

# Statistical standard for labour force status

## Rationale

Labour force status is a key labour market variable. It allows analysis of the employed, unemployed and those persons not in the labour force.

## Definition

Labour force status is a derived variable that classifies people aged 15 years and over according to their inclusion or exclusion from the labour force.

The following supporting concepts are defined in the Glossary:

- age
- employed
- labour force
- persons not in the labour force
- unemployed
- working-age population

## Explanatory notes

The variables age, job indicator, found work, seeking work, job search methods and available for work are used together to derive labour force status.

The statistical standards for labour force status and status in employment are closely related. Labour force status classifies people according to their inclusion or exclusion from the labour force. Status in employment examines those people in the labour force who are employed. In the statistical standard for status in employment there are two broad categories of workers: those who work for others (employees) and those who work for themselves (self employed). The self employed can be further subdivided into employers and self employed and not employing others.

The population measured using labour force status differs between surveys because of the nature of their coverage. For example, the Census of Population and Dwellings measures the labour force status of all New Zealand residents aged 15 years and over. However the Household Labour Force Survey is restricted to the non-institutionalised civilian population and thus excludes the armed forces and people in institutions.

## Classification criteria

The categories are distinguished by inclusion or exclusion from the labour force and if a person works or not.

## Classification

Labour force status is derived from the following classifications:

- age
- job indicator 1, 2 and 3
- found work
- seeking work
- job search methods
- available for work

Labour force status is a flat classification with 3 categories – excluding residual categories. Job indicator 1, 2 and 3, found work, seeking work and available for work are all flat classifications with 2 categories – excluding residual categories. The job search classification is a flat classification of nine categories – excluding residual categories. Age is a flat classification with single-year categories from 0 years to 119 years inclusive, plus a category for 120 years and over.

The residual categories are defined in the Glossary.

## Labour force status

Classification	Labour Force Status – Standard Classification 1999
Abbreviation	LABFSTAT99
Version	V1.0
Effective date	18/08/1999

## Job indicator 1

Classification	Job Indicator 1 Classification 1999
Abbreviation	JOBIND199
Version	V2.0
Effective date	01/08/2000

## Job indicator 2

Classification	Job Indicator 2 Classification 1999
Abbreviation	JOBIND299

Version	V2.0
Effective date	01/08/2000

### Job indicator 3

Classification	Job Indicator 3 Classification 1999
Abbreviation	JOBIND399
Version	V2.0
Effective date	01/08/2000

### Found work

Classification	Found Work Classification 1999
Abbreviation	FOUNDWORK99
Version	V2.0
Effective date	01/08/2000

### Seeking work

Classification	Seeking Work Classification 1999
Abbreviation	SEEKWORK99
Version	V2.0
Effective date	01/08/2000

### Job search methods

Classification	Job Search Methods Classification
Abbreviation	JOBSEARCH99
Version	V2.0
Effective date	01/08/2000

### Available for work

Classification	Available for Work Classification 1999
Abbreviation	AVALWORK99
Version	V2.0
Effective date	01/08/2000

## Coding process

The process for deriving the labour force status from the component variables listed in the above classification is detailed in the flow chart.

Job search methods determines whether a person is actively searching for work or not. Looking at job advertisements in the newspaper or on the Internet is not considered to be actively seeking work. Actively seeking work is applying for a job whether by letter, telephone, Internet or in person; contacting a private employment agency; contacting Work and Income New Zealand about a job; placing an advertisement to find a job; contacting friends or relatives about a job; taking steps to set up your own business or contacting a careers advisor or vocational guidance officer and all other types of job search methods.

## Questionnaire module

### Requirements

There is no direct question for determining labour force status. It is derived from the responses to questions on age, job indicator, found work, seeking work, job search methods and availability for work.

The requirements for the question on age are specified in the classification and related statistical standard for age. The requirements for the questions on job indicator, found work, seeking work, job search methods and availability for work are listed below.

### Job indicator 1

The questionnaire module must determine whether during the reference week the respondent worked for pay or profit in a job, business or farm.

### Job indicator 2

The questionnaire module must determine whether during the reference week the respondent had a job, business or farm but

was away because of sickness, holidays or any other reason.

### **Job indicator 3**

The questionnaire module must determine whether during the reference week the respondent worked without pay in a family business or farm.

### **Found work**

The questionnaire module must determine if the respondent has found work at the time of the survey and will be starting within 4 weeks of the reference week.

### **Seeking work**

The questionnaire module must determine if the respondent has searched for paid work at any time in the four weeks prior to the reference week.

### **Job search methods**

The questionnaire module must determine all the ways the respondent had searched for work in the four weeks ending with the reference week.

### **Available for work**

The questionnaire module must determine if the respondent would have started a paid job in the reference week, if one had been available.

### **Example**

The questionnaire module below is an example that meets the requirements documented in this statistical standard. Other questionnaire modules may vary in format but should conform to the requirements contained in this statistical standard.

### **Age**

For an example questionnaire module see the statistical standard for age.

### **Job indicator 1**

Last week did you do any work for pay or profit in a job, business or farm?

Yes  No

### **Job indicator 2**

Last week did you have a job, business or farm that you were away from because of sickness, holidays or any other reason?

Yes  No

### **Job indicator 3**

Last week did you work without pay in a family business or farm?

Yes  No

### **Found work**

Will you be starting work within the next four weeks?

Yes  No

### **Seeking work**

At any time in the last 4 weeks have you been looking for paid work?

Yes  No

### **Job search methods**

In the last four weeks have you done any of the following to find work?

Looked at job advertisements?

Contacted an employer?

Contacted a private employment agency?

Contacted Work and Income New Zealand about a job?

Placed advertisements about a job?

Contacted friends or relatives about a job?

Taken steps to set up your own business?

Contacted career advisors or vocational guidance officers?

Other Job Search Methods (please specify) .....

### **Available for work**

If a job had been available, could you have started last week?

Yes  No

## **Standard output**

The standard output sets are for use in tables published by Statistics New Zealand. Note: This does not include customised output requested by clients or descriptive information in Statistics New Zealand publications. Totals and sub-totals may be included in tables as subject matter areas see fit.

The residual categories may be output separately or combined. Where a combination item of residuals is to be used in output, this item should be labelled 'not elsewhere included' and should have a footnote indicating its composition.

For total response output the standard output variable categories are the same as the classification categories.

## **Related classifications and standards**

### **New Zealand**

The labour force status standard and the status in employment standard share the definition of employed.

The statistical standard for age defines the concept of age which is used in determining the working age population of people 15 years and over (subject to specific survey requirements).

Classification and related statistical standards:

- status in employment
- age.

### **International**

The standard for labour force status is based upon the recommendations of the International Labour Organisation (ILO) for the definitions of employment, unemployment and not in the labour force as set down at the 13<sup>th</sup> International Conference of Labour Statisticians 1982.

The ABS standard for labour force status is also based on the recommendations of the ILO and there is considerable similarity between it and the Statistics New Zealand standard.

## Glossary

### Actively seeking work

To be actively seeking work a person must use job search methods other than reading job advertisements. Examples of actively seeking work are: writing, phoning, contacting using electronic mail or applying in person to an employer; contacting a private employment agency; contacting Work and Income New Zealand about a job; placing an advertisement to find a job; contacting friends or relatives about a job; taking steps to set up your own business or contacting a careers advisor or vocational guidance officer.

### Age

Age is the length of time a person has been alive measured in complete, elapsed years. It is measured as the difference between date of birth and data collection date.

### Employed

All people in the working-age population who during the reference week:

- worked for one hour or more for pay or profit in the context of an employee/employer relationship or self-employment.
- worked without pay for one hour or more in work which contributed directly to the operation of a farm, business or professional practice owned or operated by a relative. Prior to April 1990, defined as 15 hours or more.
- had a job but were not at work due to:
  - own illness or injury
  - personal or family responsibilities
  - bad weather or mechanical breakdown
  - direct involvement in industrial dispute
  - leave or holiday

### Jobless

The jobless is an alternative measure of unemployment to the official unemployed. The jobless are defined as the officially unemployed plus those people who during their reference week were without employment and either:

- available, but not actively seeking work
- actively seeking, but not available for work.

### Jobless rate

The number of jobless people expressed as a percentage of the jobless plus the employed.

### Labour force

Members of the working-age population who during their survey reference week are classified as employed or unemployed.

### Labour force participation rate

The labour force expressed as a percentage of the working-age population.

### Persons not in the labour force

Any person in the working-age population who is neither employed nor unemployed, as defined in employed and unemployed, is deemed to be not in the labour force. This category includes, for example:

- retired people
- people with personal or family responsibilities such as unpaid housework and childcare
- people attending educational institutions
- people permanently unable to work due to physical or mental handicaps
- people who were temporarily unavailable for work in the survey reference week
- people who are not actively seeking work

### Unemployed

All people in the working-age population who during their reference week were without a paid job, were available for work and:

- had actively sought work in the past four weeks ending with the reference week
- had a new job to start within four weeks.

A person whose only job search method in the previous four weeks has been to look at job advertisements in the newspapers is not considered to be actively seeking work.

### Unemployment rate

The number of unemployed people expressed as a percentage of the labour force.

### Working-age population

The usually resident population of New Zealand aged 15 years and over.

### Residual categories

#### Labour force status unidentifiable

The standard residual categories are not applicable because labour force status is a derived variable. The variables used to derive labour force status do however contain the standard residual categories within their respective classifications. The residual category 'labour force status unidentifiable' is used to categorise statistical units for which there is insufficient or contradictory information which does not allow the derivation of a labour force status category.

#### Don't know

Use of this category is discretionary. The use of a category capturing don't know responses is most applicable to household surveys where don't know may be a legitimate response to certain questions.

#### Refused to answer

This category is only used when it is known that the respondent has purposefully chosen not to respond to the question. Use of this residual category in processing is optional. Its use is most applicable in face-to-face or telephone interviews, but may

be used in self-completed questionnaires if the respondent has clearly indicated they refuse or object to answering the question.

### **Response unidentifiable**

This category is used when there is a response given, but:

1. the response is illegible, or
2. it is unclear what the meaning or intent of the response is - this most commonly occurs when the response being classified contains insufficient detail, is ambiguous or is vague, or
3. the response is contradictory eg, both the yes and no tick boxes have been ticked, or
4. the response is clear and seemingly within the scope of the classification but can not be coded because no suitable option (particularly other residual category options such as 'not elsewhere classified' or 'not further defined') exists in the classification or codefile.

### **Response outside scope**

This category is used for responses that are positively identified (ie the meaning and the intent are clear) but which clearly fall outside the scope of the classification/topic as defined in the standard.

### **Not stated**

This category is only used where a respondent has not given any response to the question asked, ie it is solely for non-response.

## **References**

The International Labour Organisation (ILO) definitions of employment, unemployment and not in the labour force as set down at the 13<sup>th</sup> International Conference of Labour Statisticians 1982 can be found at [www.ilo.org/public/english/120stat/res/ecacpop.htm](http://www.ilo.org/public/english/120stat/res/ecacpop.htm)

## **Appendix 1 – job search methods definitions**

### **Category definitions**

#### **11 Looked at Job Advertisements**

**Definition;** Reading job advertisements.

**Inclusions;** Reading the newspaper, reading noticeboards, reading job advertisements on the Internet.

#### **12 Contacted an Employer**

**Definition;** All methods of contacting an employer to enquire about getting employment. **Inclusions;** Writing to an employer, phoning an employer, visiting an employer, faxing an employer, emailing an employer.

#### **13 Contacted a Private Employment Agency**

**Definition;** All methods of contacting a private employment agency to enquire about getting employment.

#### **14 Contacted Work and Income New Zealand about a Job**

**Definition;** All methods of contacting Work and Income New Zealand to enquire about getting employment.

#### **15 Placed Advertisements About a Job**

**Definition;** Placing an advertisement(s) to get employment.

#### **16 Contacted Friends or Relatives About a Job**

**Definition;** All methods of contacting friends or relatives to enquire about getting employment.

#### **17 Taken Steps to Set up Your Own Business**

**Definition;** Making preparations to set up own business. **Inclusions;** Getting a business loan, getting a business development loan, attending a course on running a small business

#### **18 Contacted Career Advisors or Guidance Officers**

**Definition;** All methods of contacting Career Advisors or Guidance Officers to get advice about careers and courses to get employment.

#### **19 Other Job Search Methods**

**Definition;** Job search methods not elsewhere classified.

#### **55 Refused to Answer**

#### **77 Response Unidentifiable**

#### **88 Response Outside Scope**

#### **99 Not Stated**