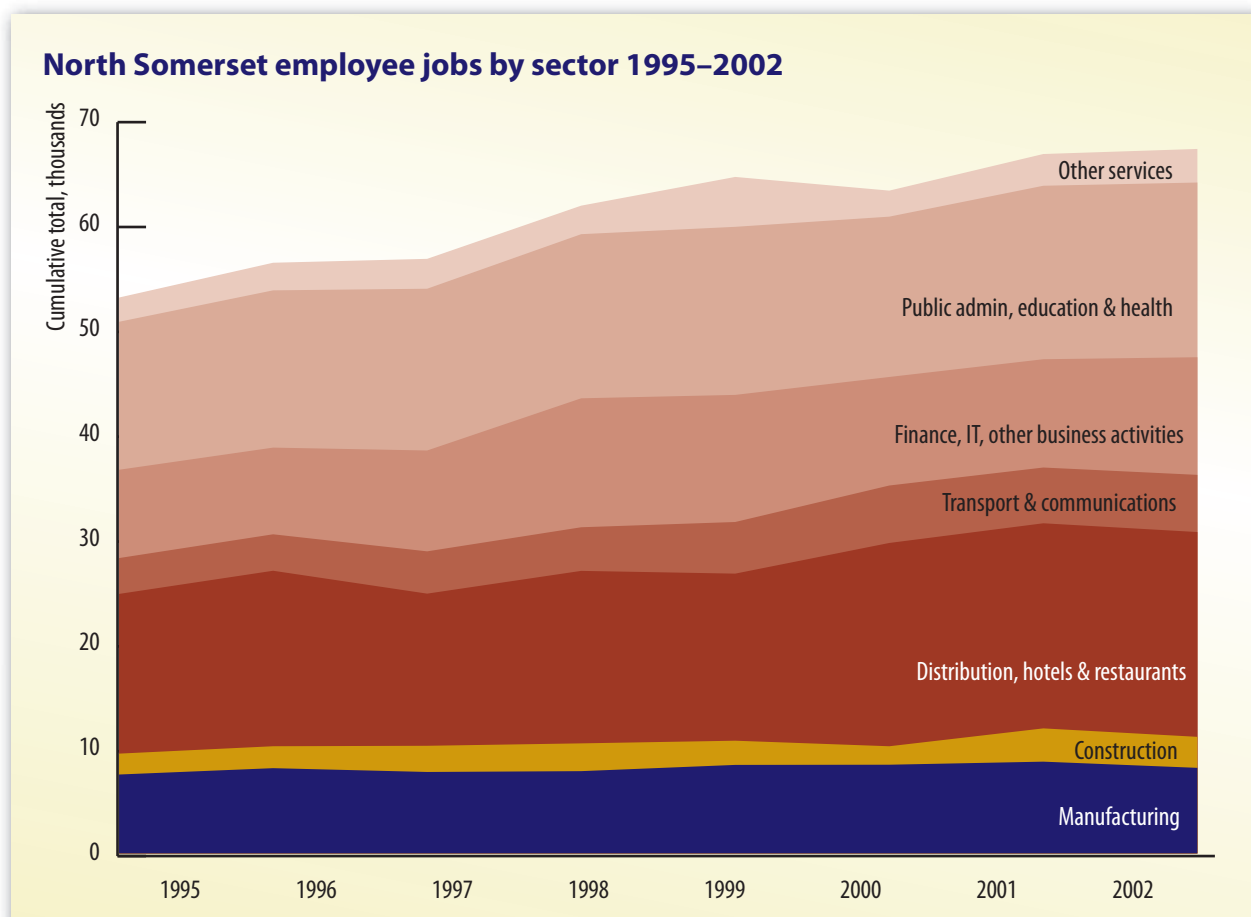


Another way of presenting these figures is a **stacked bar chart**. You stack the bars for each sector on top of each other, so the total height of the column shows the total figure for each year.

But perhaps the most effective way to show changes over time in a number of different categories is to use a **line graph**.



If you wish to show how the *total* of all the sectors changes over time, you can stack them, just as we did with the bar chart. This is called a **stacked area graph**.



A checklist for reading charts

- Check your understanding of the titles and subheading. Is it clear what the chart is showing?
- Is it relevant to the groups I'm advising?
- Check the date and source of the data presented.
- Check your understanding of the presentation with any accompanying narrative.
- Check the baseline measurement for the axis labels. Do they start at zero?
- Check the axes for a description of the units of measurement.
- Consider the legend or key that has been used, especially if the chart is in black and white.
- Read the key to the gridlines on graphs.
- Look at the shape of the 'curves' and try to understand the significance of the shapes. These are sometimes described as 'trend' lines. What are they telling you?

Reliability and validity – the quality of LMI

These terms are sometimes used interchangeably. But they mean slightly different things. (You may also hear the term 'quality LMI'.)

Reliability is the degree to which an instrument measures the same way each time it is used under the same conditions. For example, the Census of Population uses a survey questionnaire or measuring instrument that is applied at the same time interval to the same subjects. It is considered highly reliable.

Validity, on the other hand, is the accuracy of the measurement. Does it measure what it's supposed to measure? It could be argued that validity is more important than reliability, because if an instrument does not accurately measure what it is supposed to, there is no reason to use it even if it measures consistently (reliably).

The question that you need to ask is: Is the LMI I am proposing to use **fit for purpose**?

Consider LMI about unemployment. There are two main **measures** – the **claimant count** and the **ILO (International Labour Organization) measure**. The claimant count measures only those claiming benefits but is consequently very precise, even in a small area, and up to date – so it can be considered reliable. It is also valid as it measures exactly what it says it is measuring. On the other hand, the ILO measure is based on a telephone survey of a **sample** of the population. It is likely to be less reliable at local level and cannot guarantee that the people surveyed told the truth about their unemployment.

The two measures are both reliable, but validity will depend on how you define fitness for purpose. If, for example, you wish to consider unemployment in retired women, or women who have partners who claim benefits, then the ILO measure will better meet the fitness-for-purpose criteria.

There are many methods that can be used to assess the **reliability**, **validity** or **quality** of LMI. The main ones include:

- Verifying authenticity, by checking the source of the material. Professional research departments will not deliberately damage their reputations or those of the people they work for. The source can give you a clue to the quality of the information. LMI from reputable established organisations (such as the CBI, TUC, LSC) is likely to be valid. Nonetheless, all organisations are capable of using 'spin' in interpreting information to make a point and to support an argument. This doesn't invalidate the information, you just need to make allowances for this and, if possible, seek out corroborative sources.
- Noting the date when the research was carried out and the publication date. Assess the likelihood of changes that may have happened since the research was completed.
- Scanning the contents list – this can help you judge whether the LMI is relevant to your service users' needs.

Interpreting LMI

You will need to interpret labour market information to turn it into intelligence that can guide your service users' decision-making. Even information someone else has interpreted needs to be interpreted further by you, to make it fit for your purpose.

First, make sure you have fully understood the information, then:

- **Summarise the key message.** Reflect on the main message and check that it fits the purpose for which you were seeking the information in the first place.
- **Support it with facts.** Seek out and interpret additional information, if necessary. You may have used national information and want to check out the national message against local sources, or vice versa. Local LMI may not be representative of what is happening nationally or even regionally. **Demography, geography** and many other factors will affect a local labour market.
- **Use your own judgement – draw conclusions about the information.** Decide how the message can be used effectively and how best to present it to your clients. Encourage your clients to use their judgement, to question the data and to apply the messages to their own situation.

Section 5 builds on this section by helping you consider how best to pass on to clients the LMI that you have gathered.

SECTION 5 Presenting LMI

Introduction

It may not be feasible to present LMI in visual form to individuals, but where it is possible, it can help get across key messages, and can play a useful role in setting out the options clearly. The opportunity may arise to present key messages to a group in a similar situation, for example, a group of women returners, or a year group in a school. This section builds on earlier sections and considers:

- choosing LMI that is suitable for the audience
- checking understanding
- avoiding pitfalls.

Choosing LMI that is suitable for your audience

Section 4 shows some basic labour market information presented in different ways. For some individuals, it would be more appropriate to present LMI in the form of pie charts, bar charts or line or area graphs. Others may benefit more from detail, and be comfortable with looking at tables. This section outlines some of the advantages and disadvantages of different formats, so you can choose the most appropriate method to get key LMI messages across to your particular audiences.

It's important to keep information clear and simple to avoid confusion. Handouts are useful reminders and offer the opportunity for further reflection on the value of LMI in future planning.

(The examples in this section have been adapted from the regularly updated information provided by DfES on the Skillsbase portal at www.skillsbase.dfes.gov.uk)

Checking understanding

Encouraging your service users to see LMI as a broad and varied subject area will help them to see its value. Getting them to engage with LMI will also give you an idea of their degree of understanding of their situation and their options. You will also be able to assess how effective you have been in getting the message across. When their understanding seems weak, it may be useful to present the LMI in a different way. Responding to questions gives you another opportunity to reinforce key messages and clarify any misunderstandings.

The examples that follow show how the key message that 'those with higher qualifications get more training at work' can be supported with LMI.

The higher someone's existing qualifications are, the more likely they are to receive further training from their employer. There are striking differences between the amount of training an employee receives and their level of qualification and occupation. The **Labour Force Survey** tables and charts shown here show that those qualified at level 4 or above (sub-degree and degree-level qualifications) were four times more likely to have received

training in the previous 13 weeks than those with no qualifications. Employees in **professional** and associate professional occupations are significantly more likely to receive training than those in lower-skilled jobs.

Formal education and qualifications are only part of the overall skills supply. An important part of work and jobs is the training and learning which goes on in the workplace. Much of this will be informal, unstructured and hard to measure, so the recorded statistics may only give a partial picture.

Employees receiving job-related training by highest qualification

Measure of employer-provided training – percentage of employees who have received training in the last	13 weeks	4 weeks	1 week
Highest qualification			
All employees	16	30	8
Degree or equivalent (NVQ 4 and 5)	44	23	11
HE below degree level (NVQ 4)	43	22	11
GCE A level or equivalent (NVQ 3)	29	15	9
GCSE grades A*–C or equivalent (NVQ 2)	28	15	8
Other qualifications	22	11	6
No qualification	11	5	3

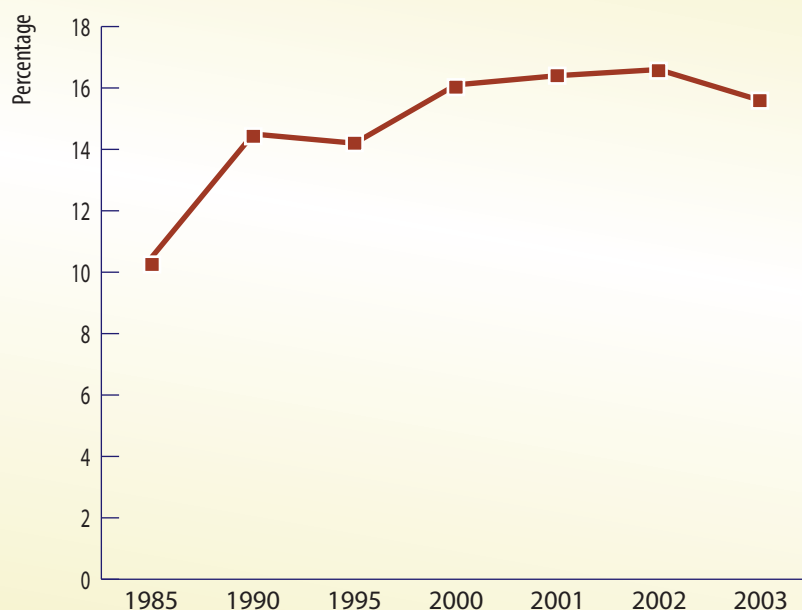
Source: Labour Force Survey, Spring 2003, adapted from data cited on www.skillsbase.dfes.gov.uk/database

The table above shows that those with the highest qualifications are the most likely to have received training. The subheadings specify three different time periods for comparison and tells the reader exactly what is being measured, i.e. training provided by employers.

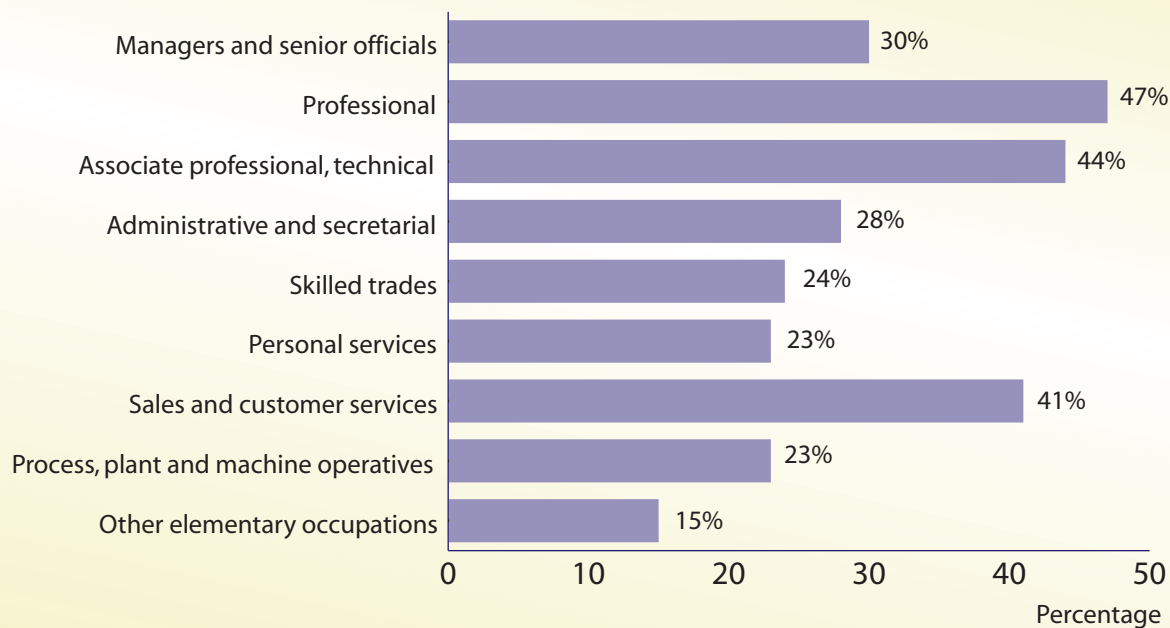
It is not possible to represent any of the data above in a pie chart. Consider the percentages and their whole. For example, the data indicates that 44% of those with a degree or equivalent have received training in the last 4 weeks, not that 44% of all training was provided to those with a degree or equivalent.

The line chart opposite shows that since 1985 there has been an overall increase in the proportion of employees who reported that they had received training in the last 4 weeks. Note the variation in time periods on the **x-axis** and how this shapes the 'curve'.

The bar chart reinforces the general message that those with higher qualifications receive more training at work. This example shows that the professional and associate professional groupings were the most likely to have undertaken training in the last 13 weeks. Note too, the proportion of sales and customer services that received training, perhaps indicating the importance of skills in this area and the efforts made by employers to remain competitive.

Proportion of employees receiving training in the last 4 weeks

Source: Labour Force Survey, 1985–2003

Percentage of employees receiving training in the last 13 weeks, by major occupational group

Source: Labour Force Survey, Spring 2003

Avoiding pitfalls

- Reflect on the key messages that you interpreted from your information to make sure you fully understand them yourself. You will then be able to pass them on more clearly to your audience.
- Avoid over-complicating the message by trying to include too much information, and information that is not relevant. Aim for clarity when producing tables or charts.
- It is a relatively simple process to produce diagrams – a software package (such as Excel) takes the raw information and produces the diagram you have told it to produce. Or you can use the facilities provided on the *LMI Matters!* web site.
- Avoid using LMI jargon or acronyms.
- Encourage your service users to think of themselves as LMI analysts, researching their own information and sharing their LMI experiences or information with you.

This section has concentrated on how to present LMI to your service users. Section 6 looks at how to disseminate LMI to a wider audience.

SECTION 6 Disseminating LMI

Introduction

IAG practitioners work in many different situations and with members of the general public whose requirements for LMI vary widely. These requirements are likely to include the need for local LMI. This section focuses on the advantages of finding a method of disseminating relevant LMI within a group that have a common goal or perspective. This group or network may be limited to your own office or organisation, or it could include other stakeholders such as representatives from the LSC or Job Centre Plus.

This section looks at:

- how to select LMI that will be relevant to your audience
- methods of dissemination
- the Internet
- newsletters and leaflets
- network meetings and training events.

Selecting information for dissemination to colleagues

Many of the same rules about selecting information for service users considered in Section 5 apply when presenting information for colleagues. There is so much information available it is essential to be selective to avoid information overload. It is not possible to reflect the wealth of national and regional LMI at a local level so decisions will have to be made about what to include. You may also want to cooperate with other organisations in your area providing LMI to individuals, to avoid duplication of effort. The other organisations may include:

- Connexions Service
- Jobcentre Plus
- local authorities
- Learning and Skills Council (LSC)
- information and advice delivery network
- local learning partnership.

First, make a list of your colleagues that use LMI in their work – your intended audience. Investigate their specific needs by asking representatives from the group the following questions:

- Exactly what LMI do they think they need?
- What LMI would be useful for their particular client groups?
- How would they like this LMI to be presented (e.g. tables, charts, narrative)?
- What classifications they need (e.g. by SIC, SOC)?
- How can it be most effectively delivered?
- Do they collect LMI that could be useful to others?
- Do they already know of any good sources of LMI?

Their answers will help you decide what to include in your document.

Bear in mind that colleagues have to read a great deal of material in a limited amount of time. They will find it useful if you present the information so that they can skim the information quickly to see if it is what they need, and if they need to read on.

- the title, headings and subheadings
- the summaries
- other organisational features
- the first sentence of each paragraph
- the first and last paragraphs on a page
- the illustrations.

You will need to think about the following:

- a clear title
- the logos that need to be used, and the organisation's contact details
- the format – a two-column format works well and may be easier to produce in-house
- the font – use sans-serif fonts (e.g. Helvetica, Univers, Gill Sans, Arial, Frutiger, Myriad) in at least 12-point size (to help readers with a slight visual impairment – this follows the RNIB's Clear Print standard)
- use charts and graphs to present statistical information (see Section 5)
- include a contents list
- feedback – it is useful to invite your audience to tell you what they want, and what they like – or don't like
- if possible, use case studies.

A word cloud featuring the names of several common sans-serif typefaces. The fonts are displayed in various sizes, colors, and orientations. The visible fonts include Helvetica (green), Gill Sans (orange), Univers (grey), Arial (yellow), Frutiger (red), and Myriad (purple).



Courtesy of HERDA-SW, the Higher Education Association in South West England

Methods of disseminating LMI

There are many ways of getting LMI to those who need it. The main ones are discussed below.

The Internet

Section 7 suggests some of the main Internet sources that contain LMI. Here, we focus on how the Internet can be used as a tool to disseminate your information.

There are considerable advantages in using the Internet or a web-enabled facility:

- One of the most significant advantages of having a web site is that you can keep your information up to date more quickly than on paper. Labour markets are dynamic and using the Internet allows you to update the information regularly.
- The Internet allows anyone who has an interest in your information to read it – as long as it is an open site. If information is posted on a well-maintained web site, and colleagues and partners know they should review it regularly, they can access information themselves.
- Using the Internet to disseminate information usually costs less than disseminating information on paper. Print runs can be more expensive than putting relevant LMI on your organisation's web site. If you do decide to print your information, an electronic copy can also be made.
- Another significant advantage of the Internet is the facility to set up news facilities, discussion forums, or chat lines. These give you the opportunity to talk to others in your organisation or network as though you are in the same room. For example, if you are preparing LMI about casual summer work and you know there are others that have information about this, a chat line allows you to post your question and wait for their answers. This is an excellent way to seek information or feedback from a group of your peers.
- E-mail, of course, gives you the opportunity to be constantly and almost instantly in contact with others. It can be used for newsletters or to alert colleagues to new postings on the web site, or new LMI that is of particular significance to them.

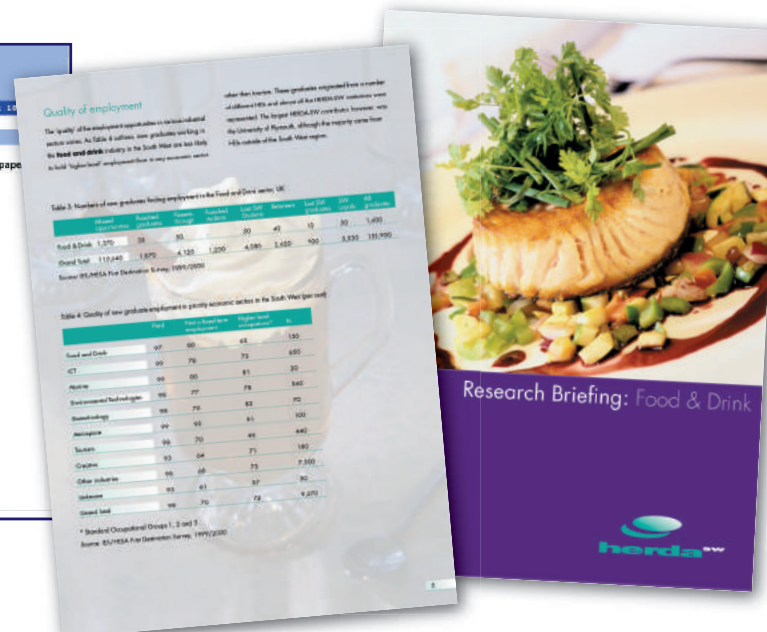


Though the Internet has made the flow of information faster, assembling the information, updating web pages and sending e-mails still takes time. You will need to make sure you have the resources to do this.

Newsletters and leaflets

When producing a newsletter or leaflet bear in mind the following:

- In the same way that you have to assess the resources required for electronic dissemination, you will have to decide how often are you going to produce a newsletter and the resources that will be needed.
- Decide your target audience and how it will be distributed – posting the information on your web site or sending the newsletter by e-mail will reduce costs.
- Keep the newsletter small. A larger document will create the temptation to include additional (and possibly not useful) information.



Courtesy of HERDA-SW, the Higher Education Association in South West England

Network meetings and training events

You may need to use a face-to-face approach, which is especially useful in raising the awareness of LMI to IAG practitioners. LMI could be included as a regular agenda item at staff meetings and network meetings. This also gives everyone the opportunity to discuss information that has been published on a web site or in the newsletter. Colleagues can seek clarification or highlight their own information or intelligence.

Bringing LMI into an open forum will also give you the opportunity to assess how well it is being assimilated and used.

Section 7 looks at sources of LMI.

SECTION 7 Sources of LMI

Introduction

There is a huge amount of LMI, available from many different sources. The Internet is probably the major source of information. There are many advantages to using the Internet as a source of LMI. Of course, hard copies of documents are obtainable but it is now usual practice to access the Internet to either download a document or to find out information such as contact details.

This final section of *LMI Matters!* is an introduction to Internet searching, named sources of LMI, the geography, and the type of information covered.

- Internet sources
- sources of paper copies
- national LMI
- regional LMI
- local LMI.

Internet sources

Searching for the right information

The Internet gives you access to a huge amount of information. However, much of it is unwanted. If you do not have a specific URL (a web site address) to take you direct to a site, then 'Search' facilities can help you to get to the information you want.

You can type words into search engines on the Internet (such as Google and Ask Jeeves) to help you find LMI. If you use the search facilities regularly you will begin to become adept at keying in appropriate words to hone in on the information you want.

If you key just the letters LMI into the Google search facility it will generate over a quarter of a million sites worldwide. If you confine your search to the UK it will generate more than 6,000 sites. Keying in 'LMI skills' generates less than 2,000 sites and you will begin to see sites that are more relevant.

If you know what you are looking for and have the web address (the URL) then you can access the site you want directly. Not all sites are well constructed but a good one will have an index page and site maps to make navigation easier.

Downloading documents and information from the Internet is straightforward and gives you the option of printing the document. To

help cope with the sheer scale of information, bookmarks or favourites will help you to keep track of the sites that are of interest to you.

Many sites, such as the DfES web site, provide LMI that is instantly and freely available. Others may operate restricted access, e.g. you will need to be a member to receive a user name and password before accessing the information, or you may have to pay for some of the information. The **National Online Management Information System (NOMIS)** is one example of a site that provides basic information free of charge, and the option to 'buy' information which is more tailored to your specific needs.

Sources of paper copies

Hard copies of DfES reports are available free of charge (quoting the appropriate SKT reference) from:

DfES Publications
PO Box 5050
Sherwood Park
Annesley
Nottingham NG15 0DJ
Tel. 0845 60 222 60 Fax 0845 60 333 60

Hard copies of the *Projections of occupations and qualifications* reports are available free of charge from:

Warwick Institute for Employment Research
University of Warwick
Coventry
CV4 7AL
Fax 02476 524241
E-mail ier@warwick.ac.uk

Publications office (for details) 02476 524127

National sources of LMI

Skillsbase – www.skillsbase.dfes.gov.uk/



The screenshot shows the Skillsbase website interface. The 'Labour Supply' section is active, displaying a table titled 'Table 1. Economic activity by ethnic group and gender - 2001'. The table provides data on the percentage of the ethnic group in various economic categories.

Percentage of ethnic group	% in work		% inactive or present		% retired	Economic activity rate	Unemployment rate	% of economically active self-employed
	% to work	% unemployed	% inactive	% present				
Male								
White	79.9	4.7	8.7	8.7	86.6	5.6	13.8	
Mixed	67.9	11.5	12.4	8.1	79.5	14.5	9.1	
Asian or Asian British	65.7	9.2	13.4	11.7	74.9	12.2	18.9	
Black or Black British	46.1	12.1	11.3	10.8	79.2	15.4	8.8	
Chinese	58.6	-	29.9	-	64.5	-	26.7	
Other ethnic group	60.9	7.1	15.9	16.1	68.0	16.5	15.6	
All	79.9	8.7	7.2	8.9	83.9	6.0	13.8	
Females								
White	70.4	3.3	17.9	8.8	73.7	4.5	5.9	
Mixed	67.4	8.8	27.2	8.6	54.3	18.6	-	
Asian or Asian British	41.9	5.1	42.4	10.6	47.0	10.9	7.2	

Skillsbase is a useful and accessible source of LMI. The Database section of the site is a comprehensive source of LMI, education and skills data aimed in particular at those users who analyse statistics and interpret data regularly. The Database section relates primarily to the DfES 2000–2001 projections. However, the Narrative section is designed to give non-specialist users a succinct insight into skills and LMI trends without the need for carrying out analysis themselves. The Narrative section also now includes the latest *Working Futures* projections.

LMI Matters!

Inforum provides a chatroom and bulletin board to promote discussion about labour market and skills related information. The Reference section includes a library page with many skills related reports, available for download.

Sector Skills Development Agency – www.ssda.org.uk/one_stop/



ONE_STOP includes information produced by the **Sector Skills Council** network, and by a wide range of other organisations, including: government departments, independent agencies, professional bodies, and academic institutions.

ONE_STOP is managed by the Sector Skills Development Agency. It aims to provide a comprehensive portal of information to consumers of skills intelligence; individuals, employers, and the LMI professional.

The **sector skills matrix** provides a range of economic, employment and skills data, examined by sector. Using national sources, it provides comparable data for 27 industry categories and 14 more **aggregate** sector groupings. It also provides the same range of data for a selection of **Sector Skills Councils** (SSCs). It is the single most comprehensive source of sector data available. Whilst covering the UK as a whole, breaks for Wales, Scotland, Northern Ireland and the English regions are also examined. For richer, deeper intelligence on specific sectors, users should consult the relevant SSC and links to them are provided within the matrix.

If you key in this address you will find an index that has three broad categories in it:

- intelligence sources
- sector skills matrix
- sector skills search.

Suppose you want to find out about trends in the labour market.

Try clicking on 'Intelligence sources' at the SSDA web site and you will be able to browse through a list of resources under headings like labour market and employment, key UK statistics, learning and qualifications, European and international.

Click on 'labour market and employment'. You will be taken to a page with information from the **Office of National Statistics**, the DTI, the Institute of Employment Research, the Institute of Employment Studies, ACAS, the TUC and the Centre for Economic Performance.

Now click on the Office of National Statistics 'labour market trends' and you will find the very latest labour market update with headlines, and what is new.

The SSDA's gateway also provides access to the **sector skills matrix** where a range of economic, employment and skills data is examined by sector. It is the single most comprehensive source of sector data available. For richer, deeper intelligence on specific sectors, you can consult the relevant **Sector Skills Council**, and links to them are provided within the matrix.

The ONE_STOP sector skills search engine monitors Sector Skills Council web sites daily to highlight skills intelligence produced by licensed SSCs.

The Worktrain LMI Portal – www.worktrain.gov.uk

The Worktrain LMI Portal can be accessed via the 'Help & Advice – Skills & Careers' section on Worktrain's home page. (Select 'Labour Market Information for You'.)



Worktrain is the national site for jobs and learning provided by the Department of Work and Pensions (DWP). Early in 2004 Worktrain launched its 'Labour Market Information for You' portal, designed to be a simple and user-friendly single point of access to existing UK LMI products and services, to help worktrain's audience make better-informed job, learning and career choices. It provides access to all the Internet sources listed in this document.

The information is structured around three main client groups:

- advisers and professionals
- job seekers, career seekers, returners
- students and school leavers.

Worktrain has adopted the concept of a customer-friendly entry layer including a topic structure and explanatory text and links to the appropriate sources in existence elsewhere. Such sources comprise, for example, information on career profiles, careers prospects, employment, trends, salaries, **demographics**, shortages, economic information at regional and national levels, as well as supporting information such as guides to applying for a job and CV guidance.

The site is designed to:

- guide, educate and entice users
- 'set the scene' and set expectations
- create interest for the information, as well as making it available
- direct users to the appropriate information sources in the simplest, most effective and most logical manner
- provide signposting to the appropriate local adviser.

Other useful websites

- www.dfes.gov.uk/rsgateway/contents.shtml – this is the research and statistics gateway of the Department for Education and Skills. It brings together publications, facts and findings on education matters via one easy to use searchable interface.
- www.statistics.gov.uk – this is the UK's home of official statistics, reflecting Britain's economy, population and society at national and local level. It also includes the statistics generated from the 2001 Census – www.statistics.gov.uk/census2001/
- www.hesa.ac.uk – the higher education statistics agency
- www.prospects.ac.uk – employment information for graduates
- www.connexions.gov.uk – the web site for the advisory service to young people
- www.support4learning.com/education/further_ed.htm#colleges – information about FE colleges, organisations and resources
- For LMI about Northern Ireland go to <http://www.deni.gov.uk/>
- For LMI about Scotland go to www.scotland.gov.uk/Topics/?pageID=62
- For Welsh LMI go to www.wales.gov.uk/keypubstatisticsforwales/

Regional sources of LMI

Regional information is relatively concise with good identifiable sites. Every UK region has within it an organisation responsible for the collection and dissemination of information.

Regional Observatories and Regional Intelligence Groups have been established in the English regions by partnerships involving Regional Development Agencies, Government Offices, Regional Assemblies, and other bodies. They enable access to key regional data and intelligence. To find your regional observatory go to www.regionalobservatories.org.uk

How to find local sources of LMI

Local information is probably the most sought-after and valuable LMI for IAG practitioners. Participants in the underpinning research study for *LMI Matters!* reported that they did not always find it easy to access relevant and comprehensive LMI, particularly at a local level.

Concentrations of particular industries may result in very local patterns and trends that do not show in regional data. Sometimes, these are the subject of research studies that are in the public domain. However, research studies may be presented at a level that makes it difficult to extract the data you need.

Many organisations at national and regional level can supply relevant data at subregional or even local authority level. Organisations that provide LMI are keen to know what LMI is most useful, and encourage advisers to let them know what their needs are.

The range of organisations that produce local LMI includes Regional Development Agencies (RDAs), local authorities, Learning and Skills Councils (LSCs), **Sector Skills Councils**, Job Centre Plus, Business Links, Chambers of Commerce, Connexions, information and advice delivery networks, skills observatories.

Local LSCs have access to data from the National Employer Skills Survey and, based on that, produce assessments of local employer skill needs. They also have access to the local **forecasts** taken from the SSDA document *Working Futures*, looking at **employment growth** up to 2012, which is invaluable to local advisers.

Internet sources

These are the main sources of local LMI on the Internet:

- www.lsc.gov.uk/selectlsc.asp – through this page you can find your local Learning and Skills Council, some of which produce easy to read LMI newsletters and leaflets
- www.lga.gov.uk/LinkSearch.asp – search for details of your local council or councils through this link. Most of them will have a department with responsibility for generating local statistics
- www.chamberonline.co.uk – this is the site for British Chambers of Commerce. You may find that your local chamber has a link on this site
- www.businesslink.gov.uk/directory/ – this site will give you a link through to your local Businesslink office
- www.connexions-direct.com/connexionsService.cfm?sectionId=73 – use this link to find the details of your local Connexions office.

Newspaper reports are often the only source of such localised information and some research facilities will scan the major papers each day for items of interest. Newspapers can be a valuable source of information although care must be exercised in assessing the reliability of the copy.

And finally . . .

Using the resources described in this section, and the skills you have learned in the rest of the booklet, you can start pulling together a library of LMI that is directly relevant to your individual clients' needs.

Whenever you find a good source of local LMI on the Internet, make sure you save it as a bookmark, so you can easily go back and check for updates. At some web sites, you will be able to sign up with your e-mail address, so you can be notified automatically whenever the data is updated.

Glossary

Aggregation	The process of collapsing two or more datasets into one, e.g. regions into national, 'strongly agree' and 'agree' into agree.
Baby boomer generation	Refers to those people who were born in the 50s, 60s and 70s. At this time, the birth rate was very high, and has since fallen, so this generation represents a 'bulge' in the age profile of the population of the UK.
Claimant count	Records the number of people claiming unemployment-related benefits on one particular day of each month.
Connexions	Connexions joins up the work of six government departments and their agencies and organisations on the ground, together with private and voluntary sector groups and youth and careers services. Connexions offers differentiated and integrated support to young people through the services of a personal adviser. For some young people this may be just for careers advice, for others it may involve more in-depth support to help identify barriers to learning and find solutions by brokering access to more specialist support. The personal advisers work in a range of settings, including schools, colleges, one-stop shops, community centres and on an outreach basis.
Continuous data	An important attribute of data is whether it is discrete or continuous – length is an example of continuous data as it does not have a minimum or maximum. Discrete data has a minimum sized unit, e.g. the number of children per family can be 3 or 4 but not 3.5. If some quantity of the data cannot be subdivided then it is discrete.
Cyclical	Cyclical describes something which displays a regular pattern of change usually associated with the economic cycle of growth and recession. Most economic and labour-market variables are affected by the economic cycle. Any variations displayed have to be distinguished from underlying trends (which may be either negative or positive).
Demand	Sometimes described as 'employment requirement' this is the number of workers required by a specific industry to provide a certain quantity of goods and services.
Demography	The study of population patterns which provides information such as statistics on birth, death, age, sex, marital status, family size, education, geographic location, occupation and health.
DfES	Department for Education and Skills. Following a reorganisation of the UK Government in 1997, the Department for Education and Employment and the Department for Social Security were replaced with the Department for Education and Skills and the Department for Work and Pensions.
Disaggregation	The process of separating a dataset into subsets.

Discrete data	An important attribute of data is whether it is discrete or continuous. Length is an example of continuous data, as it does not have a minimum or maximum. Discrete data has a minimum sized unit, e.g. the number of children per family can be 3 or 4 but not 3.5. If some quantity of the data cannot be subdivided then it is discrete.
Economic activity rate	The economically active population expressed as a percentage of the resident population.
Economically active	People aged 16 and over who are employed, self-employed, in training or seeking work. Includes those claiming unemployment benefit. It will also include some people over pensionable age.
Economically inactive	People neither in employment nor registered unemployed. Includes those under 16, full-time students not available for work, in retirement, looking after a home or similar, unable to work because they are long-term sick or disabled.
Economic indicators	Commonly used economic statistics, on which predictions for economic growth or decline are based. The main indicators are employment or unemployment, GDP, balance of payments, production and manufacturing output.
Employment growth	The creation of new jobs.
Employment rate	The number of people in employment expressed as a proportion of the total population of interest, e.g. the working-age employment rate is the number of people of working age in employment expressed as a proportion of the total number of people of working age.
Fit for purpose	'Fit for purpose' is a term used to describe 'quality' LMI.
Flattening structures	The term used to describe the trend towards organisations with fewer layers of management.
Flows	Used to describe movement between different sections of the labour market.
Forecast	A forecast predicts what may occur but does not change or affect social changes.
Full-time employment	This is conventionally defined as paid work of 30 or more hours per week.
Gross domestic product (GDP)	The total market value of all final goods and services produced in an area in a given year divided by the population. It is a measure of economic activity and can be used as an indicator of an area's competitiveness.
Generic skills/key skills	Skills which are not specific to a particular job or activity, also sometimes referred to as 'transferable skills'. Generic skills relate to general abilities such as the ability to learn, to communicate or work with other people.
Geography	There are many different geographic unit types in the UK (administrative, health, electoral, postcode etc) and their boundaries frequently don't align.

Boundaries keep changing – it is said that the UK has more administrative boundary changes than the rest of Europe put together. In some years several hundred electoral wards or divisions are affected, and in the extreme case of 2002 no fewer than 1,549 were changed. Other geographies, especially postcodes, are also liable to frequent revision.

Globalisation	To make global or worldwide in scope or application.
Gross value added (GVA)	The sum of the differences between the value of final goods minus the cost of buying raw materials and intermediate goods for an area.
Hard LMI	A term used to describe LMI that has been gathered in a scientific manner, often quantitative in nature and certainly less easy to dispute.
IAG	Information, advice and guidance.
ILO unemployment	The International Labour Organization (ILO) defines unemployment as being without a job, having actively looked for work in the past four weeks and being available for work within the next two weeks. This definition only partially overlaps with the official count of job-seekers since some ILO unemployed are not registered and claiming benefits while not all those claiming Job Seekers Allowance are actively seeking, or available for, work (even though JSA rules require this).
Index/indices	An index is a figure which indicates the amount of change in a particular variable. The value of the variable is related to a base represented by the number 100. The choice of base is arbitrary, but using 100 allows the reader to see the relative changes over a time series.
Job	A paid position requiring a group of specific attributes and skills which enable a person to perform a series of tasks within an organisation.
Key skills	A range of essential skills that underpin success in education, employment, lifelong learning and personal development. Key skills qualifications are available in communication, application of number and information technology (IT). Wider key skills units are available in working with others, improving own learning and performance, and problem solving.
Knowledge-based economy	An economy based on the development of information and dominated by specialised, sophisticated industries.
Labour force	All those who are available for work, includes those in employment, unemployment, on government training programmes and in HM Forces.
Labour Force Survey	A national survey of people in the UK covering employment, unemployment and training.
Labour market	The arena or 'market' where those who are in need of labour and those who can supply the labour come together.
Labour market information (LMI)	Information concerning conditions in, or the operation of, the labour market such as data on employment, wages, standards and qualifications, job openings, working conditions.

Labour market intelligence (LMI)	Interpretation and analysis of labour market information.
Labour turnover	Recruitment of workers to replace those leaving or retiring, e.g. some industries have higher turnover rates than others which is costly in terms of recruitment. It is usually measured as a proportion of the average number of employees in the firm.
Learndirect	The learndirect telephone helpline offers impartial information and advice on learning and career opportunities, childcare, funding and guidance on provision. It is available free to all adults across the UK on 0800 100 900. The information and advice service is also available on-line at www.learndirect-advice.co.uk where enquirers can search the learndirect database of learning opportunities or visit the learndirect advice centre for information on careers.
LLMI	Local labour market information.
Management skills	As new work practices remove traditional systems of management control (where decisions were taken on the basis of formal rules and bureaucratic structures), decision-making is pushed further down the organisation. With increased autonomy and more responsibility at lower levels of the hierarchy, the demand for traditional management type skills (for example, work organisation, decision making, etc.) at lower levels has increased.
Manufacturing economy/sector	Sometimes called the secondary sector economy; it processes and manufactures products from the primary sector economy (agriculture, mining, etc.).
Migration	Permanent movement of people into (inward migration) or out of (outward migration) an area, region or country.
Multiskilling	Learning more skills that allow a worker to perform a broader range of duties than those technically included in one job description.
NOMIS (National Online Manpower Information System)	The NOMIS web site is a key means of interrogating a range of official data sources from the National Census, the Labour Force Survey and the Annual Business Inquiry. It uses the Standard Industrial Classification (SIC) codes. It is a mostly free service provided by National Statistics and is run by the University of Durham.
NOP	National Opinion Polls (survey company).
NTO	National Training Organisation. NTOs are currently being replaced by Sector Skills Councils.
NVQ/SNVQ	Scottish/National Vocational Qualification. These are work-related qualifications, divided into five levels from Level 1 (foundation skills) to Level 5 (chartered, professional and senior management occupational skills).

Office of National Statistics (ONS)	This is the government agency responsible for compiling, analysing and disseminating many of the United Kingdom's economic and social statistics including the retail price index, trade figures and labour market data as well as the periodic Census of the population and health statistics.
Population	The aggregate (total) of all cases that conform to some designated set of specifications.
Primary sector	The section of the economy concerned with extracting raw materials or the production of agricultural and animal produce.
Problem-solving, communication and social skills	Demands for problem-solving, communication and social skills have increased. This reflects an expansion in demand for better, larger and more sophisticated products and services. There has been an associated shift towards greater emphasis on 'customer service'. This places a premium on interpersonal skills: the ability to communicate with clients and solve problems related to clients' needs. Individuals working in a relatively autonomous environment where they have some responsibility for decision-making are likely to need problem-solving skills. Such skills are increasingly demanded at craft and operator level in some branches of manufacturing. They are also needed by secretaries planning their workload around the demands from a wider range of managers.
Productivity	Output per employee.
Profession	An occupation that requires special skills and advanced training.
Qualitative data	Qualitative information is usually extracted from in-depth interviews and focus groups or similar.
Quality	Quality LMI is considered to be LMI that is fit for the required purpose.
Quantitative data	Quantitative information is numerical.
Raw data	Data that has not been processed for use. It has the potential to become information or intelligence but usually requires selective extraction, organisation, analysis and formatting before presentation.
RDA	Regional Development Agency.
Recession	A downturn in the level of economic activity.
Re-entrants	Individuals who are returning to the workforce after an absence.
Registered unemployment	This consists of all who are registered for unemployment or other benefits (such as Income Support) or registered for the purposes of claiming National Insurance credits (if not entitled to benefits).
Reliability	The consistency of the measuring instrument.
Replacement demand	The level of recruitment needed to maintain a workforce of a constant size.
Rounding up/down	The process by which statisticians make numbers whole either by making them bigger or smaller, e.g. 5.7 to 6 or 5.4 to 5.

Sample	Any subset of a population – a representative sample is a segment of a population being studied because it is as representative as possible of the population from which it is drawn.
Seasonal adjustment	Adjustments made to time series data to remove seasonal variations in order to reveal underlying trends in the series over time.
Seasonally adjusted	Where allowances for regular seasonal changes are made, thus allowing the underlying trends to be identified, e.g. unemployment regularly decreases in summer and increases in winter requiring adjustment before analysis.
Sector	This term is used to describe a grouping of industries or related occupations.
Sector Skills Council	Sector Skills Councils bring together representatives from business, labour, education and other professional groups to study human resource challenges, identify solutions and manage the implementation of recommendations from sector studies.
Service sector or service economy	Sometimes called the third sector economy – it covers the provision of personal and business services: tourism, careers advice, dry cleaning, banking, insurance, etc.
SIC	Standard industrial classification.
Skills	The attributes of workers that enable them to complete their work tasks.
Skills shortages	<p>There are two different kinds of skill deficiency or problem with which employers may be confronted:</p> <ul style="list-style-type: none"> ● recruitment difficulties in the external labour market, focusing on reported hard-to-fill vacancies which are skill-related; the latter are referred to as skill-shortage vacancies ● internal skill gaps, that is, a divergence between firms' current skill levels and those which are required to meet their business objectives. <p>Whilst some internal skill gaps are identified and recognised as such by employers, some skill gaps may not be reported. These are referred to as latent skill gaps. These take the form of unrecognised deficiencies in the skills required to compete effectively in rapidly changing world markets.</p>
SLMI	Skills and labour market intelligence.
SME	Small and medium enterprises.
SOC	Standard occupational classification.
Soft LMI	This term describes LMI which may be qualitative in nature or even anecdotal. However, it still has enormous value and importance in certain situations, e.g. to the individual or when considering local labour markets.
Sector skills matrix	The sector skills matrix provides a range of economic, employment and skills data, examined by sector. Using national sources, it provides comparable data for 27 industry categories and 14 more aggregate sector

groupings. It also provides the same range of data for a selection Sector Skills Councils (SSCs). It is the single most comprehensive source of sector data available. It covers the UK as a whole, but breaks for Wales, Scotland, Northern Ireland and the English regions are also examined. For richer, deeper intelligence on specific sectors, users should consult the relevant SSC; links to them are provided within the matrix.

Time-series study	A study that looks at data over a period of time. Useful for giving an indication of broad trends.
Trickledown	Relating to the economic theory that financial benefits or blows to big businesses and wealthy investors will pass down to profit smaller businesses and consumers.
Unemployment measures	There are two main measures of unemployment. The ILO measure (which is used by the LFS) defines the unemployed as those without paid jobs who report that they are available to start work in the next two weeks and who have sought work during the four weeks prior to interview or who are waiting to start a job already obtained. The claimant count measures the number of people claiming unemployment-related benefits.
Upskilling	To study or train to increase one's level of skills.
Vacancies	Vacancy data is available through NOMIS. This is derived from records of vacancies notified to Job Centre Plus and so is not comprehensive.
Validity	The degree to which a measuring instrument measures what it is supposed to measure.
Working age	Working age is defined as 16–64 years for males and 16–59 for females although this will gradually be changed to 16–64 years for everyone.
x-axis	The x-axis on a chart describes how the data has been grouped – what the chart measures (it is usually the horizontal axis).
y-axis	The y-axis on a chart shows the measurement of data (it is usually the vertical axis).



Learning+Skills Council

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