E.5.1. Household based surveys versus establishment based surveys

7.113. Household- and establishment-based data are complementary, each providing significant types of information which cannot be suitably supplied by the other. Current population characteristics, for example, are obtained from the household-based surveys, whereas detailed industrial classifications are much more reliably derived from establishment reports.

7.114. Data from these two sources differ from each other because of variations in definitions and coverage, source of information, methods of collection, and estimating procedures. Sampling variability and response errors are additional bases for discrepancies.

7.115. The major factors that have a differential effect on the levels and trends of employment statistics, as collected from the two sources are once again (the differences described are not exhaustive):

7.116. **Coverage.** Generally, the household-based survey definition of employment comprises paid workers (including domestics and other private household workers), self-employed persons, and contributing unpaid family workers who worked at least one hour or more during the reference period. Employment in both agricultural and nonagricultural industries is included. The establishment-based survey covers employees on the payrolls of establishments. In some countries, farms are explicitly excluded from these surveys. This should be taken into account when interpreting the survey results.

7.117. **Multiple jobholding.** The household survey provides information on the work status of the population without duplication, since each person is classified as employed, unemployed, or not in the labour force. Employed persons holding more than one job are counted only once. In the figures based on establishment reports, persons who worked in more than one establishment during the reporting period are counted each time their names appear on payrolls.

7.118. **Earnings.** The household survey measures the earnings of paid workers in all occupations and industries in both the private and public sectors. Data refer to the usual earnings received from the worker's sole or primary job. Data from the establishment survey generally refer to average earnings of employees on the payrolls of establishments. This has also the advantage that the average earning can be weighted by the number of employees.

7.119. **Working hours.** The household survey measures hours worked for all workers, whereas the establishment survey measures hours for private production and nonsupervisory workers paid for by employers. In the household survey, all persons with a job but not at work are excluded from the hours distribution and the computations of average hours at work. In the establishment survey, production or nonsupervisory employees on paid vacation, paid holiday or paid sick leave are included and assigned the number of hours for which they were paid during the reporting period.

7.120. The LFS covers hours worked by employees and self-employed persons. However, the LFS estimates only the employment within the borders of a given country and does not usually capture, for example, crossborder workers or foreign seasonal workers. These two categories of workers may be found among persons employed in establishments of tourism industries[1].

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[1] Notably, there may be countries where a LFS captures these categories of workers. Thus, in Canada, the LFS captures most of the temporary immigrants (foreign seasonal workers). For example, Mexicans, Jamaicans and others come to work on farms in Canada and stay there temporarily. Farmers included in the survey have to report these migrant workers as part of their household.