

Employment by Occupational Group and Establishment Size

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Labor markets function efficiently to match workers with certain skills and abilities with employers who require those skills. Some products and services may be provided most efficiently by small and specialized establishments, while others may be provided most efficiently by very large establishments. Looking at how workers with different skills are allocated among firms of different sizes may provide insight on how these workers are used most efficiently. It also may provide jobseekers or workers with certain skills with information on the size characteristics of establishments most likely to employ them.

This analysis uses unpublished data collected by the Occupational Employment Statistics (OES) program to review the distribution of workers in 22 major occupational groups by establishment size. The sample is not designed to produce independent size class estimates. The size class estimates are, therefore, subject to more error than are other estimates, such as those by industry.

For this analysis an *establishment* is defined as an economic unit that processes goods or provides services, such as a factory, mine, or store. The establishment is generally at a single physical location and is engaged primarily in one type of economic activity. State and local government establishments, however, may be in several physical locations.

Five size classes of establishments are distinguished as shown below:

<i>Size class</i>	<i>Employment</i>
1	1 to 9
2	10 to 49
3	50 to 249
4	250 to 999
5	1,000 or more

Chart 1 depicts the distribution of all establishments across the five size classes. It shows that the distribution is highly skewed toward small establishments; more than 70 percent

have fewer than 10 employees. On the other hand, establishments with 1,000 or more employees account for only about 0.1 percent of all establishments in the United States.

Chart 1 also depicts the distribution of total employment among the five size classes. Although the small establishments, with one to nine workers, account for more than 70 percent of establishments, they employ only 12 percent of the workforce. The large establishments, with more than 250 workers, account for about 1 percent of establishments, and they employ more than 36 percent of the workforce.

Text table 1 shows how employment in each of the 22 major occupational groups is distributed by establishment size class.

As one might expect, different occupational groups are not identically distributed among the establishment size classes. The life, physical, and social science occupations, for instance, are concentrated in larger establishments. As depicted in chart 2, about 41 percent of life, physical, and social science workers are in establishments that have 1,000 or more employees. At the other extreme, less than 7 percent of life, physical, and social science occupations are in establishments with fewer than 10 employees.

Distributions of seven other occupational groups have higher employment concentrations in larger establishments: Computer and mathematical occupations; architecture and engineering occupations; community and social services occupations; education, training, and library occupations; healthcare practitioners and technical occupations; business and financial operations occupations; and protective service occupations.¹

The employment in sales and related occupations, on the other hand, is concentrated in smaller establishments. As depicted in chart 3, 53 percent of the total employment in the sales and related group is in establishments with 49 or fewer employees. Another 29 percent of employment is in establishments that have 50 to 249 employees. By contrast, only 4 percent of the employment in sales and related occupa-

¹ Protective service occupations are concentrated in large establishments in the OES survey due to the unique treatment of government in the OES survey. Establishments such as police departments are combined with other local government establishments, thereby increasing the average size of local government establishments.

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tions is in establishments with 1,000 or more employees.

Food preparation and serving related occupations and the construction and extraction occupations have employment distributions by establishment size that are similar to that of sales and related occupations.

The legal occupations are unique because they have lower concentrations in midsize establishments, and higher concentrations in the smallest and largest establishments. The office and administrative support occupations is the most evenly distributed of occupational groups. (See chart 4.) In

general, the distributions of employment by establishment size of the remaining occupational groups resemble that of total employment.

THIS ARTICLE PRESENTS A SUMMARY of information regarding differences in occupational employment by establishment size. The OES data present a wealth of opportunities to consider specific questions regarding variations in size of establishment, occupational employment, and wages by area and industry. ■

Text table 1. Percent distribution of major occupational employment by establishment size, May 2003

Major occupational group	Size 1 1 to 9 workers	Size 2 10 to 49 workers	Size 3 50 to 249 workers	Size 4 250 to 999 workers	Size 5 1,000 or more workers
All employment	12.0	23.0	28.0	18.0	19.0
Management occupations	9.9	28.1	28.7	16.2	17.2
Business and financial operations occupations	12.3	17.3	21.9	18.4	30.1
Computer and mathematical occupations	7.1	13.2	25.9	24.1	29.6
Architecture and engineering occupations	7.7	16.6	23.2	20.1	32.4
Life, physical, and social science occupations	6.7	12.6	20.7	19.2	40.8
Community and social services occupations	6.9	18.6	25.9	16.2	32.5
Legal occupations	21.6	22.6	16.8	12.8	26.1
Education, training, and library occupations	1.9	11.2	27.8	20.8	38.5
Arts, design, entertainment, sports, and media occupations	17.9	21.5	27.7	17.3	15.7
Healthcare practitioners and technical occupations	8.9	15.2	19.7	18.6	37.6
Healthcare support occupations	11.8	17.3	34.5	16.8	19.6
Protective service occupations	1.4	8.7	22.9	24.9	42.1
Food preparation and serving related occupations	9.2	42.3	34.3	8.2	6.0
Building and grounds cleaning and maintenance occupations	12.5	24.3	29.4	17.7	16.1
Personal care and service occupations	14.0	26.3	25.7	16.1	17.8
Sales and related occupations	22.3	31.2	29.1	13.3	4.0
Office and administrative support occupations	15.2	21.5	25.9	17.8	19.7
Farming, fishing, and forestry occupations	11.9	21.2	29.3	22.8	14.8
Construction and extraction occupations	19.8	32.0	28.2	11.8	8.2
Installation, maintenance, and repair occupations	19.2	26.0	26.3	14.6	13.9
Production occupations	6.4	17.5	33.4	27.3	15.5
Transportation and material moving occupations	8.2	24.0	33.7	19.6	14.5

Chart 1. Percent distribution of total occupational employment and establishments by size class, May 2003

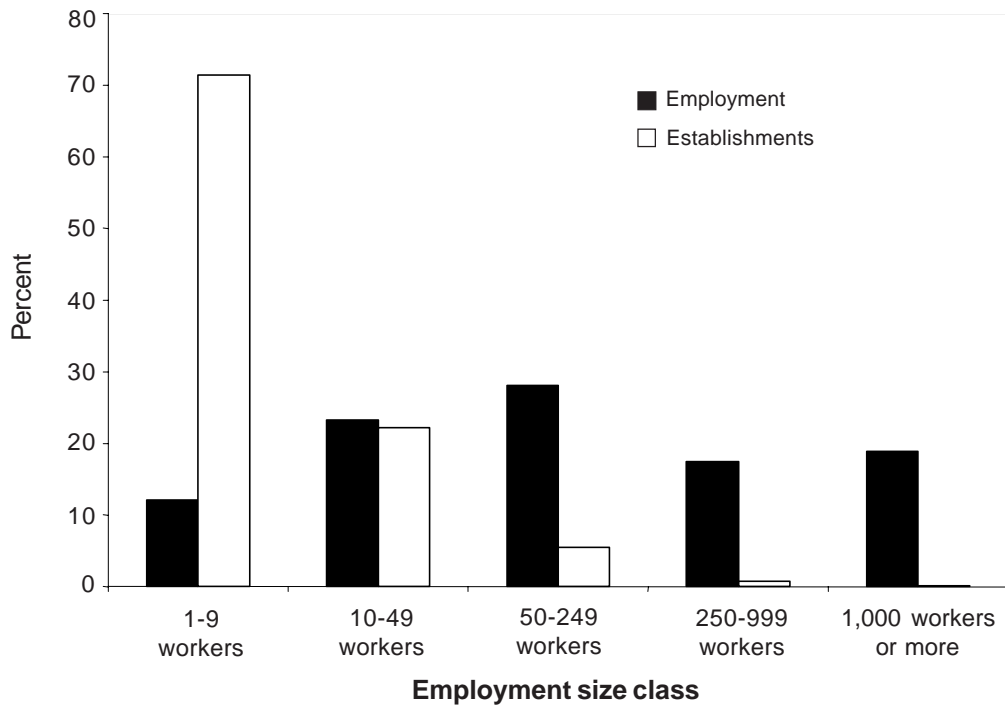


Chart 2. Percent distribution of total employment and of life, physical, and social science occupations by size class, May 2003

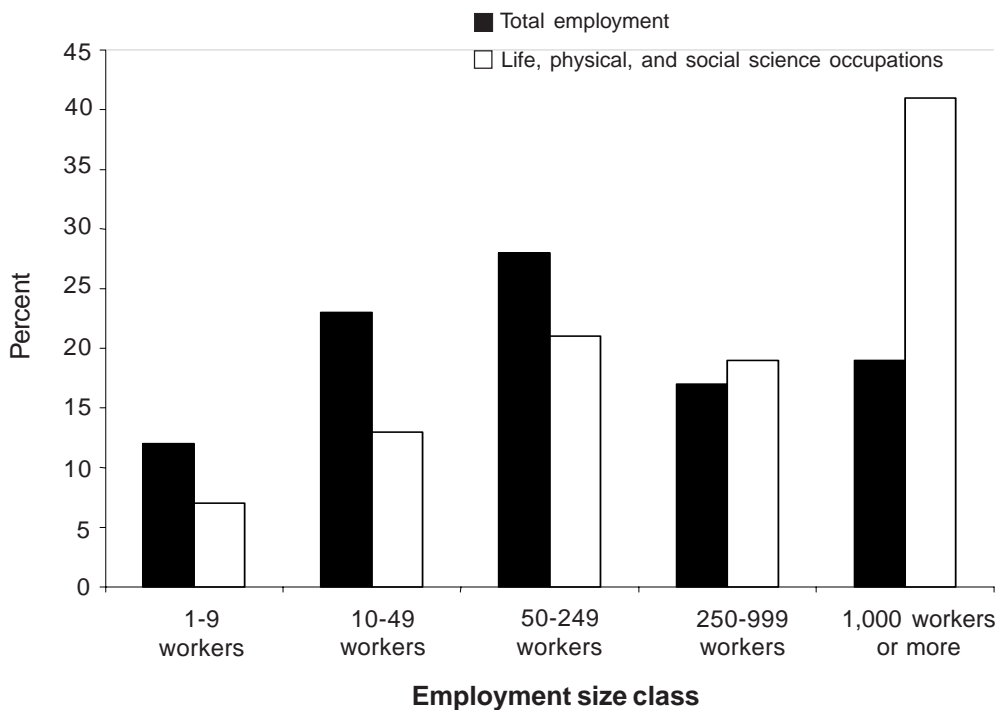


Chart 3. Percent distribution of total and of sales and related occupations by size class, May 2003

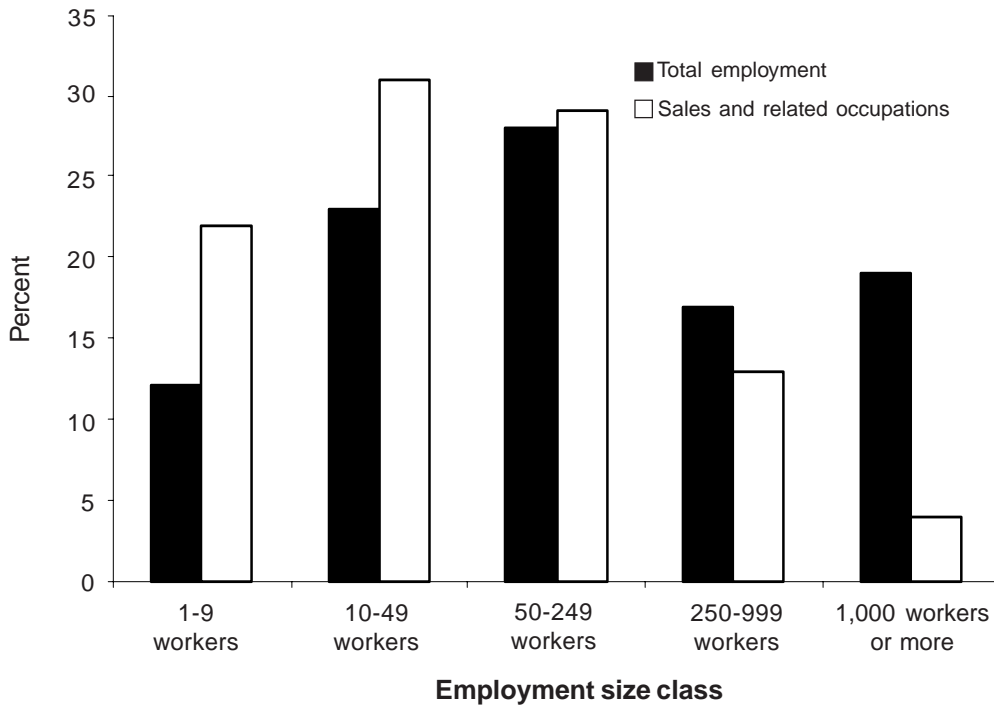


Chart 4. Percent distribution of employment of office and administrative and legal occupations by size class, May 2003

