

A PRELIMINARY OVERVIEW OF THE MARKET  
POTENTIAL OF FIVE MARKET AREAS FOR  
THE OKLAHOMA STATE UNIVERSITY  
OFFICE OF BUSINESS EXTENSION

By

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Major Field: Marketing

Scope and Method of Study: The focus of this research study is that of determining in which direction(s) OSU Business Extension should concentrate its marketing efforts during the early 1980's. In doing so, a model or procedure will be established which can be used periodically in the future. Sixty-six Oklahoma business firms have been interviewed to discern their current training and development programs and needs, as well as to observe similarities and differences among five major industry types and four employee size categories. A frequency procedure (SAS) was used to categorize the data and to determine the corresponding percentages for analytical purposes. In addition, the stepwise procedure (SAS) was utilized to isolate company characteristics which add significantly to an explanation of variance in training and development expenditures.

Findings and Conclusions: It was found that the needs of the five industry types--manufacturing, service, wholesale, bank/savings, and oil and gas--do differ enough to necessitate a distinct marketing strategy for each. Company size was also significant, with the larger businesses (500 or more employees) holding more potential during the next few years than the smaller ones. The total number of employees, total number of supervisors, and industry type were the only company characteristics explaining variance in training and development expenditures of the businesses surveyed to a significant degree.

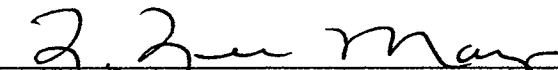
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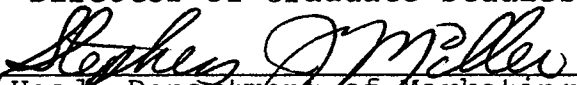
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## CHAPTER I

### INTRODUCTION

#### Background

Since it was founded in 1890, Oklahoma State University (OSU) has played a vital role in higher education. Its three primary functions--instruction, research, and extension--are the responsibility of each college within the university, thereby providing for the needs of each college's constituents in the most effective, efficient manner. In keeping with the philosophy and mission of its land grant heritage, the College of Business Administration (CBA) has actively fulfilled these functions for those individuals who wish to expand their professional knowledge, while remaining active in their various fields of business.

The extension division of the CBA has existed since 1953 when it began as a one-man operation, providing short courses in the field of retail selling. Today, that one-man operation has grown considerably and has specialized its services in the areas of accounting, administrative services and business education, economics and finance, management, and marketing.

Despite its gradual growth during the past three decades, until recently extension services occupied only a

minor role in higher education. On-campus instruction and research have been dominant in the past. Since the late sixties, however, the educational climate has been changing among most universities and colleges, including the CBA at OSU.

Trends toward declining enrollments, reduced financial resources, declining public support, etc., have posed major threats to higher education. Those institutions who have been threatened most and are fighting to survive this revolution in education are turning more frequently to extension services as a remedy for their illnesses.

Because of this awareness of the changing educational climate and the need to expand the services of extension, attempts are now being made at OSU to meet the problems directly. Without such efforts, the future of Business Extension would indeed be bleak. This, in turn, could have a detrimental effect on the CBA.

### The Problem, Purpose, and Research Questions

#### Statement of the Problem

During the past decade, the College of Business Administration has taken a strong stance in adopting the viewpoints expressed in such studies as the Plan for the 70's. Through keen management foresight and administrative insight, Business Extension is taking steps to develop, test, and adopt a marketing strategy that will achieve several tasks. They include the following: (1) more clearly define the

educational needs and desires of its constituents (consisting of both current and prospective users); (2) review the current service offerings and determine if any modifications should be made and/or if new service offerings should be developed for market needs once they have been identified; and (3) create an effective marketing mix for each service offering that will satisfy the needs of the markets identified and that is feasible with the resources that Business Extension is capable of providing.

Of primary concern to Business Extension are its potential target markets, i.e., the entire range of small business to giant corporations toward which it could be directing its marketing efforts. A clearer delineation of which markets should receive attention and the types of courses in which each are most likely to be interested will be the focus of the remainder of this study.

### Purpose

The primary purpose of this research study is to establish a marketing strategy model for professional development programs for Business Extension at OSU. This should include the determination of the following elements:

1. Identification of major types of companies/businesses;
2. Assessment of the needs of each type;
3. Determination of the most appropriate method of fulfilling these needs;
4. Selection of those types of companies/businesses who show the most promise as potential users of Business Extension services.

A secondary objective of this study is to determine the types of program offerings that are desired by the various types of businesses. These are classified as being either credit or non-credit courses, in addition to special projects. Special projects, in contrast with the other two categories, have one or more of the following characteristics: (1) the effort is part of a negotiated contract with a federal, state, or local agency; (2) the effort serves the general public with little or no cost to the participants; and/or (3) the effort is general in nature and not specifically tied to an educational process in any one discipline (Poole, 1978). In this study, however, we will be more interested in the credit and non-credit offerings categories.

### Research Questions

An attempt will be made in this study to answer the following questions which will be instrumental in Business Extension's plans for the early 1980's:

- RQ1: To what extent are non-credit public seminars and in-house training supported by the companies in the survey?
- RQ2: Which location(s) is preferred for in-house training and public seminars?
- RQ3: To what extent are credit courses supported by the companies?
- RQ4: Who generally sponsors or conducts the public seminars which the companies' employees attend?
- RQ5: Who generally sponsors or conducts the in-house programs for the companies?
- RQ6: What are the training needs of the companies?

RQ7: What is the overall variability in training and development expenditures?

### Scope

As mentioned earlier, the focus of this research study is that of determining in which direction(s) OSU Business Extension should concentrate its marketing efforts during the next few years. The findings may be applicable to extension divisions in other insititutions similar to OSU; however, it would be preferable--and certainly more accurate--to study each institution separately due to the uniqueness of each college or university and its potential for developing and executing extension programs.

It is not the intention of this study to find all the marketing answers for Business Extension. One limitation is that of time. To assess the needs of all potential markets requires a great deal of time to design and perform the survey, as well as to evaluate the results. Other limitations are the amount of funds available for the study and the people to carry it out.

### Plan of Development

Including this introductory chapter, the report is presented in five chapters. Chapter II will summarize the literature that was reviewed as applicable to this project. Methodology is discussed in Chapter III and covers selection of the survey questionnaire as the primary method of research, the design and rationale of the questionnaire, and the

statistical methods used to analyze the results. Chapter IV presents the major results of the questionnaire and qualified assessments drawn from the findings. Finally, Chapter V presents the summary and conclusions with recommendations for the use of the findings of this study for implementation by Business Extension.

## CHAPTER II

### REVIEW OF THE LITERATURE

Why are continuing education specialists concerned with marketing? Perhaps the answer is that they are people who must consider repeatedly problems such as the following:

A faculty member approaches a colleague in the continuing education sector of his institution with a "great" idea for a workshop or conference. The idea is a current issue in the faculty member's discipline. The continuing education specialist likes the idea but is uncertain as to the demand for a conference on the issue, as to possible clientele for a conference, and many other related questions.

A large direct mailing of brochures describing a forthcoming conference was mailed but no or few responses have been received. Why? Was the brochure poorly worded? Was the brochure format faulty? Was the mailing list inadequate? Was the fee too high? (Buchanan, 1975).

#### Scope of This Chapter

The scope of this chapter is to review the literature pertaining to marketing management strategies for continuing education services. An investigation into the state of the art will be made to discern the present status of business education in industry. An attempt will be made to define the nature of the product and the nature of the marketplace. Also, attention will be focused on the concepts and methods



used to successfully market continuing education, particularly to an industrial and commercial market.

#### Nature of the Product

Until recently, services have not been examined to the extent that products have been studied. Asit K. Sarkar and Farouk A. Saleh report the following:

A systematic review of the literature indicates that the bulk of the writings has been devoted to procurement of tangible commodities, with minimal attention to the area of professional services. Indeed, this lack of information, lack of interest, and lack of understanding of services and service marketing reflect the inferior position of services in a product-oriented world (Sarkar and Saleh, 1974).

This point was made even earlier by Aubrey Wilson (1972). Today, however, there is a growing interest in services. Many experts have begun to agree that service marketing should no longer suffer from the influence of marketing theories developed for consumer product marketing (Wittreich, 1966; Turner, 1969; Shostack, 1977; Gummesson, 1978; Gronroos, 1979). Nevertheless, there is still disagreement as to whether services should be categorized by industry or by types of services (Lovelock, 1980).

Understanding the nature of the product is necessary at this point. A product, as defined by The American Heritage Dictionary (1975), is anything produced by human or mechanical effort or by a natural process. Marketing disciplines have carried this definition further by defining a product as a tangible good or an intangible service. However, John Rathmell

comes closer to a truer definition: "Economic products lie along a goods-services continuum, with pure goods at one extreme and pure services at the other, but with most of them falling between these two extremes. Some products are primarily goods with service support, whereas others are primarily services with goods support. Most goods are a complex of goods and facilitating services; most services are a complex of services and facilitating goods" (Rathmell, 1966).

Education falls at the extreme right of the goods-services continuum; consequently, education as a service has no facilitating goods in its complex. Education as a service represents an expense to the buyer (as opposed to an asset) incurred from receiving utility or a benefit from an act, deed, performance, or effort. Therefore, the utility for the consumer lies in the nature of the action or performance. The service itself is intangible; it cannot be touched (Bateson, 1979). This clearly falls under another definition of marketed services--"A market transaction by an enterprise or entrepreneur where the object of the market transaction is other than the transfer of ownership of a tangible commodity" (Judd, 1968).

The object of continuing business education is certainly more than just offering programs for the participants' entertainment. In terms of utility, the benefits derived from such education can be job advancement, financial gain, skill improvement, and perhaps peace of mind (Buchanan, 1975). The

amount of utility received depends on the quality of the programs and the ability of the participant to put the education into practice.

#### Nature of Continuing Education Services

Fundamentally, the role of extension in a university is to extend instruction and disseminate research. Extension of instruction is concerned with the transmittal of existing knowledge through off-campus credit courses, non-credit workshops, conferences and seminars for the off-campus student, and individual consultation. Extension of research is concerned with problem solving through delivering the benefits of research to the people. Public service is provided when either the extension of instruction or research is conducted for the benefit of a public body (including state and local governments, civic organizations, such as chambers of commerce, industrial development organizations, and economic development groups).

A generic term for continuing education (or extension) services could be programs. Whether the service is in the form of a short course, seminar, conference, or workshop, each individual commitment to provide an audience with some form of continuing education is referred to as a program. A program can be offered on-campus or off-campus, as well as in-house (at the clients' firms) or out-of-house (at a location outside the organization). Thus, one can see that such programs can be flexible in location and in format (duration

and frequency of meeting). Accessibility can be a key factor in choosing such services (Barton-Dobenin and Hodgetts, 1975; Gronroos, 1978).

Flexibility of continuing education programs can also be seen in the pricing of the services. They can be priced on a per-individual basis, which is common for most public offerings, contracted with an organization, or established through a grant. Each pricing method depends on how the recipients are represented. For example, a corporation may wish to agree on a contract price for members of its firms, whereas members of a government body may receive such services through an educational grant.

With the existence of increasing competition between organizations that provide continuing education services (especially in business), the manner in which a program is promoted can also become an important factor that defines the service (Kotler and Connor, 1977; Lenz, 1980). The image of the extension organization also plays a significant role (Decker, 1979). One problem for the marketer, when he considers the number of available channels of communication, is which channel(s) is best suited for promoting a specific program offering to a specific audience. This problem usually occurs for promotion of public offerings to a large number of individuals who qualify as prospects. For programs tailored to members of a specific organization, the promotion is usually best handled through personal calls to a representative of the organization.

### Current Non-Credit Programs

Looking toward the future, with the rapid development of technology and the obsolescence of many current theories, techniques, and methods, one can begin to see a developing awareness for different approaches to continuing education. Dr. Duane Anderson asserts, "Lifelong learning is becoming an obvious necessity if we are to keep pace and be able to adjust individually to the automated age" (Anderson, 1970). The knowledge explosion and the demand for greater decision-making excellence in the face of uncertainty force individuals and institutions to confront the problem of continuing education. It is important that more information about the various services provided be made available so that clients can make intelligent decisions (Smith and Meyer, 1980).

Robert Jean Kerber and Vincent Peter Luchsinger, in their study entitled "Non-Credit Continuing Education of Collegiate Schools of Business," cite the following:

Credit-free (or non-credit) programs may constitute the major thrust of the continuing education activities in the near future and could be the fastest growing segment of higher education in the next decades.

With the trend toward larger, more complex industrial organizations, there is a concurrent need for more technical, managerial, and executive development programs. Because of the increased demand and need for more non-credit education, one is forced to hypothesize that educational institutions will attempt to satisfy this need by expanding the scope of their educational objectives. Meeting the needs of the people must be the prime aim of the non-credit programs (Kerber and Luchsinger, 1973).

Looking at what programs are currently offered by OSU Business Extension will help to determine what needs are

currently being met and should be met in the future. Each program falls under one of the following academic categories: accounting, administrative services and business education, economics and finance, management, or marketing. Administrative services and business education include areas under secretarial training, office procedures, business communication, etc. Table I shows most of the programs now offered under each category.

TABLE I  
NON-CREDIT COURSES ALREADY DEVELOPED  
BY OSU BUSINESS EXTENSION

---

1. Accounting

- A. CPA Review Course
- B. FASB Pronouncement Workshop
- C. Cost Accounting
- D. Intermediate Accounting
- E. Contemporary Accounting Theory
- F. Managerial Accounting
- G. Oil and Gas Tax Course for Tax Practitioners
- H. Enrolled Tax Practitioners Test Review
- I. Basic Institute for Tax Return Preparers
- J. IRS Tax Short Courses for Tax Practitioners

2. Administrative Services and Business Education

- A. Increasing Productivity Through Effective Communications
- B. Effective Report Writing
- C. Small Computer Selection for First Time Users
- D. Time Management
- E. Increasing Office Productivity
- F. Improving Communication Skills of Secretaries and Receptionists
- G. CPS Review Course
- H. Transactional Analysis
- I. Introductory Estate Planning
- J. How to Represent Yourself in Small Claims Court: A Short Course
- K. Economic Education Applications

TABLE I (Continued)

- L. Energy Education Applications
  - M. Resources for Teaching Tomorrow's Consumers, Workers, and Voters
  - N. Using Case Studies to Teach Economics
  - O. Orientation to Energy 80 Junior High School Materials
  - P. Increasing Decision-Making Skills with "Trade-Offs"
3. Economics and Finance
- A. Business Survival Through Financial Analysis and Control
  - B. Planning for Future Growth and Development
  - C. Investment Basics
  - D. Investment Principles and Guidelines
4. Management
- A. Management Development Program
  - B. Supervisory Development Program
  - C. Improving Managerial Skills for New and Prospective Managers
  - D. Effective Managerial Skills and Styles
  - E. Motivating Subordinates
  - F. Leadership Effectiveness
  - G. Conflict Management
  - H. Participative Management
  - I. Performance Counseling Workshop
  - J. Availability and Maintainability Workshop for Public Utilities and Energy Systems
  - K. Practical Reliability Engineering Methods for Design, Test and Production of Components and Systems
5. Marketing
- A. Improving Sales Manager Effectiveness
  - B. Effective Techniques for the Industrial Marketing Manager
  - C. Customer Relations
  - D. Marketing Professional Services
  - E. Evaluation Techniques for Purchasing
  - F. Basic Statistical Techniques: Applications to Business Research
- 

Many of the non-credit programs are designed for specific occupations or professions, such as accountants who are C.P.A. candidates, managers or management trainees, insurance counselors, city clerks and managers, salesmen, secretaries, etc.

### Factors in Determining Course Offerings

Who should determine the non-credit business course offerings that will be included in the program? Up to this point, most of the programs developed by Business Extension have been determined in response to requests by businesses. These programs are usually co-sponsored and jointly developed by both the firm and Extension. Very few of the programs listed in Table I were developed for general public offerings. Most are aimed at specific occupational and interest groups, usually by request.

Ordinarily, most of the programs that are co-sponsored for an individual group have greater success than those programs offered to the general public, primarily because the individual group participants help determine the design and content of the programs. In a survey conducted by Kerber and Luchsinger, 82 percent of 156 respondents (extension education in business) reported that non-credit programs were determined in response to requests by businesses. Only 45 percent of 31 respondents reported that programs were determined by the business school staff and 41 percent of 28 respondents reported that programs were determined in response to requests by individuals (Kerber and Luchsinger, 1973).

It has been assumed in this study that personal visitation to firms will increase the awareness of Business Extension's services and generate more requests than mass mailing



brochures promoting specific programs. This approach should increase the use of co-sponsored programs held off-campus. After applying this marketing technique and others, the University of Georgia Center for Continuing Education tripled the number of off-campus programs in a three-year period, while the number of on-campus programs increased annually by 20 percent in the same period (Bramblett and Buchanan, 1976).

#### Opportunities for New Programs

A continuing education firm can grow by either expanding its current programs into more markets or developing new programs for both the existing and new markets. Opportunities for developing new continuing education programs may arise from two sources: (1) feedback from those who have attended programs and (2) need-assessment surveys of prospective clients.

Business Extension is currently using the first source by having program participants evaluate elements of the program so that changes and improvements can be made to raise the satisfaction levels of new participants of future programs. More use of need-assessment surveys must be used, however, to determine the needs of those market segments which are large enough to warrant the costs associated with developing new programs. There is no other means of obtaining what programs the market segments desire without obtaining the information directly from the source.

The American Management Association sponsored a major

survey conducted by Robert F. Pearse (1974). The survey was designed to assess what managers in a number of industries think of current methods of management development training. The survey resulted with over 2,026 responses and yielded some significant findings about managers and their needs for management development programs. This was probably the best need-assessment survey performed during the past decade and can serve as a good example for future surveys.

### Nature of the Marketplace

The primary marketplace for OSU Business Extension is Oklahoma, but not limited to it. As a land grant state university, its purpose is to serve the people of this state. But with the data available today, can one reasonably define who the prospects and non-prospects of Business Extension are? It is much easier to define the non-prospects of continuing business education than the prospects. Anyone not associated with a business or not a member of an organization is typically a non-prospect, although there are a few exceptions. Anyone who can utilize business education is a prospect but is not necessarily a qualified prospect.

A qualified prospect can be defined as anyone who (1) has an acknowledged need that may be satisfied by continuing business education services, (2) can afford the time and expense, (3) has the desire to attend, and (4) has a strong conviction for finding a solution to his problem or need. The problem for the firm becomes that of defining exactly who

the prospects are. Then once the qualified prospects are defined, the next problem becomes that of turning the prospect into a client. Due to the number of alternatives available to the prospect, Business Extension must have an effective and competitive marketing plan to turn each prospect into a client through a mix of effective promotion techniques, choice of location, price determination, and product development.

### Current Markets

Business Extension has developed non-credit programs for a number of diverse markets. One such market is the local government segment represented by city managers and city clerks. Each year these two occupations have attended management development seminars to help improve their management skills or to help newly elected officials develop new management skills.

The markets most recently served by Business Extension are listed in Table II. They have been categorized by occupations as accountants, managers, office personnel, and specialized professionals. They have attended some of the programs that are listed in Table I.

### New Market Opportunities

The nature of providing continuing education programs requires a consistent search for new markets to serve either with existing or new programs. A continuous attitude of

TABLE II  
MARKETS SERVED MOST RECENTLY  
BY OSU BUSINESS EXTENSION

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ACCOUNTANTS:

CPA Candidates  
IRS Accountants and Auditors  
Tax Preparers

MANAGERS AND SUPERVISORS

City Clerks  
City Managers  
Tinker Air Force Base  
Small Businesses  
Retailers  
Bankers

OFFICE PERSONNEL

Secretaries  
Receptionists  
Administrative Assistants

SPECIALIZED PROFESSIONALS

Estate Planning  
Certified Insurance Counselors

---

identifying market opportunities is a managerial resource that can provide a substantial growth advantage for a firm.

Perspective of Education in Industry

The Conference Board Study

In 1977, the Conference Board, Inc., an independent non-profit business research organization, conducted an in-depth study to illuminate the educational terrain in private industry

in the United States. The education and training system in private industry has been extensively developed, principally from business' need to translate the general skills of newly hired employees into higher job competencies and to insure the continuing adaptation of its work force to new knowledge and technology.

Along with the education system's growth in private industry have been education-related social and economic problems. These problems stem from the transition of youth from school to work, productivity, imbalances between job skills and market needs, opportunities for women and minorities, averting occupational obsolescence, facilitating career change, and having potential for new and enlarged roles in management. The nature of these problems expresses the need for education in industry to become more visible and to focus more attention on employee and management development.

The Conference Board's study gives an overview of some recent business practices which gives new perspectives to the management of employee development activities. Under the direction of Seymour Lusteran, the Board surveyed over 800 firms with 500 or more employees to ascertain the aims, scope, and character of employee education and training activities among corporations of this size. Of particular interest are the sections of this study which describe the nature of industry's use of outside resources for their training and development needs.

## Educational Needs in Industry

Education and training activities spring from three basic needs which are shared by all industrial organizations. The first of these is to accommodate the turnover and growth in personnel. As employees retire, quit, or move to new assignments in their companies, present employees or newly hired employees must be taught to take over their duties.

Second, education and training needs are created by changes in the knowledge and skills required by, or available to, a company and its employees. Ventures into new products or services are constantly creating needs for employees and management to adapt to the availability of new knowledge, methods, and techniques; changes in the physical, social, and political environment; and growth itself. Such changes have stimulated a body of theory and technique, ranging from operations research to the behavioral sciences, which are now recognized as essential tools for the performance of supervisory and management functions.

The third need addressed by education and training activities is to improve skills and performance of present employees in their present jobs. Education is now seen more and more by management as an investment in human resources rather than an oppressive cost.

Due to the dynamic nature of technological change, a significant portion of educational training must be accomplished promptly and be non-repetitive. On the other hand,

there is a case of on-going needs, especially among larger firms, to justify a continuous offering of certain programs and courses. This is more common in the managerial and supervisory areas.

#### Educational Resources Used by Industry

Inasmuch as companies rely on the use of internal resources for training activities, they also employ a variety of external resources. Among the latter are other companies, which teach employees of customer firms the use of their products and services; organizations and individuals specializing in employee training needs; as well as schools, colleges, universities, and technical institutes.

The predominant types of arrangement most often used for education-training are (1) company courses, (2) tuition-aid program courses, and (3) other outside courses. Colleges and universities are hardly involved in the first arrangement, predominantly involved in the second, and have encountered increasing competition from the third. Such competition includes professional and trade associations, proprietary organizations and consultants, and other colleges and universities.

#### Measurements--Some Findings of the Conference Board Survey

The Conference Board Survey of education in industry is very useful in determining the macroeconomic nature of industry's use of educational services offered by extension offices

at colleges and universities. Some of the findings are also useful in determining which types and sizes of companies are the best prospects for using outside educational resources.

One finding was that economies of scale make it feasible for larger companies to engage in education and training activities that smaller ones cannot afford. By size of company, the prevalence of education training programs increases as the companies get larger, as shown in Table III.

TABLE III\*  
PREVALENCE OF EDUCATION-TRAINING  
PROGRAMS BY COMPANY SIZE

Company Size (# of employees)	Percent of Companies Reporting Programs			
	Tuition Aid (after hrs.)	Other Outside (during hrs.)	Company Courses	
			(after hrs.)	(during hrs.)
10,000 or more	97%	90%	56%	96%
5,000 - 9,999	95%	83%	51%	96%
2,500 - 4,999	91%	79%	52%	91%
1,000 - 2,499	94%	77%	45%	86%
500 - 999	82%	66%	25%	71%
All Companies	89%	94%	39%	55%

\* Unless otherwise indicated, the remainder of the tables and charts in this chapter are taken from the Conference Board Survey.

Education and training activities are much more likely to be found in some types of firms than in others. Data on



program prevalence show that the financial and transportation-communication-utilities companies are more likely to have internal courses than other industry groups, while the whole-sale-retail group is the only one in which a fairly large percentage of companies do not have tuition-aid programs (see Table IV). As for the use of outside services during hours, the "other" category shows that 91% of the companies either in the contract construction, business service, or mining industries use outside firms, while the financial and insurance and the manufacturing industries come in second and third, respectively, with 83% and 75% of their companies.

TABLE IV  
PREVALENCE OF EDUCATION-TRAINING  
PROGRAMS BY COMPANY TYPE

Company Type	Percent of Companies Reporting Programs			
	Tuition Aid (after hrs.)	Other Outside (during hrs.)	Company Courses	
			(after hrs.)	(during hrs.)
Manufacturing	92%	75%	36%	64%
Transportation, Communication, Utilities	91%	71%	54%	79%
Wholesale & Retail	64%	51%	27%	57%
Financial & Insurance	96%	83%	47%	90%
Other	96%	91%	43%	79%
All Companies	89%	74%	39%	70%

The financial and transportation-communication-utilities industries predominate in two other measures. In determining percent of work force participation, 1 out of 5 employees in financial institutions are participating in educational programs mostly during hours, while 1 out of 7 employees in transportation-communication-utilities firms are participating (see Table V). As for expenditures per employee, finance spends \$56 per employee and transportation spends \$36 per employee (see Table VI). In both measures of participation and expenditures, manufacturing was the lowest with only 7% participation and \$11 per employee spent on all education programs.

TABLE V  
PERCENT OF WORK FORCE PARTICIPATING  
IN COMPANY COURSES BY COMPANY TYPE

Company Type	After hours	During hours	Either
Manufacturing	2%	5%	7%
Transportation, Communication, Utilities	2%	13%	15%
Wholesale & Retail	1%	11%	12%
Financial & Insurance	3%	17%	20%
Other	4%	9%	13%
All Companies	2%	11%	13%

TABLE VI  
EXPENDITURES PER EMPLOYEE FOR ALL EDUCATION-TRAINING  
PROGRAMS BY COMPANY TYPE

Dollars Per Employee	Total	Manu- fac- turing	Trans. Comm. Util.	Wholesale and Retail	Financial and Insurance	All Other
\$ 2.00 & less	4%	2%	8%	7%	7%	4%
2.01 - 5.00	17%	21%	----	27%	3%	20%
5.01 - 10.00	16%	24%	15%	5%	4%	4%
10.01 - 20.00	21%	26%	10%	26%	8%	20%
20.01 - 40.00	15%	15%	21%	12%	16%	13%
40.01 - 60.00	9%	6%	10%	6%	15%	15%
60.01 - 80.00	8%	1%	18%	17%	13%	6%
80.01 -100.00	4%	1%	3%	----	13%	18%
Over \$100.00	6%	4%	15%	----	21%	----
All Companies	100%	100%	100%	100%	100%	100%
Median	\$16	\$11	\$36	\$19	\$56	\$21
Mean	60	60	90	19	82	27

By measuring distribution of expenditures within company type, one can see what proportion of the educational dollar is spent on in-house programs versus programs received from outside resources. The distribution of educational dollars spent for outside resources ranges from 13% to 45% and ranges from 55% to 87% for in-house programs. Per employee, the expenditures range from \$4.30 to \$24.60 for outside programs, while the range for in-house programs is from \$14.30 to \$77.80 (see Tables VII and VIII).

TABLE VII

DISTRIBUTION OF EXPENDITURES AMONG MAJOR EDUCATION-  
TRAINING PROGRAMS BY COMPANY TYPE

Company Type	Outside			In-House	
	Tuition Aid	Other	Total	(Company)	Total
Manufacturing	10%	7%	17%	83%	100%
Transportation, Communication, Utilities	6%	7%	13%	87%	100%
Wholesale & Retail	9%	14%	23%	77%	100%
Financial & Insurance	19%	11%	30%	70%	100%
Other	19%	26%	45%	55%	100%
All Companies	11%	9%	20%	80%	100%

TABLE VIII

EXPENDITURES PER EMPLOYEE FOR MAJOR EDUCATION-  
TRAINING PROGRAMS BY COMPANY TYPE

Company Type	Outside			In-House	
	Tuition Aid	Other	Total	(Company)	Total
Manufacturing	\$ 5.90	\$ 4.15	\$10.05	\$49.40	\$59.45
Transportation, Communication, Utilities	5.40	6.30	11.70	77.80	89.50
Wholesale & Retail	1.70	2.60	4.30	14.30	18.60
Financial & Insurance	15.60	9.00	24.60	57.50	82.10
Other	5.00	6.90	11.90	14.70	26.60
All Companies	\$ 6.50	\$ 5.60	\$12.10	\$48.30	\$60.40

## Uses of Resources Outside the Company

Some companies have the basic precept that if something can be obtained from existing sources, they do not need to do it themselves. It is a fact that 75% of the companies surveyed by the Conference Board send some of their employees to take courses or seminars at outside education-training resources during working hours or otherwise "in the line of duty" (see Table IX).

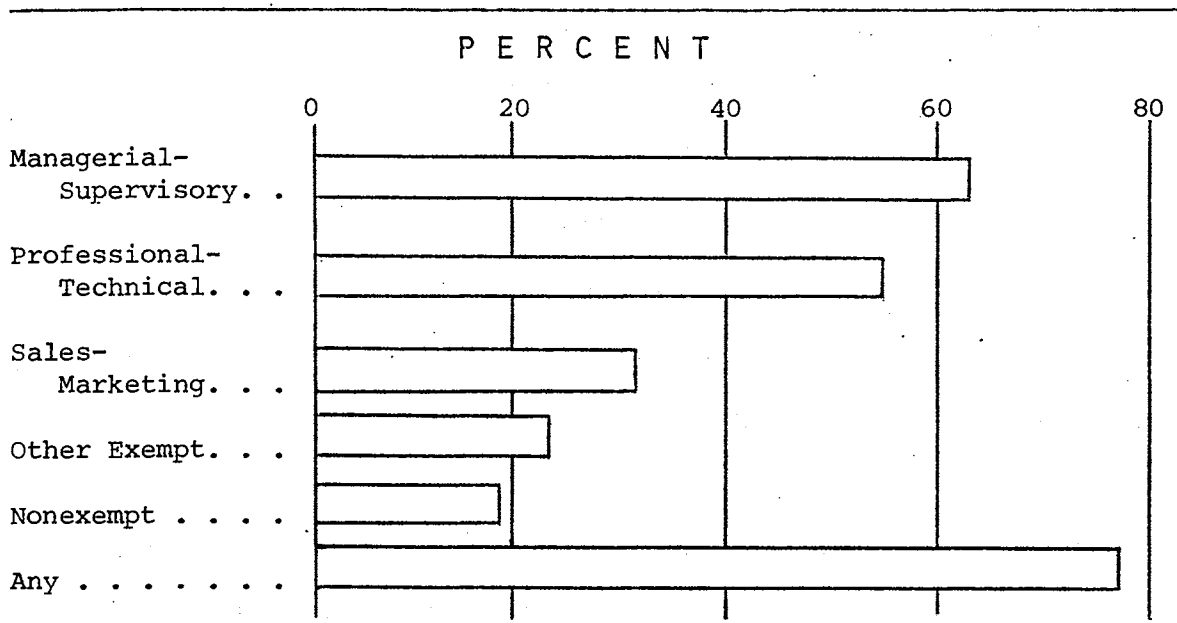
TABLE IX

### PREVALENCE OF OUTSIDE DURING-HOURS COURSE PROGRAMS AND AUTHORIZATIONS BY COMPANY SIZE AND TYPE

Company Size	Percent With Programs
10,000 or more employees . . . . .	90%
5,000 - 9,999 . . . . .	83%
2,500 - 4,999 . . . . .	79%
1,000 - 2,499 . . . . .	77%
500 - 999 . . . . .	66%
All Companies . . . . .	74%
<hr/>	
<u>Company Type</u>	
Manufacturing. . . . .	75%
Transportation, Communication, Utilities . . . . .	71%
Wholesale & Retail . . . . .	51%
Financial & Insurance. . . . .	83%
Other. . . . .	91%
All Companies . . . . .	74%

These employees are more likely to be in management-supervisory and professional-technical occupations and less likely to be those in the non-exempt hourly class (see Chart 1).

CHART 1  
 PERCENT OF COMPANIES IN WHICH OCCUPATIONAL GROUP  
 IS REPRESENTED IN OUTSIDE DURING-HOURS COURSES



The relative importance of each of the outside resources that companies employ for education and training is not known. An important role is, of course, played by the colleges and universities, which often tailor courses and programs to business needs.

Other prominent resources of education and training for

industry are the American Management Association, whose 1975 income from managerial education programs was \$38 million; the Conference Board, who conducts conferences and seminars primarily for top- and middle-level executives; and many professional organizations, such as the American Chemical Society, the American Institute of Certified Public Accountants, and the American Association of Petroleum Geologists, all of which sponsor extensive educational programs to make members aware of changes in their fields and to help them develop in their various areas.

Many of the approximately 3,000 trade and business associations include education among their functions. This most often consists of the dissemination of information by mail, but sometimes includes workshops, seminars, and courses. The programs of the Oklahoma Bankers Association (OBA) provide an example of one of the most highly developed systems in Oklahoma.

Finally, there is a considerable amount of intercompany education and training that is provided by business firms to employees of other firms. In most cases, however, this is education provided in connection with the sale or use of the company's products or services.

Now it is time to focus attention on Business Extension at Oklahoma State University and to determine in which areas it should concentrate its resources during the early 1980's.

## CHAPTER III

### RESEARCH METHODOLOGY

This chapter includes a description of the data available for research, the methods used to obtain additional data, the hypothesis and methods for analysis of the research data, and the limitations of the study.

#### Data Available for Research

##### Industrial Market Demographics

The data for identifying the industrial market demographics were collected from several publications produced by the Oklahoma Employment Security Commission. These publications are the results of surveys conducted as a joint effort by the Oklahoma Employment Security Commission, the Bureau of Labor Statistics, and the Manpower Administration of the U. S. Department of Labor in the "Occupational Statistics" (OES) program. All the tables appearing in this chapter are taken from these publications.

The OES program called for surveying all non-agricultural wage and salary sectors of the economy over a 3-year cycle. In the fall of 1973, an initial survey of selected non-manufacturing industries was conducted. Subsequently, wholesale



and retail trade firms were surveyed, and following in turn, the manufacturing industry was covered. Results from these studies were published as a series.

The objective of collecting this demographic data was to identify the types of industries in Oklahoma, the number of firms within each industry, and the number of employees by occupation type within each industry.

The data obtained were evaluated by comparison to determine which industries are the most significant in terms of number of firms and how many employees in management and accounting were associated with each. The management and accounting employees were chosen because they would be two primary targets for business education programs. Table X gives a summary of the occupation statistics for Oklahoma and the three largest cities in Oklahoma. Professionals were included in the summary for comparison, but dropped from the

TABLE X

TOTAL EMPLOYMENT BY OCCUPATION FOR  
OKLAHOMA AND THREE LARGEST CITIES

Occupation	Oklahoma	Tulsa	Okla. City	Lawton
Managers	130,720	33,250	47,000	4,050
Accountants	11,930	4,670	5,360	320
Professionals	142,990	41,100	55,910	3,750
All Occupations	1,088,980	272,968	358,970	28,950

remainder of the study because their skills are varied and less identifiable with business administration than those for the employees in management and accounting.

By comparison, Oklahoma City SMSA accounts for over one-third of the state's total employment for all occupations (including those occupations examined in this study), whereas Tulsa SMSA accounts for approximately one-fourth.

The significance of each industry's size can be evaluated in Table XI in terms of number of establishments and numbers of employees in the management and accounting occupations.

TABLE XI  
OKLAHOMA OCCUPATIONAL EMPLOYMENT STATISTICS

Occupational Area	Establishments	Number of Management	Number of Accounting
Non-Manufacturing Industries	20,758	24,250	3,480
Manufacturing Industries	2,972	8,970	1,165
Wholesale/Retail Trade Industries	16,550	19,480	495
Government	-----	10,724	805

Growth may be an important determinant for selecting market potential for various industries. Table XII gives market growth projections for each of the major industries from 1974 to 1985. The objective for collecting this data was to

TABLE XII  
TOTAL EMPLOYMENT PROJECTIONS BY INDUSTRY  
IN OKLAHOMA (IN THOUSANDS)

Industry	Total Employed		Absolute Change	Percent Change
	1974	1985		
Agriculture	61.1	41.4	-19.7	-32.3
Mining	40.0	39.2	- .8	- 2.0
Construction	76.1	88.7	12.6	16.6
Manufacturing	160.5	210.6	50.0	31.2
Durable Goods	97.4	131.1	33.6	34.5
Nondurable Goods	63.1	79.5	16.4	26.0
Transportation	35.2	40.0	4.8	13.7
Communications, Utilities	29.4	32.9	3.4	11.7
Wholesale & Retail Trade	237.5	276.7	39.2	16.5
Wholesale Trade	47.2	50.4	3.3	6.9
Retail Trade	190.4	226.3	35.9	18.9
Finance, Insurance, Real Estate	49.1	62.1	13.0	26.5
Finance	21.7	30.4	8.8	40.5
Insurance	13.9	17.4	3.5	24.9
Real Estate	13.5	14.3	.8	5.7
Services, Total	271.8	354.6	82.8	30.5
Medical, Other Health	65.0	100.8	35.8	55.1
Educational	78.1	101.2	23.1	29.6
Non-Profit Organizations	22.7	31.1	8.4	37.2
Government, Public Admin.	74.5	85.9	11.4	15.2
Federal	47.8	48.1	.3	.6
State	9.9	13.8	3.9	39.6
Local	16.8	24.0	7.2	42.5

ascertain the significance of industry growth as a basis for target market selection.

#### Methods Used to Obtain Additional Data

It was necessary to collect more data than that which was available from secondary information. The method chosen for gathering primary information was the structured interview. The interview was designed to acquire information to help answer the research questions presented in Chapter I.

#### Sample Population

The sample for the structured interview was selected from five of the ten major industry groups in the Standard Industrial Classification Index: Manufacturing, Services, Mining, Wholesale and Retail Trade, and Finance. These five groups were chosen based upon the number of firms listed in the Oklahoma Manufacturing Directory or the Dun and Bradstreet Business Directory for Oklahoma, the number of firms within each group, and the number of managers and accountants in each group.

A distinct group of companies within each major industrial group was chosen to represent the type of companies that belong in that industry. For example, in the mining industry (major groups 10-14), oil and gas extraction (group 13) was chosen for representation because the oil and gas industry is very important in Oklahoma.

## Survey

The questionnaire survey was conducted with 66 firms within five industry groups and four size categories. Chart 2 displays the number of companies in each of the industry type/size cells. A complete list of the firms and their locations appears in Appendix A. Firms from both Oklahoma City and Tulsa were chosen randomly from the Oklahoma Manufacturing and Dun and Bradstreet Directories. A copy of the questionnaire can be found in Appendix B.

CHART 2

NUMBER OF FIRMS SURVEYED BY INDUSTRY TYPE  
AND EMPLOYEE SIZE CATEGORY

<u>Industry Type</u>	<u>Employee Size</u>			
	1-99	100-199	200-499	500 & Up
Manufacturing	2	3	7	7
Service	2	2	2	4
Wholesale	2	3	4	2
Bank/Savings	4	3	1	4
Oil & Gas	2	7	1	4

It was determined that the person to be interviewed should have the most knowledge about the firm's training and development activities. Quite often this person was the director of training and development, but in many cases the personnel manager or another officer placed in charge of

training and development, such as the president or marketing manager, were interviewed.

#### Hypothesis/Method of Analysis

Based upon the research information already examined, it can be hypothesized that the potential for increasing the volume of extension work in business in each of five major types of industries--manufacturing, services, wholesale, bank/savings and loan, and oil and gas--is not the same. Accordingly, the null hypothesis states that the potential for growth is the same in the five categories.

The interpretation of research data by the utilization of a comparative analysis permitted the identification of similarities and differences of information from several sources to validate and justify the resulting conclusions. Data that were vital to determining marketing thrust areas have been collected, evaluated, and reflected in the next chapter.

Because of the quantity of data involved and the various types of industries, etc., a frequency procedure (SAS) has been used to categorize the data and to determine the corresponding percentages. These percentages were then compared for analytical purposes.

In addition, an analysis of variance has been performed on the training and development expenditures of the interviewed companies. The stepwise procedure (SAS) was utilized to determine which company characteristics added signifi-

cantly to an explanation of variance in training and development expenditures. The data could then be appropriately analyzed.

#### Limitations of the Study

This study is not intended to be a comprehensive, definitive analysis and development of a marketing strategy for the next few years at Business Extension. It is merely an attempt to determine in which directions Extension should extend its marketing efforts for the early 1980's. There are also limitations on the amount of time available to gather and analyze the information, available funds for the study, and people to carry it out. With limitations such as these in mind, attention can now be turned toward analysis of the data.

## CHAPTER IV

### RESULTS OF DATA ANALYSIS

The abundance of information gathered from the interviews can now be analyzed in more detail. Although the interviews actually resulted in obtaining more information than was necessary for the purposes of this study, the additional information can be utilized by Business Extension for other purposes.

Of most interest are the data pertaining to the support of companies for non-credit, credit, and in-house programs, preferred locations for these offerings, sponsors of the programs, training needs of the companies, and training and development expenditures. Each of these areas will be examined in more detail in the following sections.

#### Company Support for Non-Credit Offerings

The extent to which non-credit public seminars and in-house training are supported by companies, reflected in research question #1, does vary somewhat. While 96% of the interviewed companies offer tuition support for employees attending non-credit public seminars, only 78% conduct formal in-house training programs. Although both areas have relatively high levels of affirmative responses, it is



apparent that non-credit public seminars are used more extensively than formal in-house training.

While very little variability in responses appeared with respect to non-credit public seminars, it may be significant to note the following observations concerning in-house training:

1. The positive responses obtained from the oil and gas industries were relatively low (40%) in comparison to other industries using in-house training (72-100%).
2. An apparent and positive relationship exists between various company sizes (total number of employees) and their usage of in-house training programs, ranging from 50% to 95%.

What are the implications of these percentages? Non-credit public seminars are highly accepted forms of training with little variation across types of industries, sizes of industries, or training and development dollars available. For the most part, larger companies should be considered as primary targets for presentation of in-house training programs. Logically, smaller companies may not be willing or able to commit a large number of employees to in-house training programs. As a consequence, the smaller companies will send a few employees to public seminars. The reason for the lower response rate by the oil and gas industries to the usage of formal in-company programs, though certainly deserving further study, lies beyond the scope of this report.

#### Location Preference for Non-Credit Offerings

Based upon a set of questions concerning the locations

for public seminars and in-house training programs, the following results were obtained from the survey, as indicated in Table XIII:

TABLE XIII  
LOCATIONS FOR IN-HOUSE TRAINING  
AND PUBLIC SEMINARS

Location	In-House	Public Seminars
Company	70%	---
Hotel (in-town)	15%	48%
Hotel (out-of-town)	3%	33%
University Campus	3%	45%
Out of State	---	53%
State Lodge	1%	3%

The respondents were allowed to indicate more than one type of offering, thereby accounting for column totals that do not equal 100%.

Obviously, in-house training programs are being conducted at or near the company locations. Public seminars are being attended at a variety of locations with relatively little differences in response rates, excepting state lodges.

From the results achieved in the survey, it appears that Business Extension should continue its philosophy of flexibility with respect to location of program offerings. Because

of OSU Business Extension's location, public seminars would be more appropriate for the OSU campus. Any insistence that in-house programs be conducted on the OSU campus, however, may meet a great deal of resistance.

Of particular interest is a question on the survey which asked whether or not the firm would be interested in conducting in-house training programs at a proposed Continuing Education Center to be located at the Oklahoma State University campus. Twenty-five percent of the total sample indicated a positive interest to this question. Since 85% of all in-house training was conducted at or near company locations, according to Table XIII, a 25% response rate to this question is remarkable (97% of the respondents were located in either Oklahoma City or Tulsa). One can only speculate as to how the response to this question would have been affected if public seminars had been substituted for in-house training programs. All indications are that the number of positive responses would have been much greater. It should be noted that this particular question elicited a relatively large response rate from the oil and gas industry (50%). The range for other industries was from 10% to 30%.

#### Company Support for Credit Courses

Research question #3, concerning the extent to which credit courses are supported by companies, resulted in the following:

1. 66% of the total population indicated some form of tuition support for job-related credit courses.

2. 60% of the total population offered at least 3/4 tuition reimbursement to employees.
3. 46% of the total population offered complete reimbursement to employees.
4. 31% offered complete text reimbursement.
5. 61% encouraged employees to finish a degree.

It appears that, where policies exist concerning employee involvement in formalized education (credit courses), tuition reimbursement and encouragement are quite high. Only 5-6% of the sample exhibited moderate to weak financial support with no encouragement for employees to finish a degree. One-third of the sample responded negatively to support of credit courses. For this area, companies are either committed with strong programs or not committed at all.

#### Party Responsible for Conducting Public Seminars

To answer this research question, respondents were asked to identify who generally sponsors or conducts the public seminars which employees attend. The overall results can be seen in Table XIV. (Note: Respondents were allowed to indicate more than one category.)

As can be seen, professional associations and universities provide the majority of public seminars attended. This pattern holds generally true across total number of employees and training and development expenditures. The following are exceptions to this pattern as noted across industry type:

1. Wholesale industries. Universities are ranked lowest (40%) in conducting public seminars attended with the response "others" ranking second (60%) to professional associations (70%).

TABLE XIV

PERCENT OF GROUPS/INDIVIDUALS RESPONSIBLE  
FOR CONDUCTING PUBLIC SEMINARS

Sponsoring Group/Individuals	Frequency of Sponsorship
University	63%
Private Consultants	38%
Professional Associations	80%
Others	23%

2. Bank/savings industries. Universities conduct a relatively much larger percentage of public seminars attended (70%) than professional associations (10%).
3. Oil and gas industries. Like bank/savings industries, oil and gas industries rank universities first (80%) with professional associations (60%) and private consultants (50%) second and third respectively.

Wholesale industries are apparently a relatively weak market for public seminars conducted by universities. If they perceive that universities do not or cannot provide for their particular training needs, it may be appropriate for Business Extension either to avoid public seminars designed for this particular audience or attempt to co-sponsor such programs with their professional associations.

On the other hand, the bank/savings industries depend a great deal on university-conducted public seminars. With this in mind, it may be extremely appropriate to design a series of seminars for this particular audience.

The oil and gas industry is similar to the bank/savings industry. However, their dependence on university-sponsored public seminars is not nearly as great. This could imply that universities are perceived by the oil and gas industry to have some particular areas of exclusive expertise which cannot be found elsewhere.

With respect to manufacturers, service, and wholesale industries, it may be recommended that Business Extension attempt to emulate programs conducted by their respective professional associations.

#### Party Responsible for Conducting In-House Seminars

Similar to the previous research question, this question asked for an indication of who was responsible for conducting in-house programs. The overall responses can be found in Table XV. (Note: Respondents were allowed to indicate more than one category.)

Not surprisingly, a large percentage of companies use their own personnel to conduct in-house training. Private consultants are ranked second with universities and professional associations tied for third. This pattern holds generally true across industry type, number of employees, and training and development expenditures with the following exceptions:

1. The wholesale industries rank universities last (10%) among the alternatives for in-house training.
2. Companies with 500 or more employees rely almost as much (70%) on private consultants as on their own company personnel (75%).

TABLE XV  
 PERCENT OF GROUPS/INDIVIDUALS RESPONSIBLE  
 FOR CONDUCTING IN-HOUSE SEMINARS

Sponsoring Group/Individuals	Frequency of Sponsorship
Company Personnel	63%
Private Consultants	38%
University	23%
Professional Associations	23%
Other	13%

Again, the wholesale industry is avoiding university-sponsored programs. The discrepancy for in-house programs is larger than that noted for public seminars. In both cases, it would appear that the wholesale industry perceives very little credibility in dealing with universities. This could represent a challenging opportunity for Business Extension.

Since consultants maintain an edge over universities, particularly with the larger companies, that problem area is difficult to identify. Consultants are used because they will identify particulars and design individualized programs. The traditional packaged programs of universities may not be seen as adequate.

#### Company Training Needs

In answer to research question #6, this section identifies particular areas for which an interest was shown in

expanding various programs. Table XVI identifies these areas and the percentage of companies who expressed interest in each:

TABLE XVI  
PERCENT OF COMPANIES SHOWING INTEREST  
IN PARTICULAR TRAINING AREAS

Area of Interest	Percentage of Companies Showing Interest
Communication Skills	66%
Managerial Effectiveness	53%
Decision Making	38%
Personnel Management	38%
Secretarial/Clerical	27%
Managerial Economics	25%
Information Systems	21%
Labor Relations	18%
Cost Accounting	16%
Computer Management	15%
Sales	15%
Marketing, Quality of Work Life, CPA Review, Bookkeeping, Internal Audit	10% or less

While it should be no surprise that communication skills rank first in this list, it may be significant to note that the top four are all concerned with personal effectiveness and interpersonal relations. Other than secretarial/clerkal,



the more technically related areas, beginning with cost accounting, have response rates of 16% or less.

A closer examination by industry type (see Table XVII), size (see Table XVIII), and training and development expenditures (see Table XIX) yields a number of interesting observations:

TABLE XVII  
PERCENT OF COMPANIES BY INDUSTRY TYPE  
SHOWING INTEREST IN PARTICULAR AREAS

Training Needs	Manu- fac- turers	Service	Whole- sale	Bank/ Savings	Oil & Gas
Information Systems	20%	20%	30%	10%	30%
Decision Making	40%	30%	40%	40%	40%
Managerial Economics	30%	30%	10%	20%	30%
Marketing	10%	0%	10%	10%	0%
Managerial Effectiveness	45%	70%	60%	60%	40%
Sales	10%	10%	20%	40%	0%
Communication Skills	80%	50%	70%	70%	50%
Personnel Management	40%	60%	20%	30%	40%
Quality of Work Life	20%	10%	0%	10%	0%
Labor Relations	35%	20%	10%	0%	10%
Cost Accounting	25%	10%	0%	10%	30%
Bookkeeping	0%	0%	0%	10%	20%
Internal Audit	0%	10%	0%	0%	20%
CPA Review	5%	0%	0%	10%	20%
Computer Management	15%	20%	20%	10%	20%
Secretarial/Clerical	10%	20%	30%	50%	40%

1. There is an apparent positive relationship between demands for communication skills and the total number of employees:

<u># of Employees</u>	<u>Response</u>
1- 99	33%
100-199	60%
200-499	66%
500 or more	80%

2. Demands for managerial effectiveness are most apparent with the service industry (70%) and least so with the oil and gas industry (40%). There is also a marked increase in demand for managerial effectiveness between companies of 500 or more employees (70%) and those with fewer than 500 (42-45%).

TABLE XVIII

PERCENT OF COMPANIES SHOWING INTEREST  
IN PARTICULAR AREAS BY EMPLOYEE SIZE

Training Needs	1-99	100-199	200-499	500 & Up
Information Systems	15%	30%	12%	15%
Decision Making	25%	35%	30%	40%
Managerial Economics	15%	30%	30%	25%
Marketing	8%	12%	5%	0%
Managerial Effectiveness	45%	45%	42%	70%
Sales	25%	20%	30%	15%
Communication Skills	33%	60%	66%	80%
Personnel Management	15%	40%	30%	40%
Quality of Work Life	8%	0%	18%	10%
Labor Relations	0%	15%	18%	25%
Cost Accounting	25%	15%	18%	20%
Bookkeeping	8%	0%	6%	5%
Internal Audit	8%	5%	0%	5%
CPA Review	0%	10%	0%	10%
Computer Management	8%	20%	6%	20%
Secretarial/Clerical	25%	25%	12%	45%

3. Personnel management needs are comparatively higher for the service industry (60%) than for any other industry (20-40%). Also, small companies (1-99 employees) responded 15%, well below the other company sizes (30-40%).

4. Secretarial/clerical needs are most apparent with the bank/savings and oil and gas industries (40-50%) and much less apparent with the manufacturers and service industries (10-20%). Also, companies of 500 or more employees (45%) identify this area much more frequently than any other size (12-25%).

5. Labor relation needs are dominated by the manufacturing industry (35%) in comparison to other industries (0-20%). A positive relationship exists between demands for labor relations training and company size.

6. The entire area of accounting (including cost accounting, bookkeeping, internal audit, and CPA Review) is dominated by the oil and gas industries (20-30%) as opposed to other industries (0-10%).

7. One final observation--it may be of interest to note that with respect to the training and development expenditures (see Table XIX), the lowest group (0-\$5,000) and the highest group (\$20,000 and up) consistently responded with higher percentages than the middle group (\$5,000-\$20,000).

Overall, the service industries appear to represent a particularly good market for managerial effectiveness and personnel management programs. The demand for communication skills training is relatively high among all industries;

TABLE XIX

PERCENT OF COMPANIES SHOWING INTEREST IN PARTICULAR AREAS  
BY ANNUAL TRAINING & DEVELOPMENT EXPENDITURES

Training Needs	Annual Expenditures		
	\$5,000 & Below	\$5,000- 20,000	\$20,000 & Up
Information Systems	25%	15%	25%
Decision Making	41%	30%	35%
Managerial Economics	41%	20%	30%
Marketing	8%	5%	5%
Managerial Effectiveness	58%	45%	60%
Sales	25%	10%	20%
Communication Skills	83%	50%	70%
Personnel Management	66%	25%	25%
Quality of Work Life	16%	5%	10%
Labor Relations	25%	20%	10%
Cost Accounting	25%	15%	20%
Bookkeeping	0%	0%	5%
Internal Audit	6%	5%	5%
CPA Review	0%	0%	15%
Computer Management	16%	10%	20%
Secretarial/Clerical	25%	15%	40%

however, the best strategy would be to approach companies with 100 or more employees.

Labor relations programs should be promoted most heavily among manufacturers with 500 or more employees. Managerial effectiveness has its greatest potential with all firms of 500 or more employees. Large banks/savings and loans and oil and gas companies represent the greatest potential for secretarial/clerical training programs. Accounting and related courses should have a particular emphasis on meeting the needs of the oil and gas industries.

## Overall Variability in Training and Development Expenditures

It may be significant to report that an analysis of variance for training and development expenditures indicated the following results:

1. Variability in the total number of employees explained 18% of the variation in training and development expenditures (significance level = .00018). Their correlation coefficient was +42% with a significance level of .001, indicative of a positive relationship.

2. Variability in the total number of supervisors explained 16.7% of the variation in training and development expenditures (significance level of .0028, also a positive relationship).

3. Taken together, these two variables explained 23% of the variation in training and development expenditures (significance level = .0009).

4. The addition of a third variable, industry type, accounted for an additional 5% of the variation (total: 28%) with a significance level of .0006.

Other company characteristics failed to add significantly to an explanation of variance in training and development expenditures. Many of these characteristics correlated well with those variables already mentioned. Some had no apparent relationship to training and development expenditures.

This represents an initial attempt to identify specific company characteristics which are related to the commitment

of company resources to the training and development function. Eventually, as other significant characteristics are identified, Business Extension may be in a better position to refine mailing lists based on those characteristics.

## CHAPTER V

### SUMMARY AND CONCLUSIONS

Based upon the analysis of the data in the preceding chapter, the areas toward which Business Extension should target its marketing efforts do differ significantly, thereby supporting the hypothesis. A brief summary of some of the major findings for each type of industry may now be presented.

#### Manufacturing Industries

Since 60% of the manufacturers interviewed indicated that they utilize universities for public seminars--second only to professional associations (80%)--Business Extension should strive to satisfy this need of manufacturers. Its smaller role in providing in-house seminars (30%) could be increased perhaps by offering them programs which they can more readily use.

The major training needs of manufacturers lie in five areas: communication skills (80%), managerial effectiveness (45%), decision making (40%), personnel management (40%), and labor relations (35%). By meeting with training directors of manufacturing industries and developing closer relationships, Business Extension can determine possible areas that the companies are not themselves able to provide and are not

currently obtaining from other sources. Once this has been established, programs which fill the gaps in their training and development needs can be presented to the training directors. In this manner, the university's role in providing programs--both public and in-house--is larger than in the past.

The size of the manufacturing company will have an effect on how likely the company will express interest in the various training areas. In the cases of programs in communication skills, managerial effectiveness, decision making, personnel management, and labor relations, companies with 500 or more employees are the most likely clients. Only in the area of personnel management is there little difference between companies with 100 employees and those with 500 or more (see Table XVIII). Communication skills offerings would probably be well-received public seminars for manufacturers of all sizes. In most instances, the smaller manufacturers do not have the funds to secure outside assistance for their in-house training needs, although this is not always true.

#### Service Industries

In many ways the training needs of the service industries reflect those of the manufacturers. Seventy percent of the service companies rely to varying extents on university-sponsored public seminars--second only to professional associations (90%)--while 40% of the companies utilize university services for in-house programs.



The major training needs of the service industries are like those of the manufacturers with one exception: managerial economics, as opposed to labor relations. Programs in managerial effectiveness (70%), personnel management (60%), communication skills (50%), decision making (30%), and managerial economics (30%) are the greatest training needs of the service industries interviewed.

Again, the companies expressing the greatest amount of interest in the continuing education programs were those with 500 or more employees, just as was true with the training needs of the manufacturers. Training needs for programs in managerial economics, however, were similar for all companies with 100 or more employees. In fact, there was a slight drop-off in interest from companies with 100-199 employees (30%) to those with 500 or more (25%).

#### Wholesale Industries

Prospects for developing programs for wholesale industries are not as good as for the other industry types. Wholesalers currently utilize universities less than any other source for conducting either public seminars (40%) or in-house programs (10%). Only through an intensive marketing effort is it likely that any inroads can be made in this area. On the other hand, it does present a marketing area that is ripe for expansion of Business Extension programs, perhaps conducted in cooperation with professional associations in the wholesale industries.

Should Business Extension decide to intensify its marketing efforts in the wholesale industries, it should concentrate its efforts in filling the training needs for communication skills (70%), managerial effectiveness (60%), decision making (40%), information systems (30%), and secretarial/clerical (30%) programs.

The larger companies are more likely to buy continuing education programs in each of these training needs areas, except in the area of information systems, where companies in the 100-199 category express a greater need for this type of program. At the present time, however, it may be better for Business Extension to spend more of its time and resources in developing programs for companies that are not in the wholesale category.

#### Bank/Savings Industries

Approximately 70% of the bank/savings companies interviewed expressed support of public seminars conducted by universities, almost twice as much as any other source of such programs. In contrast, however, only 20% of the companies utilized universities for in-house programs, far outnumbered by company-sponsored (70%) programs and those sponsored by private consultants (40%).

To increase the amount of business with the bank/savings group, Business Extension must offer them more specialized programs to meet their needs. According to the survey, 70% of the bank/savings institutions wanted more programs in

communication skills, followed closely by managerial effectiveness (60%), secretarial/clerical (50%), decision making (40%), and sales (40%) programs.

While such programs are generally favored by the larger companies, programs in sales and secretarial/clerical skills appear to be marketable to almost any size business. Once again, courses or programs in communication skills are readily desired and increase in importance as the size of the company increases.

#### Oil and Gas Industries

The oil and gas industries expressed the highest level of support (80%) for university-sponsored public seminars of all five types of industries surveyed. At the same time, only 10% expressed interest in university-conducted in-house programs. Although this level is extremely low, the recent growth in the number and size of oil and gas businesses presents an excellent opportunity for Business Extension to market its programs for this burgeoning industry. Obviously, oil and gas companies are sending a large number of their employees to university-sponsored public seminars, so they must value programs conducted by universities. Perhaps a more intense marketing effort would bring about additional business for university extension divisions.

What are the major training needs of the oil and gas industries? Once more, communication skills were desired most (50%), followed closely by programs in decision making,

Another suggestion would be to replicate this study periodically to monitor changes in potential Business Extension clients. For example, the oil and gas industries have grown dramatically over the past decade. It would be extremely useful for Business Extension to identify trends in this industry so that training needs are quickly recognized and appropriate steps can be taken to provide programs to meet these needs.

The possibilities for further research and analysis appear to be endless. To improve and strengthen its position in the field of continuing education, Business Extension must utilize all its resources to retain its current position. By maintaining an awareness of present conditions in continuing education and anticipating new trends and developments, it should not only be able to retain its position, but increase its role in providing the programs most needed by business.

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APPENDIX A

SURVEY FIRMS AND LOCATIONS

SURVEY FIRMS AND LOCATIONS

FIRM:	LOCATION:
1. Altec Sound Products Corp.	Oklahoma City
2. AMOCO	Tulsa
3. ARCO	Tulsa
4. Automotive Products	Tulsa
5. Bank of Oklahoma	Tulsa
6. Baptist Medical Center	Oklahoma City
7. Barrett Trailers	Oklahoma City
8. Big Chief Drilling Co.	Oklahoma City
9. The Boardman Co.	Oklahoma City
10. Boecking Machinery Inc.	Oklahoma City
11. Bonray Drilling Co.	Oklahoma City
12. Bovaird Supply	Tulsa
13. Cities Service	Tulsa
14. City Bank	Tulsa
15. City National Bank	Oklahoma City
16. CMI Corp.	Oklahoma City
17. Colpitts, Long & Mark Inc.	Tulsa
18. Dayton Tire & Rubber Co.	Oklahoma City
19. Deaconess Hospital	Oklahoma City
20. Demco Inc.	Oklahoma City
21. Doctors Hospital	Tulsa
22. Dulaney's Inc.	Oklahoma City
23. Economy Co.	Oklahoma City
24. Ferrell-Ross Inc.	Oklahoma City
25. First National Bank	Oklahoma City
26. First National Bank of Tulsa	Tulsa



FIRM:	LOCATION:
27. Fleming Foods Inc.	Oklahoma City
28. Ford Distributing	Oklahoma City
29. Fourth National Bank of Tulsa	Tulsa
30. Getty Oil Inc.	Tulsa
31. Glass-Nelson Clinic	Tulsa
32. Governair Corp.	Oklahoma City
33. Helmerich & Payne	Tulsa
34. Hunzicker Bros.	Oklahoma City
35. Jones & Pellow Oil Co.	Oklahoma City
36. Kimray Inc.	Oklahoma City
37. Liberty National Bank	Oklahoma City
38. Local Federal Savings & Loan	Oklahoma City
39. Macklanburg-Duncan Mfg.	Oklahoma City
40. Natomas North America Inc.	Tulsa
41. Norick Bros. Printing	Oklahoma City
42. Oklahoma Natural Gas	Tulsa
43. Oklahoman & Times	Oklahoma City
44. Ralston Purina Inc.	Oklahoma City
45. Republic Bank	Oklahoma City
46. Republic Supply	Oklahoma City
47. Rockwell International	Tulsa
48. Ross Martin	Tulsa
49. Selco Inc.	Tulsa
50. South Community Hospital	Oklahoma City
51. Southern Hills Nursing Homes	Tulsa
52. Springer Clinic	Tulsa
53. St. Francis Hospital	Tulsa
54. Standard Oil	Tulsa
55. State Federal Savings & Loan	Tulsa
56. Stillwater Medical Center	Stillwater
57. Telex Computer Products	Tulsa
58. Texas International Petroleum Co.	Oklahoma City
59. T G & Y	Oklahoma City
60. Trigg Drilling Co.	Oklahoma City

FIRM:	LOCATION:
61. Unarco Commercial Products	Oklahoma City
62. Union Bank	Oklahoma City
63. Utica Bank & Trust	Tulsa
64. Vinson Supply	Tulsa
65. Woods Petroleum Co.	Oklahoma City
66. Zebco Corp.	Tulsa

APPENDIX B

QUESTIONNAIRE

QUESTIONNAIRE

1. What is the nature of the firm's business?
 

(A) Manufacturing _____	(E) Banking/Savings _____
(B) Service _____	(F) Oil & Gas _____
(C) Wholesale _____	(G) Other (Please specify) _____
(D) Transportation/ Warehousing _____	
  
2. What is the company's geographic market area?
 

(A) International _____	(D) State _____
(B) National _____	(E) Local _____
(C) Regional _____	
  
3. What is the nature of this firm's location?
 

(A) Only location _____	(C) Plant location _____
(B) Main office/ Headquarters _____	(D) Branch office _____
  
4. (If 3C or 3D was checked) --Where is the main office located?  
\_\_\_\_\_
  
5. This company's location is:
 

(A) Tulsa _____	(C) Other (Please specify) _____
(B) Oklahoma City _____	
  
6. What year was this firm established?  
\_\_\_\_\_
  
7. Does this firm conduct or sponsor any of the following types of employee training programs? If so, what percent of the total training budget (excluding salaries for training staff and overhead expenses) is spent on each?
 

	Yes	No	%
(A) Tuition support for employees taking job related <u>credit</u> courses	_____	_____	_____
(B) Tuition support for employees attending non-credit public courses	_____	_____	_____

- (C) Formal in-house training programs \_\_\_\_\_
- (D) On-the-job training or apprentice programs \_\_\_\_\_

If Yes for 7A, answer questions 8 and 9.

8. What is your firm's reimbursement policy for employees taking credit courses?

\_\_\_\_\_ % Tuition paid \_\_\_\_\_ % Book Costs Paid

9. Are employees encouraged to finish a degree?

\_\_\_\_\_ Yes \_\_\_\_\_ No

10. What types of employees are sent to public seminars?

- (A) Executives \_\_\_\_\_
- (B) Managers \_\_\_\_\_
- (C) Supervisors/  
Foremen \_\_\_\_\_
- (D) Accountants \_\_\_\_\_
- (E) Data Processing  
Personnel \_\_\_\_\_
- (F) Salesmen \_\_\_\_\_
- (G) Other (Please specify) \_\_\_\_\_

11. Who generally sponsors or conducts the public seminars attended?

- (A) University personnel \_\_\_\_\_
- (B) Private consultants \_\_\_\_\_
- (C) Professional association \_\_\_\_\_
- (D) Others (Please specify) \_\_\_\_\_

(If 11A was checked) --Please name the colleges or universities which have conducted a seminar and to which your employees have attended in the past two years.

\_\_\_\_\_  
\_\_\_\_\_

12. Where are the public seminars that your employees have attended usually conducted?

- (A) At a hotel in town \_\_\_\_\_
- (B) At a hotel out of town \_\_\_\_\_
- (C) On a college or university  
campus \_\_\_\_\_
- (D) Out of state \_\_\_\_\_
- (E) At a state lodge/  
recreation area \_\_\_\_\_

13. How is the decision made to send employees to public seminars?

- (A) From employee's request \_\_\_\_\_  
 (B) From management's request \_\_\_\_\_

If Yes for 7C, answer questions 14-17.

14. What types of employees are in-house training programs conducted for and how often are the programs held?

- |                               | How often? |       |
|-------------------------------|------------|-------|
| (A) Executives                | _____      | _____ |
| (B) Managers                  | _____      | _____ |
| (C) Supervisors/Foremen       | _____      | _____ |
| (D) Accountants               | _____      | _____ |
| (E) Data Processing Personnel | _____      | _____ |
| (F) Salesmen                  | _____      | _____ |
| (G) Other (Please specify)    | _____      | _____ |
| _____                         | _____      | _____ |

15. Who generally conducts the in-house training and development programs?

- (A) Company personnel \_\_\_\_\_  
 (B) Private consultants \_\_\_\_\_  
 (C) University or college  
       personnel \_\_\_\_\_  
 (D) Professional association  
       personnel \_\_\_\_\_  
 (E) Others (Please specify) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(If 15C was checked) --Please name the colleges or universities which have conducted in-house training and development programs for your firm.

\_\_\_\_\_

16. Where are the in-house training programs usually held?

- (A) At the company's location \_\_\_\_\_  
 (B) At a hotel in town \_\_\_\_\_  
 (C) At a hotel out of town \_\_\_\_\_  
 (D) On a college or university  
       campus \_\_\_\_\_  
 (E) At a state recreation area/  
       lodge \_\_\_\_\_

17. When are in-house training and development programs usually conducted?

- (A) During work hours \_\_\_\_\_  
 (B) After work hours \_\_\_\_\_  
 (C) Both during and after work hours \_\_\_\_\_

Please answer all of the following questions.

18. Who is responsible for all training and development decisions?

Name \_\_\_\_\_  
 Title \_\_\_\_\_

19. Whom does he/she report to?

Name \_\_\_\_\_  
 Title \_\_\_\_\_

20. (Excluding salaries and overhead expenses) --How much does the firm spend annually on all training and development?

- (A) \$0 - \$2,500 \_\_\_\_\_  
 (B) \$2,501 - \$5,000 \_\_\_\_\_  
 (C) \$5,001 - \$10,000 \_\_\_\_\_  
 (D) \$10,001 - \$20,000 \_\_\_\_\_  
 (E) \$20,001 - \$50,000 \_\_\_\_\_  
 (F) \$50,001 - \$100,000 \_\_\_\_\_  
 (G) \$100,000 or more \_\_\_\_\_

21. Would your firm be interested in expanding its training programs in the following areas:

	Yes	No
(A) Information systems	_____	_____
(B) Decision making	_____	_____
(C) Managerial economics	_____	_____
(D) Marketing	_____	_____
(E) Managerial effectiveness	_____	_____
(F) Sales	_____	_____
(G) Communication skills	_____	_____
(H) Personnel management	_____	_____
(I) Quality of work life	_____	_____
(J) Labor relations	_____	_____
(K) Cost accounting	_____	_____
(L) Bookkeeping	_____	_____
(M) Internal audit	_____	_____
(N) CPA Review	_____	_____
(O) Computer management	_____	_____
(P) Secretarial or Clerical	_____	_____

22. Are there any other areas not listed above that your firm would want to expand or develop? Please specify.
- 
- 
23. Which of the following might your firm desire outside assistance in developing or arranging for your training and development programs? (Check one or more)
- (A) The facilities for programs held off company premises \_\_\_\_\_
- (B) The speaker(s) \_\_\_\_\_
- (C) The program materials \_\_\_\_\_
- (D) Program development for in-house training off-company premises \_\_\_\_\_
- (E) Program development for in-house training on-company premises \_\_\_\_\_
24. Oklahoma State University is currently evaluating the need for building a Continuing Education Center on campus for anyone interested in using its facilities. Would your firm be interested in conducting in-house training programs in such a facility?
- \_\_\_\_\_ Yes \_\_\_\_\_ No
25. What was the company's performance last year in terms of gross sales or revenue?
- (A) Less than  $\frac{1}{2}$  million \_\_\_\_\_
- (B)  $\frac{1}{2}$ -1 million \_\_\_\_\_
- (C) 1-5 million \_\_\_\_\_
- (D) 5-10 million \_\_\_\_\_
- (E) 10-50 million \_\_\_\_\_
- (F) 50-100 million \_\_\_\_\_
- (G) 100-500 million \_\_\_\_\_
- (H) 500 million or more \_\_\_\_\_
26. How many levels of management does the firm operate with?
- (A) One \_\_\_\_\_ (C) Three \_\_\_\_\_
- (B) Two \_\_\_\_\_ (D) Four or more \_\_\_\_\_
27. How many total employees work for this firm?
- (A) Fewer than 50 \_\_\_\_\_ (E) 300-399 \_\_\_\_\_
- (B) 50-99 \_\_\_\_\_ (F) 400-499 \_\_\_\_\_
- (C) 100-199 \_\_\_\_\_ (G) 500-749 \_\_\_\_\_
- (D) 200-299 \_\_\_\_\_ (H) 750 or more \_\_\_\_\_



28. (In your best estimate) --How many of the following types of employees are working for this firm?

- (A) Executives \_\_\_\_\_
- (B) Managers \_\_\_\_\_
- (C) Supervisors/Foremen \_\_\_\_\_
- (D) Accountants \_\_\_\_\_
- (E) Data Processing Personnel \_\_\_\_\_
- (F) Salesmen \_\_\_\_\_
- (G) Training Staff \_\_\_\_\_

COMPANY NAME \_\_\_\_\_

PERSON INTERVIEWED \_\_\_\_\_

TITLE \_\_\_\_\_

COMPANY ADDRESS \_\_\_\_\_

\_\_\_\_\_

VITA

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Candidate for the Degree of  
Master of Business Administration

Report: A PRELIMINARY OVERVIEW OF THE MARKET POTENTIAL OF  
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