

workforceChicago^{2.0}

SHARPENING THE COMPETITIVE EDGE
IN HUMAN CAPITAL





The Council for Adult and Experiential Learning (CAEL) is a national leader in the field of adult learning and has extensive experience assisting both employers and educational organizations in designing workplace learning strategies. Since its founding in 1974, under the auspices of the Educational Testing Service in Princeton, New Jersey, CAEL has provided individuals and organizations with the tools and strategies they need to create practical, effective lifelong learning solutions for their education and training needs. CAEL is headquartered in Chicago and includes over 700 colleges, universities, corporations, labor unions, associations and individuals among its membership.

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The Human Resources Management Association of Chicago (HRMAC) is a forum for human resources leaders, practitioners, service providers, and business executives charged with designing and delivering workforce strategies to drive superior business performance in the organizations they serve. HRMAC's mission is to serve as a thought leader and recognized authority on workforce developments impacting the Chicago area business community by providing high quality, state-of-the-art learning and development opportunities for the human resources community; facilitating the development and maintenance of professional relationships among members with a common interest in enhancing business results through people strategies; and being the professional association of choice for the greater Chicago area.

www.hrmac.org



World Business Chicago is the leading regional organization convening business executives to work collectively to position Chicago in the new international economy. World Business Chicago is a public-private economic development corporation co-chaired by Mayor Richard M. Daley and Michael D. O'Halleran, President and Chief Operating Officer of Aon Corporation. World Business Chicago's core mission is to assist companies in locating or expanding in Chicago and it is responsible for worldwide marketing of the nine-county Chicago region to encourage foreign direct investment. World Business Chicago assists prospect companies to identify how Chicago's business and human resource assets can meet their unique needs.

www.worldbusinesschicago.org

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Introduction

WorkforceChicago2.0 recognizes winning employee learning and development strategies at Chicagoland companies that build a culture of high performance, productivity and pride.

Created by the Council for Adult and Experiential Learning (CAEL) in collaboration with the Human Resources Management Association of Chicago (HRMAC) and World Business Chicago, this initiative was conceived two years ago to help position the Chicagoland region as a leading talent pool in the country. As Project Manager, CAEL organized an impressive array of Chicagoland business leaders to join the WorkforceChicago2.0 Business Leadership Group. As strong advocates of employee learning, they work to influence peers and sustain the education and training programs at their respective companies.

In CAEL's earlier research and consulting, it documented nine inter-related practices on how firms build exemplary learning cultures. In 2003, we are pleased to highlight two firms that possess these practices: Camcraft, a small manufacturing firm, and Argonne National Laboratories, a research lab managed for the U.S. Department of Energy by the University of Chicago. Both provide excellent models that prove employee investment is a critical factor in running a successful, thriving organization.

Special acknowledgement to The John D. and Catherine T. MacArthur Foundation and the Hitachi Foundation for their general support of this effort.

KEY COMPONENTS OF EXEMPLARY PRACTICE IN EMPLOYEE LEARNING AND DEVELOPMENT

- ◆ **Leadership Vision and Commitment**
The CEO and senior management are the driving forces in elevating the importance of learning and development.
- ◆ **Aligning Business Goals with Employee Learning**
Top leadership adopts clear goals and communicates them throughout the

organization and ensures that learning and development activities are aligned with the goals.

- ◆ **Learning and Development is Strategically Positioned within Senior Management**
Human Resources Leader or the Chief Learning Officer is part of the executive management team.
- ◆ **Leadership Development is Emphasized at All Levels of the Organization**
Management recognizes that leadership skills are essential for employees at all levels and efforts are made to develop talent from within the organization.
- ◆ **Commitment to Expanding Skills and Knowledge Beyond Job-Related or Technical Skills**
Investments are made to develop well-rounded, versatile employees through tuition assistance programs, customized onsite training, and personal development options.
- ◆ **Informal Learning Opportunities Structured at the Workplace**
Investments are made to intentionally integrate work and learning through team projects, cross training, rotational assignments and problem-solving exercises.
- ◆ **Strategic Use of Technology for Meeting Learning Objectives**
Innovative technologies are used to support and reinforce learning and to manage the firm's education and training offerings.
- ◆ **Alliances with Educational Institutions are Central to Learning Strategy**
Customized degree, certificate and non-credit programs are developed collaboratively to meet business and employee needs.
- ◆ **Emphasis on Assessment of Impact**
Mixture of measurement strategies is used to assess the impact of training and development investments.



Argonne National Laboratory

INVESTING IN EDUCATION AND
TRAINING TO BUILD LOYAL,
LONG-TERM EMPLOYEES

Argonne National Laboratory is one of the U.S. Department of Energy's largest research centers. Managed and operated for the U.S. Department of Energy by the University of Chicago, Argonne conducts nearly 200 research projects per year, ranging from studies of the atomic nucleus to global climate change research. To achieve their goal of becoming a world-renowned lab in advancing science and engineering, management has made a long-term commitment to building a skilled and educated workforce. The lab's workforce is highly diverse at all levels: age, ethnicity, gender and levels of education.

The organization's three-pronged strategy to sustain a skilled workforce is to: 1) offer a generous pre-paid tuition program, 2) deliver a wide array of on-site, customized training opportunities, and most importantly, 3) build the capacity of supervisors to guide the development of staff.

"We are very proud of our education and training programs, some of which have been here for over 12 years. They are the most robust of any national laboratory in the country," says Harold Myron, Division of Educational Programs Director.

Flexible Pre-Paid Tuition

Argonne has long provided its employees with a generous tuition program, spending nearly \$1 million dollars each year on tuition, books and fees. Rather than reimburse employees upon completion of a course, all tuition is pre-paid ahead of time. Pre-paying tuition is a powerful means of encouraging employees to take classes by eliminating the burden on the employee to pay their own tuition and be reimbursed at a later date. As a result, nearly 400 employees accessed tuition funds last year. In addition, the company pays 100% of employee tuition

COMPANY STATS

Name	Argonne National Laboratory
Industry	Scientific Research
Number of Employees	3000 (Illinois); 600 (Idaho & Washington DC)
Location	Argonne, Illinois; Idaho Falls, Idaho
Product/Service	Research Laboratory
Markets	Research to serve the national interest
Revenues	Funded primarily by U.S. Taxpayers
Year Founded	1946
Ownership	U.S. Department of Energy, Operated by The University of Chicago
Web Address	www.anl.gov



costs for certificates, Associates, Bachelors, and Master's degrees, whether or not they are job-related.

The positive partnerships Argonne has with area educational institutions results in many benefits for its employees such as tuition discounts and onsite career fairs, where a host of schools come onsite to promote their programs and register employees.

The laboratory also offers educational options to children of its employees, including four University of Chicago scholarships at full tuition; half tuition for all children of Argonne employees who qualify for admission to the University; and a discount for employees' children who attend the University of Chicago's Lab School in Hyde Park.

Onsite Customized Training

Employees can access a wide range of training at work to help position them for advancement, from technical math, ergonomics, laser safety, computer training, radiological planning, waste management, building maintenance, crane operator and project management. These training opportunities are especially important to Plant Facilities and Services, its largest division,



*"Argonne's primary mission is to perform outstanding science. To do that, we need to ensure that our employees excel. That means we must provide opportunities for employee education and development. Argonne's growth as a laboratory is linked to our employees' growth."
-- Hermann Grunder, Ph.D., Director, Argonne National Laboratory*

where many of its 500 employees (custodians, grounds keepers, mechanics, etc) are less interested in formal degree programs. Many of these individuals began their career at Argonne as laborers and have since progressed to highly skilled technicians.

A source of pride for many Argonne employees is the lab's onsite remediation programs. One is a literacy tutoring program where employees volunteer to help others learn to read and write. This program, ongoing for more than a decade, was developed in response to some employees having difficulty completing essential safety courses because of a lack of literacy skills. Employees who have been a part of this program have been able to rise through the ranks and obtain better jobs. The second is a tutoring program for English as a Second Language, geared toward Argonne's numerous foreign researchers who often struggle with speaking and writing English.

To help employees stay abreast of the organization's wealth of educational options and for management to have more control over employees' career goals, Argonne designed an electronic learning management system that contains individual training profiles. This sophisticated, easily-accessed system tracks all employee training activities, recommends essential courses, allows employees to register online and reminds them of the dates and times of courses.

Success stories of employees working their way through the ranks are prevalent at Argonne, from the custodian who earned his bachelor's degree and MBA through Argonne educational programs, eventually becoming the laboratory's Chief Operating Officer, to the dozens of Argonne scientists who began their research careers as undergraduate research interns.

Management's Role in Developing Employees

While offering learning opportunities for employees is key to sustaining a skilled workforce, its impact would be limited without substantial supervisor support. Therefore, in addition to building the capacity of supervisors, Argonne holds supervisors accountable by linking their compensation to how well they develop their staff.

The newly created onsite supervisor training is viewed as being particularly effective and comprehensive. It includes legal and financial management training, along with topics such as working effectively with unions, how to conduct meaningful performance reviews and career discussions, mentoring, diversity awareness, sexual harassment, and motivation techniques.

Argonne evaluates each manager's contributions to the learning environment by making them part of every performance appraisal, in which managers state their specific activities related to human resources, diversity and employee development. Similarly, as part of their performance appraisals, employees are evaluated on their accomplishments for the previous year and collaborate with their managers on development goals for the year to come.

"We have created an environment of respect, nurturing and mentoring," says Mike Derbridge, Chief Operations Officer. "As a result, employees are promoted and have lengthy careers at the laboratory."

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Camcraft, Inc.

SUSTAINING A CULTURE
THAT VALUES EMPLOYEE DEVELOPMENT

In 1950, Camcraft was a two-man machining operation. Today, it has grown into one of the most respected precision-machined part manufacturers in the country, serving a worldwide customer base that includes companies in North America, South America and Europe.

Purchased by the Bertsche family in 1986, the company is still run today as a family business and considers its nearly 200 employees a part of the family. This is exemplified in the firm's written commitment to employees in its mission statement, and the company's long-term investment in employees' training and development. The company's onsite training department has grown substantially over the years and in times of economic decline, rather than decrease training, the company uses it as an opportunity to increase its development efforts.

"Business is fighting for survival from foreign competition," says Michael Bertsche, President. "We deliver critical parts for diesel engines and they are very difficult to make and must be perfect. We can't do this without highly trained people. You cannot buy an internal quality system, we have to build it from within by investing in our people."

Demonstrating a Commitment to Employee Learning

Bernard Bertsche, CEO, started Camcraft's onsite training department many years ago when he could not find qualified instructors or resources outside the company. Demonstrating the Bertsche family commitment to its employees, Mr. Bertsche asked CNC operator Don Slawiski, if he would build up the department while

COMPANY STATS

Name	Camcraft, Inc.
Industry	Manufacturing
Number of Employees	190 full-time
Location	Hanover Park, Illinois
Product/Service	Precision Machined Components
Markets	Auto, Hydraulic, Off-the-Road Vehicles
Revenues	\$35 million
Year Founded	1950
Ownership	Private, family-owned
Web Address	www.camcraft.com



Precision Machined Components

the firm continued to help pay for his pursuit of an Associates Degree at the College of DuPage (IL). After nine years with the company, Don now manages the department. In the past five years, Don obtained his Master's degree in Adult Education and has transformed the small training department to a one-stop training center that performs a multitude of functions to help employees be successful in their current job and prepare for future opportunities. Its functions include:

- ♦ Delivering a comprehensive employee orientation.
- ♦ Administering a variety of assessments to determine employee skill and knowledge levels.
- ♦ Delivering a broad array of customized technical courses and interpersonal skills development — all of which are on company time.
- ♦ Oversight of employees' individual learning development plans.
- ♦ In conjunction with HR, oversight of the firm's tuition reimbursement program where employees are reimbursed 50-80% for a variety of certificate and degree programs.
- ♦ Developing strategic partnerships with area educational institutions
- ♦ Brokering of specialized leadership courses for supervisors and top management.
- ♦ Management of an onsite computer center where employees build an array of computer skills and online training, including English as a Second Language tutoring.

As in many work environments, employees are apprehensive about taking tests. To respond to this concern, while continuing to encourage continued learning, employees' actual test scores are never shown to management. Rather, Don's reports indicate whether or not the employee met the standard or not. If the employee did not

meet the standard, and if he/she is motivated, he/she will receive one-on-one tutoring and then be allowed to re-take the test.

"We care most that they learn the material, not that they pass the exam," says Jerry Benish, Director of Human Resources.

Core to Camcraft's philosophy is that all employees should have a basic understanding of the organization's business fundamentals. To that end, the training department delivers courses on eight core competencies, including safety, math, quality, statistical process control, metrology, basic English skills, and "People Skills," which all employees must complete. One course, People Skills, a course taught by a senior manager, stresses the need for tolerance and understanding of different cultures and the need for constructive communication.

"I have worked at other companies so I can compare," says Mike Hill, a machinist with 25 years of experience — ten of which were spent at Camcraft. "Camcraft has a great number of knowledgeable people that work on the production floor."

Because of Camcraft's commitment to education and training, in 2001 Camcraft became the first manufacturer in the State of Illinois to become certified to deliver technical training aligned with the National Institute of Metalworking Standards (NIMS) that lead to an Applied Associate's degree. To date, Camcraft has graduated 13 "NIMS credentialed" apprentices from its program; 14 more employees are currently in training.

Measuring Impact

Never a firm to rest on its laurels, Camcraft continually evaluates and improves all educational efforts. Senior managers and supervisors across departments routinely review effectiveness of courses, test results and employee evaluations. Ineffective courses are eliminated and new courses are added or updated based on these evaluations.

*"We value our people and invest in them. We build long term relationships with our employees who in turn have an impact on building relationships with important customers and suppliers."
- Michael Bertsche, President*

Camcraft's commitment to long-term investments in employee education has paid significant dividends in both financial and human resources terms. Camcraft's profits were up 14% last year and soared 40% this year, despite a difficult two-year period for manufacturing in general. In addition, Camcraft has posted record lows in returns (.05%) and lost workdays, and has delivered parts to customers on time 96% of the time. Its average workweek remains at 45 hours per employee, and the firm consistently has among the lowest turnover (6%) and absenteeism rates in the industry according to the Precision Machining and Products Association. Last quarter 120 employees (out of 190) had perfect attendance.



Camcraft, Inc.

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The Business Leadership Group

WorkforceChicago2.0 gratefully acknowledges the contribution of the Business Leadership Group. This group is responsible for fostering new models of collaboration between businesses, labor unions, and education and training institutions.

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Past Honorees

WorkforceChicago2.0 has recognized many leading firms for their exemplary employee learning practices including: Allstate Insurance Company, Bank One, Bimba Manufacturing, Dunlee, Ernst & Young, Golin/Harris International, Motorola, S&C Electric Company, The Northern Trust Company, TruServe Corporation, and the University of Chicago Hospitals.

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