

Article

# Improving the presentation of the Labour productivity release: July 2019

This article explains the latest changes to the labour productivity release.

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## 1. Main points

The Office for National Statistics (ONS) will be changing the content of the quarterly Labour productivity release. Data and commentary associated with labour productivity will be presented differently when the next labour productivity results are published on 5 July 2019.

The main changes include:

- separate releases will be introduced for unit labour costs and unit wage costs, published concurrently with the quarterly Labour productivity release
- a separate release will be introduced for regional labour productivity, published annually in early January
- commentary within each of these releases will focus on themes relevant to that release, with more commentary overall
- data for unit labour costs and unit wage costs will be published as a new dataset
- data for productivity by region (output per hour and output per job) will be published in a new dataset
- these data will no longer be included within the LPROD01 and PRDY datasets

These changes will not affect the methodology or values for any of these statistics.

#### 2. Background

Our previous <u>quarterly labour productivity</u> releases encompassed multiple themes, spanning over 3,200 <u>data</u> <u>series</u>. We publish as <u>National Statistics</u> output per hours worked and per job by over 10 manufacturing industry groups, 11 services industry groups, plus agriculture and construction industries, in addition to 13 regions of the UK. Our National Statistics also include unit wage costs for the UK and for the manufacturing industries, and unit labour costs for the UK.

In addition, we publish as <u>Experimental Statistics datasets</u> of output per hour and productivity hours by two-digit level of Standard Industrial Classification (SIC), output per hour by combinations of industry and Nomenclature of Territorial Units for Statistics: NUTS1 regions, not to mention unit labour costs by industry sections.

We plan to split the commentary we publish, and the associated datasets, to help users more easily find the information relevant to them. This view was supported by data on web usage. This possibility was discussed at the <u>productivity user forum</u> on 13 March 2019 and user views were also invited in <u>Labour productivity, UK:</u> <u>October to December 2018</u>.

#### 3. Bulletin and dataset transformations

We will now publish three bulletins containing the labour productivity estimates:

- Labour productivity release, UK
- Labour cost release, UK
- Regional labour productivity release

Three existing datasets will be affected by these changes. They are LPROD01 (Labour productivity: Tables 1 to 10 and R1), PRDY (Labour productivity time series), and LPRODREV (Labour productivity: revisions triangles). Some data will move out of these datasets to appear in separate newly-created datasets, as described in the following paragraph. Other existing datasets will remain unchanged.

Some data previously published within the LPROD01 dataset (Labour productivity: Tables 1 to 10 and R1) will move to a new dataset and the remaining worksheets in LPROD01 will be renumbered, as summarised in Table 1. LPROD01 Table 2 (Unit labour costs and unit wage costs) will move into a new dataset LPRODULC (Unit labour costs and unit wage costs). Data on revisions to unit labour costs and unit wage costs will move from LPROD01 Revisions to the new LPRODULC dataset. In addition, LPROD01 Table 9 (Productivity measures by region) will move into a new dataset PRODBYREG (Productivity measures by region).

Table 1: Changes to LRPOD01 (Labour productivity: Tables 1 to 10 and R1)

| Current LPROD01 data  | LPROD01<br>renumbered | New dataset              |           |
|---|-----------------------|--------------------------|-----------|
| Table 2 (Unit Labour Costs and Unit Wage Costs)                                   |                       | LPRODULC                 |           |
| Revisions (Revisions analysis)  |                       | ULC moves to<br>LPRODULC |           |
| Table 3 (Output per job: Manufacturing subsections)                               | Table 2               |                          |           |
| Table 4 (Output per hour Worked: Manufacturing subsections)                       | Table 3               |                          |           |
| Table 5 (Output per job: Services sections)                                       | Table 4               |                          |           |
| Table 6 (Output per hour: Services sections)                                      | Table 5               |                          |           |
| Table 7 (Market sector productivity)  | Table 6               |                          |           |
| Table 8 (Output per job and hour worked: Other industries                         | Table 7               |                          |           |
| Table 9 (Productivity measures by region)   |                       |                          | PRODBYREG |
| Table 10 (Labour input indices: Workers, productivity jobs and productivity hours | Table 8               |                          |           |

#### Notes

1. ULC is unit labour costs. Back to table

Some data that used to be published within the PRDY dataset (Labour productivity time series) will move to new time series datasets, as summarised in Table 2.

| Current PRDY time series (CDID)   | PRDY<br>refocused | New time<br>series<br>dataset |
|---|-------------------|-------------------------------|
| Unit labour costs: index, % change on quarter, % change on year (LNNL, DMWO, DMWN)                              |                   | UCST                          |
| Unit wage costs: index, % change on quarter, % change on year (DJ4I, LNNK, DMWL)                                |                   | UCST                          |
| Unit wage costs, Manufacturing C: index, % change on quarter, % change on year (LOJE, DIX4, DJ4J)               |                   | UCST                          |
| Regional NUTS1 productivity measures  |                   |                               |
| GVA per filled job: Index UK=100 (DMDQ, DMBE, DMGL, DMGH, DJDO, DJDP, DMOA, DMGX, DMGJ, DMGK, DMGM, DMDN, DMBC) |                   | RPRD                          |
| GVA per hour worked (DMOO, DMOL, DMOV, DMOR, DMOB, DMOH, DMWA, DMOY, DMOS, DMOT, DMOW, DMON, DMOK)              |                   | RPRD                          |
| All other time series   | PRDY              |                               |

Notes

1. GVA is gross value added. Back to table

Some revisions analysis that used to be published within the LPRODREV dataset (Labour productivity: revisions triangles) will move to a new dataset UCSTREV (Unit labour costs and unit wage costs: revisions), as summarised in Table 3. Specifically, the six worksheets relating to unit labour costs (ULC) and unit wage costs (UWC) will move. These include triangles showing growth estimates, triangles of revisions to growth estimates and statistical analysis of revisions three years after first estimates. Triangles and analysis relating to data other than ULC and UWC will remain within LPRODREV.

Table 3: Changes to LPRODREV (Labour productivity: revisions triangles)

| Current LPRODREV revisions triangles   | LPRODREV<br>refocused | New dataset |
|--|-----------------------|-------------|
| ULC triangle, revisions, after 3 years |                       | UCSTREV     |
| UWC triangle, revisions, after 3 years |                       | UCSTREV     |
| All other revisions triangles          | LPRODREV              |             |

Notes

- 1. ULC is unit labour costs. Back to table
- 2. UWC is unit wage costs., GVA is gross value added. Back to table

Existing datasets that will remain unchanged include:

- LPROD02 (Productivity jobs, productivity hours, market sector workers, market sector hours)
- PRODCONTS (Breakdown of contributions, whole economy and sectors)
- DIVISION (Labour productivity by industry division)
- LPRODSULC (Labour productivity: sectional unit labour costs)
- QUARTERLYLABOURINPUT (Quarterly regional productivity hours and jobs, NUTS1)

The appendix provides a composite mapping covering all the datasets.

#### 4. Impact of changes

These changes will not affect the methodology or values for any of these statistics.

## 5. Further improvements and contact details

Labour productivity statistics have seen significant improvements over the last two years in both methodological systems and new datasets. As part of our aim to meet growing user needs, we have announced four core areas of improvements in the <u>Productivity Development Plan</u>.

These include developing regular labour productivity data for the real estate industry excluding imputed rental and completing two feasibility studies to explore whether we can include a broad 10-industry breakdown in our flash estimate of labour productivity and to extend our existing industry-level contributions to productivity growth from a high-level industry breakdown, to the more granular, divisional level.

The work also includes our plans to introduce quarterly regional labour productivity estimates to enable users to trace the productivity of regions more frequently.

We also plan to improve our methodology for estimating workers by industry – currently supplied to Eurostat each quarter – to make greater use of microdata and to make the process more succinct.

We are also planning to improve the badging and publication of our new labour productivity statistics and we would like to incorporate the many experimental outputs that we currently produce and enlarge the dataset of labour productivity <u>National Statistics</u>.

If you would like further information on this article and labour productivity please contact us at productivity@ons. gov.uk

#### 6. Appendix-Mapping datasets to new release structure

"nc" indicates no change to a particular dataset

Table 4: Appendix—Mapping datasets to new release structure

| Current dataset                  | Quarterly labour productivity                                  | Quarterly unit labour costs   | Annual<br>regional labour<br>productivity |
|----------------------------------|--|---|---|
| LPROD01                          | LPROD01  | LPRODULC  | PRODBYREG                                 |
| Table 1                          | Table 1  |   |   |
| Table 2                          |  | ULC & UWC   |   |
| Table 3                          | Table 2  |   |   |
| Table 4                          | Table 3  |   |   |
| Table 5                          | Table 4  |   |   |
| Table 6                          | Table 5  |   |   |
| Table 7                          | Table 6  |   |   |
| Table 8                          | Table 7  |   |   |
| Table 9                          |  |   | Table 1                                   |
| Table 10                         | Table 8  |   |   |
| Revisions                        | Revisions (without<br>ULC and UWC<br>columns)                  | Revisions (From Whole Economy column<br>I and J ULC, Manufacturing column G<br>and H UWC) |   |
| LPROD02                          | nc   |   |   |
| PRODCONTS                        | nc   |   |   |
| DIVISION                         | nc   |   |   |
| QUARTERLYLABOURINPU <sup>-</sup> | Гnc  |   |   |
| LPRODSULC                        |  | nc  |   |
| REV Q4 2018                      | REV Q4 2018<br>(w/o ULC and UWC)                               | REV UCST Q4 2018<br>(ULC and UWC)   |   |
| PRDY<br>(230 time series)        | PRDY<br>(195 time series, w/o<br>ULC, UWC, regional<br>series) | UCST<br>(9 series)  | RPRD<br>(26 series)                       |
|                                  |  | DIX4  | DJDO                                      |
|                                  |  | DJ4I  | DJDP                                      |
|                                  |  | DJ4J  | DMBC                                      |
|                                  |  | DMWL  | DMBE                                      |
|                                  |  | DMWN  | DMDN                                      |
|                                  |  | DMWO  | DMDQ                                      |
|                                  |  | LNNK  | DMGH                                      |
|                                  |  | LNNL  | DMGJ                                      |
|                                  |  | LOJE  | DMGK                                      |
|                                  |  |   | DMGL                                      |
|                                  |  |   | DMGM                                      |
|                                  |  |   | DMGX                                      |
|                                  |  |   | DMOA                                      |
|                                  |  |   |   |

DMOB DMOH DMOK DMOL DMON DMOO DMOR DMOS DMOT DMOV DMOV DMOV DMOY DMOY NC

INDBYREG<sup>1</sup>

Notes

- 1. INDBYREG is the Region by industry labour productivity dataset. This dataset is published annually and will be included in the annual Regional labour productivity release. <u>Back to table</u>
- 2. ULC is unit labour costs. Back to table
- 3. UWC is unit wage costs. Back to table
- 4. GVA is gross value added. Back to table