

OAKLAND COMMUNITY COLLEGE
OAKLAND COUNTY BUSINESS SURVEY
1989

prepared by

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OAKLAND COUNTY BUSINESS SURVEY

INTRODUCTION

In 1986 the Oakland County Community and Economic Development office in conjunction with The University of Michigan began a five year longitudinal study of Oakland County businesses. The focus of the study is concerned with workforce composition, human resource management and aspects of corporate culture. Each year a sample of Oakland County businesses are selected to participate in the project. Data is obtained from the Chief Executive Officer (CEO) of each firm in the sample. Approximately 1,100 responses are collected each year.

This report examines responses from approximately 900 CEO's on three questions that were added to the 1989 survey. These questions focus on the need for employee training and development. Specifically:

1. Is tuition assistance/reimbursement provided to employees?
2. What percent of sales is expended on employee training and development?
3. What sources for employee training are employed?

All findings in this report are derived from data obtained in the 1989 survey and from data provided by the Oakland County Community and Economic Development office.

**OAKLAND COUNTY BUSINESS SURVEY
EXECUTIVE SUMMARY**

- * Oakland County's occupational profile indicates that laborers constitute the largest percent of employees.
- * The County's occupational profile has remained relatively stable between 1987 and 1989.
- * According to survey respondents (CEO's), laborers, skilled crafts and technical occupations have experienced moderate increases in relative proportion to other occupational groups. Sales, clerical and service occupations together with executive and administrative occupations have shown slight decreases.
- * The service industry employs the largest number of employees in Oakland county, followed by the retail and manufacturing sectors.
- * The service sector is the fastest growing industry in the County.
- * Tuition assistance to employees is offered most often in manufacturing firms.
- * Retail is the least likely sector to provide tuition assistance to its employees.
- * From 1986 to 1988, the average percent of sales expended on employee training and development has increased significantly.
- * Significant differences exist between county industries regarding their levels of dependence upon external sources as a means for training employees.
- * Internal training accounts for the most of employee development in industrial sectors.

ANALYSIS

Occupational Profile

Oakland County's occupational profile remained relatively stable between 1987 and 1989 (See Table 1). Laborers make up the largest percent of employees (31.1%) in the county, followed by sales, clerical and service occupations (24.7%). The smallest occupational groups in the county include technical, executive and professional employees (9.7%, 8.3%, 8.1%, respectively).

The proportion of each occupational group has remained relatively stable over the past three years. Some moderate increases in the percent of laborers, skilled crafts and technical groups has occurred. Sales, clerical and service employees, together with executive and administrative occupations have experienced a slight decline in the overall proportion of county employees.

TABLE 1
OAKLAND COUNTY OCCUPATIONAL PROFILE
(1987 through 1989)

Occupational Group	1987 (%)	1988 (%)	1989 (%)	Percent Change (1987-1989)
Executive, Administrative	8.7	8.2	8.3	-4.6
Professional	8.0	8.3	8.1	1.3
Technical	8.9	9.2	9.7	9.0
Sales, Clerical, Service	27.7	24.4	24.7	- 10.8
Skilled Crafts	17.2	16.8	18.1	5.2
Laborers	29.5	33.1	31.1	5.4
TOTAL	100.0	100.0	100.0	

A closer analysis of the county's occupational profiles by industry indicates that sales, clerical and service employees work predominantly in retail, wholesale, finance, insurance and real estate and service sector business (See Table 2). Laborers dominate the manufacturing and 'other' industrial sectors. Furthermore, professional and executive employees are most prevalent in the finance, insurance and real estate sector, whereas technical occupations are most prevalent in the service sector. This later finding indicates a complex and professional service industry in the county.

TABLE 2
OAKLAND COUNTY OCCUPATIONAL PROFILE
BY INDUSTRY
(1989)

Occupational Group	Industrial Sector			Finance, Insurance, Real Estate (%)	Service (%)	Other (%)
	Retail (%)	Wholesale (%)	Manufactur. (%)			
Executive, Administrative	6.7	12.0	4.6	33.2	7.1	7.2
Professional	7.4	3.7	2.3	23.0	13.1	3.2
Technical	4.9	10.6	4.3	1.4	20.5	10.2
Sales, Clerical, Service	65.4	40.0	6.3	37.5	28.4	15.1
Skilled Crafts	6.3	8.0	27.5	0.4	12.4	30.6
Laborers	9.3	25.7	55.0	4.5	18.5	33.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Industrial Profile

Total private employment in Oakland County by industrial sector is presented in Table 3. This data (provided by the Oakland County Community and Economic Development office) indicates that the service sector has the largest number of employees in Oakland County (33.2%), followed by the retail and manufacturing sectors (22.8%, 20.0%, respectively). The services sector is the fastest growing industrial sector in the County. It has been projected that between 1988 and the end of 1991 service sector employment will have increased by over twenty five percent. Wholesale, retail and finance, insurance and real estate industries are also expected to experience significant increases.

TABLE 3
OAKLAND COUNTY EMPLOYMENT BY INDUSTRY
(1988 through 1991)

Industrial Sector	Thousands of Persons				Percent Change (1988-1991)
	1988 Actual	1989 Estimate	1990 Forecast	1991 Forecast	
Retail	116	120	124	130	12.1
Wholesale	38	40	42	45	18.4
Finance, Insurance,	102	106	105	110	7.8
Real Estate	39	40	41	43	10.3
Service	169	186	198	212	25.4
Other	45	45	45	45	0.0
TOTAL	509	537	555	585	14.9

Tuition Assistance

The percent of firms that offer tuition assistance to their employees is presented in Table 4. Manufacturing firms are most likely to provide tuition assistance to their employees (67%). This may be due to the fact that manufacturing firms tend to be larger and are more likely to operate within collective bargaining agreements which support such benefits than other business sectors. In addition, the manufacturing industry experiences tremendous competition and technological advances, thereby increasing the need to maintain and encourage employee professional development. Finance, insurance and real estate and service sector firms are less likely to provide tuition assistance to their employees than are manufacturing firms (56.0%, 48.5%, respectively). However, the retail sector is the least likely (34.7%) to offer tuition assistance to their employees. This may be explained by the tendency of retail establishments to be smaller in size and that they traditionally employ larger numbers of part-time staff.

TABLE 4
TUITION ASSISTANCE BY INDUSTRY
(1989)

Industrial Sector	Percent
Retail	34.7
Wholesale	44.1
Manufacturing	67.0
Finance, Insurance, Real Estate	56.0
Service	47.5
Other	48.5

Training and Development

The level of spending on training and development for each industrial sector in Oakland County is presented in Table 5. During the 1986 to 1988 time period, each industrial sector showed an increase in spending. In 1988, nearly eighty eight percent of all service sector firms devoted between one to ten percent of their sales on training and development. Over eighty percent of manufacturing, service and finance, insurance and real estate firms expended one to ten percent on training and development.

The service, retail and wholesale sectors all experienced significant increases in their level of spending on training and development. The manufacturing sector already having a relatively large percent of sales dedicated to training and development, showed only a moderate increase in spending.

Table 5
 LEVEL OF SPENDING ON TRAINING AND DEVELOPMENT
 AS A PERCENT OF SALES BY INDUSTRY
 (1986 through 1988)

Industrial Sector 1986						
Level of Spending	Retail (%)	Wholesale (%)	Manufactur. (%)	Finance, Insurance, Real Estate (%)	Service (%)	Other (%)
Nothing	16.7	35.7	23.8	23.1	16.8	37.5
1 - 10 percent	83.3	64.3	71.0	69.2	81.6	62.5
11 - 20 percent	0.0	0.0	2.6	7.7	1.6	0.0
21 percent or more	0.0	0.0	2.6	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Industrial Sector
1987

Level of Spending	Finance, Insurance, Real Estate, Service, Other					
	Retail (%)	Wholesale (%)	Manufactur. (%)	Real Estate (%)	Service (%)	Other (%)
Nothing	19.4	28.6	14.6	17.2	11.7	33.3
1 - 10 percent	77.3	71.4	79.2	75.6	82.0	66.7
11 - 20 percent	3.3	0.0	1.3	7.2	5.5	0.0
21 percent or more	0.0	0.0	4.9	0.0	0.8	0.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Industrial Sector
1988

Level of Spending	Finance, Insurance, Real Estate, Service, Other					
	Retail (%)	Wholesale (%)	Manufact. (%)	Real Estate (%)	Service (%)	Other (%)
Nothing	9.1	25.0	12.2	10.0	8.7	29.2
1 - 10 percent	87.9	71.4	81.1	83.2	81.7	70.8
11 - 20 percent	3.0	3.6	4.4	3.4	7.5	0.0
21 percent or more	0.0	0.0	2.3	3.4	2.1	0.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

The percent of firms that spend "nothing" on training and development declined significantly between 1986 and 1988. This indicates that firms often find it a necessity to further train their employees. Most firms spend ten percent or less of their sales on training, however, the percent of firms spending between eleven to twenty percent of their sales on training has increased tremendously. A greater investment in employees is indicated by this trend.

Sources of Training

Table 6 depicts sources employed to train employees. Training and development programs are predominantly performed by internal staff within each industrial sector. Training by internal staff comprises more than fifty percent of all training programs for each industrial sector. This may be due to the availability of internal "experts" who can train other employees to master 'specialized' equipment and systems. Training by private consultants is relatively consistent across all industrial sectors. The use of community colleges and universities are comparable among the retail and the finance, insurance and real estate sectors. Manufacturing and wholesale firms prefer community colleges, while the service sector and other businesses tend to utilize university programs. Secondary schools are the least used source of training across all industrial sectors.

TABLE 6
SOURCE OF TRAINING AND DEVELOPMENT
BY INDUSTRY
(1989)

SOURCE

Industrial Sector	Internal		Secondary	Community	University	Other
	Staff (%)	Consultants (%)	Schools (%)	Colleges (%)	Institutions (%)	
Retail	74.0	12.2	4.4	3.4	2.8	16.3
Wholesale	74.2	10.6	5.0	18.3	8.7	18.1
Manufacturing	66.8	13.9	3.0	26.4	15.3	8.4
Finance, Insurance, Real Estate	73.1	10.8	0.9	5.0	6.2	13.6
Service	63.1	13.6	1.3	7.3	16.8	26.1
Other	59.8	12.5	0.9	13.4	18.6	29.0

SUMMARY

The occupational profile of Oakland County remained relatively stable between 1987 and 1989. Laborers, skilled crafts and technical occupations experienced moderate increases, while sales, clerical and service occupations together with executive and administrative occupations experienced slight decreases in proportion to all occupational groups.

The industrial profile of Oakland County indicates that the services sector employs the largest number of employees in the County. It is also the fastest growing industry in Oakland County.

Survey findings indicate that manufacturing firms are more likely to provide tuition assistance to their employees, followed by finance, insurance and real estate firms. The retail sector is least likely to provide tuition assistance to their employees. The extent to which tuition assistance is provided may be a reflection of the competitiveness in an industry and the rate of technological change within that industry. Industrial sectors that are more likely to provide tuition assistance also tend to spend a larger percent of sales on training and development.

Between 1986 and 1988, industrial sectors all showed an increase in the percent of sales expended on employee training. The service sector had the largest percent of firms that spent at least one to ten percent of their sales on training and development. The service sector also experienced a tremendous growth in the percent of sales spent on training. The findings suggest that industrial sectors within Oakland County experience varying needs for training.

Programs conducted by internal staff are the most frequent type of training used across all industrial sectors. This finding suggests that specific training needs often are not available outside of the organization and that it is more convenient and cost effective to train employees internally.