

## Quality standards: Assessing labour market information for practice

### Defining labour market information (LMI)

LMI is variously defined<sup>1</sup> as:

- data about the workplace, including employment rates and salary information;
- any information about the structure and working of a labour market and any factors likely to influence the structure and working of that market, including jobs available, people available to do those jobs, the mechanisms that match the two, changes in the external and internal business environments; and
- essentially data, statistics and research about the workplace including things like unemployment rates, salary, demand for, and supply of, labour.

In the context of LMI for information, advice and guidance (IAG), a distinction has been made between labour market *information* and labour market *intelligence*, where labour market information refers to raw quantitative or qualitative data found in original sources such as tables, spreadsheets, graphs and charts, with labour market intelligence relating to an interpretation of raw data, referring to subsets of information that has been subjected to further analysis<sup>2</sup>.

LMI is central to effective IAG practice. There is, however, a wide range of LMI freely available in the public domain from a variety of sources, which should not be used uncritically. How LMI should be assessed and judged in terms of both its quality and usefulness is complex. This document sets out a checklist to support IAG practitioners in researching LMI for their practice, together with an explanation of some of the terms and concepts used in this checklist.

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<sup>1</sup> Offer, M. (2003) *Labour Market Information on Careers Service Web Sites in Higher Education*, Cambridge: NICEC.

<sup>2</sup> LSC & DfES (2004) *LMI Matters! Understanding Labour Market Information*, Nottingham: DfES.

## Assessing the reliability and validity of labour market information (LMI)

This table provides a checklist to guide a practitioner in assessing the efficacy and quality of LMI.

<b>Checklist for assessing sources of LMI:</b>	
<b>1.</b>	<p><b>Who has produced the LMI?</b>  <i>Think about:</i></p> <ul style="list-style-type: none"> <li>• Whether the source of LMI can be regarded as trustworthy</li> <li>• What are the aims and objectives of the organisation producing the LMI? Is it promotional (putting a positive spin on particular facts) or excluding facts?</li> <li>• Whether you have been able to get similar data from more than one source – as this will help you achieve a more balanced and reliable view on of a particular situation</li> </ul>
<b>2.</b>	<p><b>How was the LMI collected?</b>  <i>Think about:</i></p> <ul style="list-style-type: none"> <li>• How and why data were collected? (i.e. methodology)</li> <li>• What is the coverage and degree of detail available?</li> <li>• Is the data presented reliability?</li> <li>• How valid is the data?</li> </ul>
<b>3.</b>	<p><b>How is the LMI data disaggregated and classified?</b>  <i>Think about the:</i></p> <ul style="list-style-type: none"> <li>• Relevance and appropriateness of units of measurement</li> <li>• Disaggregation of data, particularly geographical boundaries</li> <li>• Classification systems applied</li> <li>• Comparability of data and consistency over time</li> <li>• Analysis in terms of your needs</li> <li>• Relevancy to the area in which you are operating</li> </ul>
<b>4.</b>	<p><b>Is the LMI up-to-date?</b>  <i>Think about:</i></p> <ul style="list-style-type: none"> <li>• When was the research carried out?</li> <li>• What period does the data relate to?</li> <li>• When was the LMI published?</li> <li>• Potential currency and usefulness of data to current situations</li> <li>• Timeliness</li> <li>• Frequency of update (and when the next data will be available), and</li> <li>• Where there is any more recent research that either supports or contradicts the data?</li> </ul>
<b>5.</b>	<p><b>Is the LMI fit for purpose?</b>  <i>Think about the:</i></p> <ul style="list-style-type: none"> <li>• Relevancy to service needs</li> <li>• Aspirational attributes of LMI</li> <li>• Accessibility of language (i.e. jargon-free)</li> <li>• Length and presentation of data</li> <li>• Balance of data, charts and explanatory text, and</li> <li>• Whether the data is presented in different formats (i.e. textual and graphical)</li> </ul>

## **A guide to assessing LMI**

### ***1. Who has produced the LMI?***

There is a wide range of LMI in the public domain and determining its quality and/or usefulness can start with considering who produced it. LMI from reputable established organisations (such as those listed below and in Annex A) is likely to be valid. Some examples of the major LMI producers include:

- government departments – Department for Work and Pensions, Department for Children, Schools and Families, 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 Councils, 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, NUJ, UNISON, Institute of Directors, Chartered Institute of Marketing, Royal Institute of British Architects;
- non-governmental organisations – Equality and Human Rights Commission, ESRC; and
- academic and research establishments – university research departments e.g. Institute for Employment Research at Warwick University, International Centre for Guidance Studies at Derby University.

Data should not be looked at uncritically. It is important to recognise that different stakeholders will require LMI for different purposes, so are likely to place different interpretations on data sets. For example, certain organisations producing LMI may have lobbying objectives as opposed to educational objectives. LMI users need to take into account the aims and objectives of those who have produced the LMI in order to consider how, and if, this might influence the type of LMI made available.

*Think about:*

- Whether the source of LMI can be regarded as trustworthy.
- What the aims and objectives of the organisation producing the LMI? Is it promotional (putting a positive spin on particular facts) or excluding facts?
- Whether you have been able to get similar data from more than one source – as this will help create a more balanced and reliable view on a situation.

### ***2. How was the LMI collected?***

When assessing an LMI source, the user should consider how data were collected (i.e. methodology) and why they were collected – the provenance of the data. This will enable an initial assessment of the reliability of the data and its robustness. Consider the implications of the data collection methodology for the coverage and degree of detail

available in the data set. If the data were collected for a specific reason, take into account the implications of the rationale of data collection for the coverage and reliability of the data set

When getting data from more than one source, it is important to note that there may be contradictory data and/or messages presented. These contradictions can often be explained as data may be collected using different methodologies and over different time periods. Data may also have been analysed differently and differing classifications systems may have been used. Contradictory data means that further investigation is required for clarification, before it can be used in practice with confidence.

*Think about:*

- How and why data were collected? (i.e. methodology)
- What is the coverage and degree of detail available?
- Is the data presented reliable? – 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 is considered highly reliable as it uses a survey questionnaire that is applied at the same time interval to the same subjects.
- How valid is the data? – the accuracy of the measurement. Does it measure what it is 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.

Generally, if the provenance of data cannot be established clearly (in terms of sourcing and timing) it is prudent to exercise a degree of caution in interpreting that information and translating it into intelligence.

### **3. How is the LMI data disaggregated and classified?**

Data can be disaggregated and classified using different systems, which has implications for the comparability, consistency and robustness of the LMI presented. It may be appropriate to check the detail of classification systems and the appropriateness of data disaggregation to service needs.

Data can be disaggregated by geographical boundaries at a national, regional and local level. It is important to note these disaggregations because:

- non-standard geographies lack comparability;
- boundaries of geographical areas may change over time; and
- at a sub-regional level, the same 'name' can refer to different geographical units.

Issues of comparability and consistency in disaggregated data are of importance when assessing LMI.

Various classification systems (both standard and non-standard) are available, so users need to be aware of the differences, particularly as non-standard classifications systems lack comparability. Standard classification systems include: Standard Industrial Classification (SIC) and Standard Occupation Classification (SOC). Standard classification systems change over time to take account of developments in the economy and society, which has implications for the analysis of trends. It is important to

note that a category may not have the same coverage between sources as there is no universal standard, so attention needs to be paid to classifications when comparing data from different sources. For instance, different data sources will define some sectors differently and these can vary over time (the definition of the 'cultural industries' varies over time as the sector has evolved and as it is redefined).

*Think about the:*

- Relevance and appropriateness of units of measurement
- Disaggregation of data, particularly geographical boundaries
- Classification systems applied
- Comparability of data and consistency over time
- Analysis in terms of your needs
- Relevancy to the area in which you are operating

#### **4. Is the LMI up-to-date?**

Assessing when data may be considered dated is complex. It is important to remember that different data sources are collected and updated at different times, so simple rules cannot be applied to assess *datedness*.

It is important to consider the date of the LMI source, both the period of which the data relates to and the date which it was published. It should also be noted that data may seem dated, but could be the most currently available. For instance, a report using data from 2001 may be considered outdated, but if it is Census of Population data from 2001 then this would be the most current data available.

Noting the date when the research was carried out and the publication date are important, particularly for assessing the likelihood of changes that may have happened since it was completed. In some instances, information that is not current can be used as a proxy for the prevailing situation, but remember that the labour market can rapidly change. The user needs to consider if there are any reasons to expect that there have been substantial changes in the period since data collection to help assess its currency.

*Think about:*

- When was the research carried out?
- What period does the data relate to?
- When was the LMI published?
- Potential currency and usefulness of data to current situations
- Timeliness
- Frequency of update (and when the next data will be available), and
- Whether there is any more recent research that either supports or contradicts the data?

#### **5. Is the LMI fit for purpose?**

Finally, when assessing the quality of LMI it is important to consider whether it is 'fit for purpose' and understandable. This can include whether the report is: relevant, current and available; and clearly written using accessible language and concepts. LMI that is considered 'fit for purpose' uses reliable and valid data that is disaggregated to the

appropriate level. It may also be worth the user critically analysing whether the LMI leads to broad generalisations or simply present illustrative case studies, as well as its appropriateness to the users' needs.

Assessing whether the LMI is understandable and 'fit for purpose' is largely a matter for individual judgement. However, some aspirational attributes of LMI can be examined by the user to support their assessment of its usability, comprehensibility and quality:

- introduction to data set and topic coverage;
- availability of data;
- geographical coverage, spatial disaggregation and other disaggregations;
- summary on data collection and methodology; and
- statement on update frequency.

Simply scanning the contents list of an LMI report can help a user judge whether the LMI is usable and relevant to your service users' needs.

*Think about the:*

- Relevancy to service needs
- Aspirational attributes of LMI
- Accessibility of language (i.e. jargon-free)
- Length and presentation of data
- Balance of data, charts and explanatory text, and
- Whether the data is presented in different formats (i.e. textual and graphical)

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## **Sources:**

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Bimrose, J., Barnes, S-A., Green, A., Orton, M. and Davies, R. (2005) *Ufi learndirect: Enhancement of the National Resource Service. Local Labour Market Information Feasibility Study*. Coventry: Warwick Institute for Employment Research.

LSC/DfES (2004) *LMI Matters! Understanding Labour Market Information*. Nottingham: Department for Education and Skills. Available online: <http://www.advice-resources.co.uk/adviceresources/general/guides/lmimatters/>

National Guidance Research Forum website LMI Learning Module, available online: <http://www.guidance-research.org/lmi-learning/>

## **Annex A: Selected national, regional and local sources of LMI**

### **National sources of LMI:**

- Department for Business Enterprise and Regulatory Reform (formerly DTI), Department for Work and Pensions, Department for Innovation, University and Skills, Department for Children, Schools and Families, International Labour Organisation
- SSDA Sector Skills Matrix
- Sector Skills Councils
- Working Futures 2004-2014 (update available soon)
- Skills in England (by the Learning and Skills Council)
- NGRF website
- National Employers Skills Survey
- Regional Observatories
- NOMIS
- Labour Force Survey, Census of Population, Annual Survey of Hours and Earning, Youth Cohort Study
- Anecdotal and informal sources
- Futureskills Scotland
- Future Skills Wales
- Department for Employment and Learning, Northern Ireland
- Department for Enterprise, Trade and Investment, Northern Ireland

### **Regional sources of LMI:**

- Regional Observatories
- Regional Intelligence Groups
- Government Offices
- Regional Assemblies
- NOMIS, Labour Force Survey
- Sector Skills Councils
- Working Futures 2004-2014 – spatial report

### **Local sources of LMI:**

- National and regional organisations can supply sub-regional or local authority level data (may need to be requested)
- NOMIS
- Neighbourhood Statistics
- Skills in England 2005

### **Alternative sources of LMI:**

- Department for Children, Schools and Families
- National Statistics Online
- Higher Education Statistics Agency
- Prospects
- Advice Resources
- Department of Education, Northern Ireland
- Scotland Executive Statistics
- Welsh Assembly Government statistics
- Learning and Skills Council
- Worktrain