

# In Practice

## Taking Training For Granite

Granite Rock, one of five winners of the 1992 Malcolm Baldrige Quality Award, knows that winning the award and having a quality organization require a rock-solid foundation in training. The company—which produces rock, sand, and gravel aggregates; ready-mix concrete; asphalt; and road treatments—won in the small-business category.

The company spent an average of \$1,697 per employee on training and education last year—amounting to an average of 37 hours of training each, says Val Verutti, director of quality support for Granite Rock.

The thrust behind training began five years ago when Granite Rock instituted a program called the Individual Professional Development Plan or IPDP. Under the program, the company encourages employees to set annual, personal education and training goals that will help them learn new skills and advance in their careers or establish new ones.

For instance, says Verutti, if a truck driver wants to become a plant operator, the company will provide training to help that person reach his or her goal. The company then will promote from within when positions open up.

Employees set the goals with the help of their supervisors. Supervisors then take employees' goals to a roundtable to discuss them with other supervisors and determine whether the plans are feasible.

"One of the reasons we require supervisors to have this meeting," says Verutti, "is to give supervisors an opportunity to review the IPDPs and be aware of what employees in other departments want to accomplish. The workers' goals and aspirations are exposed, and this prevents supervisors from burying really good



Photo courtesy of Granite Rock Company

workers somewhere for the supervisors' own benefit and keeping the workers from being promoted or reaching their highest potential."

The supervisors annually review employees' performances based on the goals they set for themselves. But, says Verutti, "there is no stigma attached to failure. Not everyone is 100 percent successful in attaining what they want. The truck driver who wants to become a plant operator may discover during training that a certain job isn't something he or she wants to do. And that is fine. He or she can set a new goal."

Much of the training is done in-house, but the company regularly sends employees off site to receive specialized training and to benchmark against other companies.

After they receive training off site, employees are asked to train other employees as soon as they return. Verutti says this reinforces the original training.

Verutti says Granite's training program certainly contributed greatly to

*Granite Rock Company wins with training. Also, more Baldrige Award winners, AIDS information for business and labor, and a review of ISO 9000 requirements.*

its Baldrige award. But even more than that, the training has rewarded the company with increased productivity and decreased turnover.

"Our earnings per employee are 30 percent higher than the industry average," says Verutti. "Our market share has increased more than ever. And our turnover is way down. People just don't leave this company anymore. And we can get anyone we want to fill a position—mostly from within the company."

### Other Quality Winners

In addition to Granite Rock, four other companies won the 1992 Malcolm Baldrige National Quality Award. Winning in the manufacturing category were AT&T Network Systems Group's Transmission Systems Business Unit, and Texas Instruments Defense Systems and Electronics Group. The service-category winners were AT&T Universal Card Services and Ritz-Carlton Hotel.

AT&T Network Systems Group, a division of AT&T, develops, manufactures, markets, and services systems for transporting data, voice, and images over public and private telecommunications networks.

Some keys to its success: It handles an average of 140 million calls each day and completes 99.999 percent of them. The company has cut the number of products sent back for defects by 77 percent—from 150 defects per 10,000 units to only 34.

The Texas Instruments Defense Group designs and manufactures advanced defense systems and electronics technology for the U.S. Department of Defense.

Looking for ways to become more competitive, the Defense Group pushed decisions down to employee teams. It reduced its management layers from eight to only five. In 1983 it had four pilot teams. It now has 1,900 teams. The company projects that half of its 15,000 employees will be working in unsupervised teams by 1995.

AT&T Universal Card Services was established in 1990. The main product of the company is the AT&T Universal Card—a combination general-purpose credit card and long-

distance calling card. The company also includes a collections operation, an industrial loan company, and a payment-processing center. Two-thirds of its employees are in customer-contact positions.

The company has pulled in 10 million customers in about two years, or 300,000 a month. And it intends to keep them by paying strict attention to good customer service. Computers measure how long customers wait before talking to a service representative. Supervisors randomly listen to representatives' calls to monitor their phone skills. And quality-control people regularly check the quality of paper used for letters sent to customers. The company handles 40,000 calls a day. Its representatives resolve customer problems in a single call 95 percent of the time.

Ritz-Carlton operates 23 business and resort hotels in the United States and two in Australia. The company employs 11,500 people.

Much of the hotel's success can probably be attributed to its employee training program. Each employee receives more than 100 hours a year in training—60 percent of it on total quality. Employees learn how to pay close attention to details to satisfy customers. For instance, the hotel tracks the special tastes of repeat customers so that when these guests check into any Ritz hotel, their preferences are known and attended to.

### The Need for Hire Skills

What does it take to get hired these days? According to Andrew Sherwood, chairman of Goodrich and Sherwood, a human resource management consulting firm, companies look most often for six skills when interviewing new employees:

- ▶ Public-speaking ability. Being able to accurately convey your message to strangers in what could often be less than a relaxed situation will put you far ahead.
- ▶ Financial management. Experience in managing operating budgets successfully with an eye on costs is a valuable asset.
- ▶ People management. This includes leadership skills such as the abilities

to delegate, lead through example, and motivate workers.

▶ Interviewing. A good candidate is able to handle an interview effectively as an interviewer as well as an interviewee. After you get the job, you may be asked to hire others for your group.

▶ Training. Midlevel managers have the task of training and developing their subordinates to ensure not only that the job gets done properly, but also that competent managers will be available for succession.

▶ Writing. Communicating clearly in writing has always been important since so much of business is conducted through reports. Writing ability is a key to success.

### AIDS Information for Training

According to the U.S. Centers for Disease Control, nearly a million people in the United States are infected with HIV, the virus that can lead to acquired immune deficiency syndrome, or AIDS.

Of all the people who have AIDS, 76 percent are between the ages of 25 and 44, reports the CDC. In fact, within that age group, AIDS-related illnesses are the second leading cause of death among men and the sixth leading cause of death among women. That is startling, especially when you stop to think that more than 50 percent of the U.S. workforce falls within that age group. The CDC says that more than 65 percent of companies with 2,500 to 5,000 employees and nearly one in 12 small employers (those with fewer than 500 employees) have had employees with HIV infection or AIDS.

Looking at the statistics, the CDC realized that the workforce was a good place to target in terms of AIDS education and training. In response, it has launched a program called "Business Responds to AIDS" to help businesses educate their employees about the risks of AIDS in hopes of preventing the spread of the HIV virus.

CDC developed the program with the help of experts from business, labor, health, government, and AIDS service organizations. The program includes a centralized resource service at the CDC National AIDS

Clearinghouse. The resource service is ready to provide businesses and labor with easy access to information and materials for developing HIV workplace programs.

The CDC has developed kits for managers and labor leaders that provide a step-by-step process for planning, developing, and implementing workplace education programs on HIV and AIDS. The manager's kit addresses policy development, manager and supervisor training, employee education, education for employees' families, corporate involvement in the community, and volunteerism. The labor leader's kit addresses similar issues for union stewards, labor educators, and workers. Both kits are available for a nominal cost through the CDC resource service.

For more information on HIV and AIDS, you can call the CDC at 800/458-5231 or write to Box 6003, Rockville, MD 20849.

## **Making the Most of ISO 9000**

To better serve customers, many U.S. firms and educational institutions are using various quality-improvement tools. One of those tools is the ISO 9000 series.

ISO 9000 is a set of internationally accepted standards for a basic quality-management system. The standards, released in 1987, are designed to ensure customers that an organization is using prescribed requirements for total quality.

The following list of many of the required elements of ISO 9000 includes activities that will help in building a successful quality-management system.

- ▶ **Management responsibility.** Write a policy so that the organization, suppliers, and others know about your commitment to TQM. Make sure the CEO signs the policy. Train employees on the policy content. Identify by job title employees who are responsible for service quality. Define the senior-management review process. Appoint a management representative.
- ▶ **Quality System.** Write a brief quality manual and outline the quality system's policies and objectives. Emphasize problem prevention rather than problem detection.

- ▶ **Contract review.** Develop methods to evaluate all activities within your organization, such as instruction, curriculum, development, supplies, and trainee contracts. Define the responsibilities of contract reviewers.

- ▶ **Design Control.** Define and identify activities, evaluation processes, and personnel (make sure to include qualifications). Review procedures on needs assessment or other performance reports to determine if training services meet customer needs.

- ▶ **Document Control.** Establish and maintain control procedures to locate, issue, change, and identify documents. Define the responsibilities of employees who review report cards or performance cards. Develop common course-numbering systems and identify the people who will be responsible for the systems.

- ▶ **Purchasing.** Ensure that purchased products and services conform to needed requirements and verify them through the assessment plan. List all purchased services and materials, such as workshops and software. Make a list of approved suppliers.

- ▶ **Purchaser-supplied products.** Make a list of customer-supplied items, such as texts or facilities that are supplied by managers.

- ▶ **Product identification and traceability.** Keep a record of student, teacher, and staff activity and everyone's roles in all stages of instruction and after. Follow up at the worksite or in the field.

- ▶ **Process control.** Develop flowcharts on how trainees should progress through the instruction process.

- ▶ **Inspection and testing.** Write procedures to inspect new equipment, services, and materials for instruction.

- ▶ **Inspection, measuring, and test equipment.** Keep records on repairs and calibration frequency on the lab equipment and in accreditation reports.

- ▶ **Inspection and test status.** Maintain adequate and clear documentation of trainee records, facilities, and materials.

- ▶ **Corrective action.** Design and develop a corrective-action report to include dates and signatures for each activity, descriptions of discrepancies, corrective action taken, and effectiveness of action taken. Use interviews, focus groups, surveys, and other qualitative and quantitative investiga-

tion strategies to determine causes.

- ▶ **Handling, storage, packaging, and delivery.** Write procedures to prevent misuse, damage, or deterioration of software, exams, and other records.

- ▶ **Quality records.** Develop records to collect, dispose of, file, index, maintain, and store quality records. These records can include instructional and instructor evaluations, staff or teacher qualifications, trainee grades, accreditation reports, and degrees or diplomas rewarded.

- ▶ **Internal quality audits.** Establish an internal audit system to verify compliance with and effectiveness of quality systems. Write audit schedules and train auditors to audit schools or training for compliance with quality systems.

- ▶ **Training.** Conduct comprehensive needs assessment to include internal and external customers, and use a variety of methods to elicit information. Train people in continuous improvement, the human side of quality, and workplace skills.

- ▶ **Servicing.** Design and maintain procedures to perform services after sales, as stated in customer contracts. Evaluate trainee support after a training program.

- ▶ **Statistical techniques.** Identify statistical techniques used in process, product, and service. Record statistical techniques such as trend analysis, failure rates, grades, and performance indicators.

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## **The Downfall of Teams**

Most teams are not as effective as organizations want them to be, according to a series of in-depth interviews with business leaders and a survey conducted among 4,500 teams in more than 500 organizations by Wilson Learning Corporation, a training and development firm.

The organizational barriers to team performance mentioned most frequently by study participants include the following.

- ▶ **Rewards and compensation.** Eighty percent of respondents said

that their rewards and compensation systems focus on individual performance. Team performance is generally not considered. As a result, teams have little incentive to perform well, and individuals are encouraged to pursue their own agendas.

▶ **Personnel and HRD systems.** Only 10 to 20 percent of the respondents confirmed that team performance is included in their performance appraisals. Most respondents said that their appraisal systems do not consider team issues.

▶ **Information systems.** In many firms, pertinent information is not readily available to employees. As a result, teams spend valuable time trying to find the information they need.

▶ **Top-management commitment.** Most top-management groups fear that their staffs cannot handle the responsibilities of team leadership. Without top management's support, teams cannot move forward.

▶ **Organizational alignment.** Many respondents said that organizational structures foster internal competition, which limits group effectiveness.

Individual team members can also limit a team's productivity, say the respondents. The respondents identified the following issues:

▶ **Personal mind shift.** Most team members are not willing to set aside position and power. They aren't willing to give up past practices.

▶ **Individual abilities and characteristics.** Some team members may not have the ability, knowledge, or skill to contribute to the group. As a result, the group does not function smoothly because some participants shoulder more responsibility than others.

▶ **Team/member conflicts.** As team members, individuals often encounter conflicts or challenges to their personal beliefs. What works for the team may not work for every individual. It is important for people to keep their identities while working on a team.

### **Investing Through Education**

**B**usinesses in countries outside the United States understand something that U.S. businesses still haven't caught on to: Workers who move to other firms may be lost to the company that paid for their

training, but they are not lost to the economy.

"There is a collective interest in ensuring that private training occurs," says author Lester Thurow. "The Europeans talk about 'A Winning European Formula: Schools + Industry = Work Readiness.'"

Thurow's comments come from his article, "Can We Make the Grade?" in the fall 1992 issue of *Express*.

"Consider the words of a German executive," he says.

"Germany is fighting to hold a quality edge over countries like Korea and Japan—not so much with the United States. This is the reason for the great expansion of further education in Germany right now. The problem with the United States is that there are too many people in college and not enough qualified workers. The United States has outstanding universities, but it is missing its middle. Too much training takes place on the job, and therefore is too unsystematic."

"Following Joe around,' the American system of on-the-job training, simply isn't a system. The resulting skills are very narrow and do not lead to workers who can absorb new technologies."

Thurow says that the Germans have an apprentice system that is the envy of many other countries.

"With lifetime employment," he writes, "Japanese firms know that they must either train or have an untrained labor force. The French have instituted a 1 percent sales tax to ensure that firms train."

He says that if the firms do train, the funds are kept to finance government training programs. Singapore allows "bonding," a system in which employees who receive training sign loan agreements that must be repaid if they leave those companies before a specified period of time.

He says that there is a two-stage public/private process to better working skills.

First, he says, workers must come into the labor force with a good education when they leave the twelfth grade. Second, firms must invest in the specific job skills that workers require, above their general education attainments. In the United States, he says, this second step has been a private responsibility.

### **A Crash Through the Glass**

**B**usiness Week reports that 97 percent of senior management in U.S. corporations is male and that there is only one woman CEO among its top 1,000 companies.

Louise Kiernan is one woman who has beat the odds. Not only has she crashed through the glass ceiling, but she has crashed through cultural barriers as well.

Kiernan, vice-president of human resources and administration for Japan-based ANA Hotels International, recently was named a corporate officer of the hotel chain's North American subsidiary. She will be acting as a liaison between its board of directors and its Tokyo headquarters.

Yoshio Tanaka, the hotel's president of U.S. operations, says that Kiernan was chosen because "she has been working hard for bicultural training and education of both our Japanese and American employees." He said that Japanese employees are usually named to such positions. But, he said, "in this case, headquarters made an exception."

Kiernan has been with ANA Hotels since 1990.

### **A Winning Design**

**T**raining & Development recently won an "Ozzie," a coveted award among magazine designers. The award was in the category of "Best Design, Special Editorial Report or Section," for the design of the special section, "Making Choices About Change," which appeared in the March 1992 issue.

The real winners are Leigh Caruso, the magazine's art director, and Joe Yacinski, a consultant who worked on the project.

The Ozzie is awarded by South Wind Publishing Company, which publishes *Magazine Design and Production*. The judges received nearly 1,500 entries from publications in the United States and Canada.

*"In Practice"* is edited and written by **Craig Steinburg**. Send items of interest to "In Practice," Training & Development, 1640 King Street, Box 1443, Alexandria, VA 22313-2043.