

ECONOMIC & BUSINESS RESEARCH

By Jack Geary

There is a very important relationship between industries, the companies that belong to the industry, the position titles or job titles the company uses to define the job functions staffed by the company, and the required and desired education and training required by the company. Industry groups, trade and professional organizations develop relationships with university, colleges, and vocational schools to shape the educational preparation or skills training. The relationships shape the content of courses, the course offering, the grouping of course offerings that make up the "college major," and the requirements for certificates and degrees. The relationships shape state codes for licensure and certification. The occupational title is a generic description and the position title is specific to a company establishment.

The choice of a college "major field of study" and employment options cannot be made without consideration of the relationships. Knowledge of the fundamental relationships is essential to smart career planning and decision making. It would be wise for you to know about the relationship. The research resources are available to understand the relationships.

THE BIG PICTURE

Information about industries provides the context in which companies operate. If you do not understand the "industry" you do not understand the company, the occupation, or your position. Most important you do not understand the extent your skills are marketable. A complete understanding of an "occupation" requires an intimate knowledge of the typical position titles used by the companies that staff the position. Each company controls the labels placed on occupational titles, known as "position titles." Each company determines the functions that are performed by each "position title" or classification. Companies staff or fill positions- they do not hire people. (Yes, a machine would be preferred in many instances.)

Occupational titles, however, are general terms used across industries and companies. Each company may use its own position title rather than the occupational title. The company may use standard occupational titles or their own terminology. This also means that the position title at one company may have different tasks and requirements than the same position title used by another company.

A clear understanding of what is happening in the industry as well as within the company is essential to understand an occupation and the career. The ability to quickly make a connection between a specific occupation, related position titles, the company that staffs the occupation or position, and the industry that represents the company is very important. The relationship changes- it is dynamic. However, the worker may not change. These workers wake up one morning and say, "What's Happening?"

CLASSIFICATION SYSTEMS

All occupations, companies, and industries are classified according to some system. Occupations are classified according to a variety of systems including the D.O.T., O.O.H., G.O.E. C.O.G., S.O.C., CENSUS; and Industries are classified according to the S.I.C, and CENSUS. You have a Social Security Card number and the first three digits indicate state that issued the number. You have a Credit Rating, an Address, ZIP code; CENSUS Code, Drivers License, Automobile License, Credit Card Number, telephone number, and you may have an IRS identification number. There is a national classification system for courses used by schools and colleges. There are multiple classification systems. Each classification serves some purpose. Knowledge of the classification systems provides a basic understanding of the occupation.

There are no cookbook methods for researching industries, companies and occupations. Occupational research is no less complex than researching companies and industries. The research is less complex at the highest level of classification. The research becomes more complex and difficult as you become more specific. For instance, what industries and/or companies are represented within a specific area code of census area; how many accountants are employed in a ZIP code area; and in what industries will you find the highest number of anthropologists or biologists? What companies are associated with a particular product? How can I find out the names of important people within a particular industry or academic discipline?

Generally, the company's product and/or a service) and the company's competitors offer the best clue on the industrial classification of the company. Companies also align themselves with their competitors and/or other companies in which they share a business interest. Every company that has an IRS identification number and a SIC number.

There are different systems for the classification of industries. The Standard Industrial Classification System (SIC) is the most commonly used system (www.census.gov). You will note that many research sources will refer to a SIC code. This is the coding or classification system used to organize industries in the Standard Industrial Classification System reference book. This system is being replaced by the North American Industrial Classification System to incorporate Canada and Mexico (North American Free Trade Agreements.).

"A good industrial classification system is essential to understanding the economy. Clear presentation and classification of occupations promotes an understanding of the structure of the economy. The clear presentation of economic data helps answer questions, such as, which industries are growing and declining; the job opportunities; and which industries compete most successfully in world markets.

The search for answers to critically important questions such as these requires consistent definitions of the industries being examined; that is, it requires an industry classification system.

The Dictionary of Occupational Titles (D.O.T.), published by the Department of Labor has a system for classifying occupations and industries. The Bureau of the Census has its own system of classifying occupations. With the help of the D.O.T., you can look up the industries and then find occupations typical of the industry. Yes, within the same government, departments, bureaus, and agencies will use different classification systems for "industries." Yes, there are "crosswalks" or publications that will associate one system with another, otherwise known as cross-indexing.

Researching industries and companies as well as occupations does require some familiarity with library research. You need to spend some time with the print copies of the resource material to learn how to use the material. Once you become familiar with important research sources for industries and companies, you will be able to make the crosswalk quickly. Most occupational resources will provide detailed explanations of the contents, the methods used to compile the information, and how to use the material. Learning from the hard copy is preferred to the Internet at first. If you take one publication at a time you will not be overwhelmed by the complexity.

The library print resources will usually be out of date but you can learn the structure from any edition. Directories are very expensive. Libraries will usually purchase reference books and directories when patrons frequently use the current editions. If you are particularly interested in a specific directory check the holdings of libraries at the Santa Rosa Junior College, Sonoma State, and the Business Library in San Francisco, UC Berkeley, the County of Sonoma Law Library, or other universities in the Bay Area. Plover library has purchased subscriptions to many INTERNET directories.

There is no substitute for a sound understanding of how to use the library resources for research. Many of the valuable WEB sources require a paid subscription. Major trade journals, academic journals, and newspapers will list an index of the names of the companies noted in the publication. Finally, speaking with representatives of the companies associated with the industry is a valuable source of information.

GOVERNMENT SECTOR

It is always helpful to identify a government agency (Federal, State, County, & City) that could be associated with the core business, service, or product related to the industry, companies, and occupations you select to research. There are a number of occupations or careers where most of the employment is with a government agency- law enforcement, biologist, anthropology, and teaching.

CORE BUSINESS OF THE COMPANY

Companies make up the industry. Industrial categories are broken down to reflect the company's core business interest. Many companies offer a variety of services or produce a variety of products that fall into a number of industries. Often one product or service is used by companies representing many industries.

It is sometimes difficult to discern the “core” business of some companies. Many companies have diversified to offer many products and services.

CORE PRODUCT OR SERVICE

Identifying a company’s core business is not as easy as you may think. Many companies lose sight of their “core” product or service. For instance, does a computer equipment vendor sell computer hardware or the service of keeping your computer operating?

The smart company takes the time to understand how the customer views the company from the customer’s perspective. Smart companies pay attention to the customer base that supplies the most revenue. Could the core service of a gas station be the location in reference to your home, place of work, price, or brand name? You must develop an understanding of the concept of “core” product or service.

COMPANY SIZE

Company size is important for a number of reasons. With respect to career planning and career exploration, company size will determine minimum hiring requirements, hiring procedures and standards, recruiting methods, sophistication of the hiring process, advancement opportunities, benefits, compensation, type of education required, and the educational institutions that are preferred. (Over 85% of companies have 50 or less employees.) Companies that are market leaders will often establish the standards by which other companies assess candidates and the evaluation of the quality of educational programs and institutions. Some companies have the reputation of offering the primary sources for jobs for newly minted college graduates. These firms provide excellent management trainee programs. Smaller companies seek candidates who got their feet wet with the “big guys or girls.”

LOCAL BUSINESS INFORMATION

The local North Bay Business Journal and Sonoma BIZ is an example of a publication that offers information about local companies. These publications cover the business news in Sonoma, Marin, Napa, and Solano Counties. The Business Journal publishes a Book of Lists listing the top businesses in a specific industry featured during the year. Current copies of the Business Journal and the Book of Lists are available at the Career Center. The Business Journal is an excellent resource to learn about companies and obtain job leads.

SAMPLE RESEARCH REPORT

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