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UK OFFICE FOR NATIONAL STATISTICS: VOORBURG 2002
CORPORATE SERVICES PRICE INDEX (CSPI)

MINI PRESENTATIONS ON PRODUCER PRICE INDICES

**CHALLENGES IN THE DEVELOPMENT OF A PRICE
INDEX FOR EMPLOYMENT SERVICES IN THE UK**

Nick Palmer - UK Office for National Statistics

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Current status

- **experimental CSPI in existence since 1997**
- **about 6% of top-level CSPI**
- **represents key services within whole range of employment services (i.e. a proxy)**

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The industry:

- covers all aspects of selection, referral and placement activity
 - classified as “Labour recruitment and provision of personnel” on UK SIC
 - UK CSPI focuses mainly on placement of personnel - although prices often reflect other activities too
 - executive search (“head-hunting”) not covered by CSPI
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Current sample (panel):

- **63 companies**
- **cross-referenced industry list with ONS business register**
- **several large companies classified outside the sector**
- **268 price quotes provided every quarter**

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Price collection (1):

- fees or hourly/weekly rates for temporary staff
 - fees or percentages of salary for permanent staff (later combined with estimates of average earnings)
 - prices often related to actual contracts with employers
 - method at discretion of responders
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Price collection (2):

- structure based on occupational groups (Standard Occupational Classification - SOC)
 - all 9 SOC categories used for temporary staff, 4 for permanent
 - (about 90% of activity relates to temporary staff)
 - regional aspect to sampling
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Standard Occupational Classification (SOC)

Main categories

1. Managers and administrators
2. Professional occupations
3. Assistant professional and technical occupations
4. Clerical and secretarial occupations
5. Craft and related occupations
6. Personal and protective service occupations
7. Sales
8. Plant and machine operators
9. Other

Example price quotes

- **Temporary staff; clerical and secretarial; data entry clerk; 1 month contract, per hour.**
- **Permanent staff; managers and administrators; team leader, salary over £35k; percentage fee.**

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Average earnings data

- **results obtained from “New Earnings Survey” carried out by ONS**
 - **for each main SOC category**
 - **annual data with quarterly projections (subject to revisions)**
 - **national results only, no regional figures**
 - **affects 10% of index**
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Difficulties

- **weightings not representative**
- **extending to other employment agency services**
- **price effects, e.g. whether agency employs the staff or not**
- **changes to contracts/service specifications**
- **timeliness of earnings data**