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TRAINING KEEPS THE  
CUTTING EDGE  
**SHARP**  
FOR THE ANDERSEN  
COMPANIES

BY PATRICIA A. GALAGAN

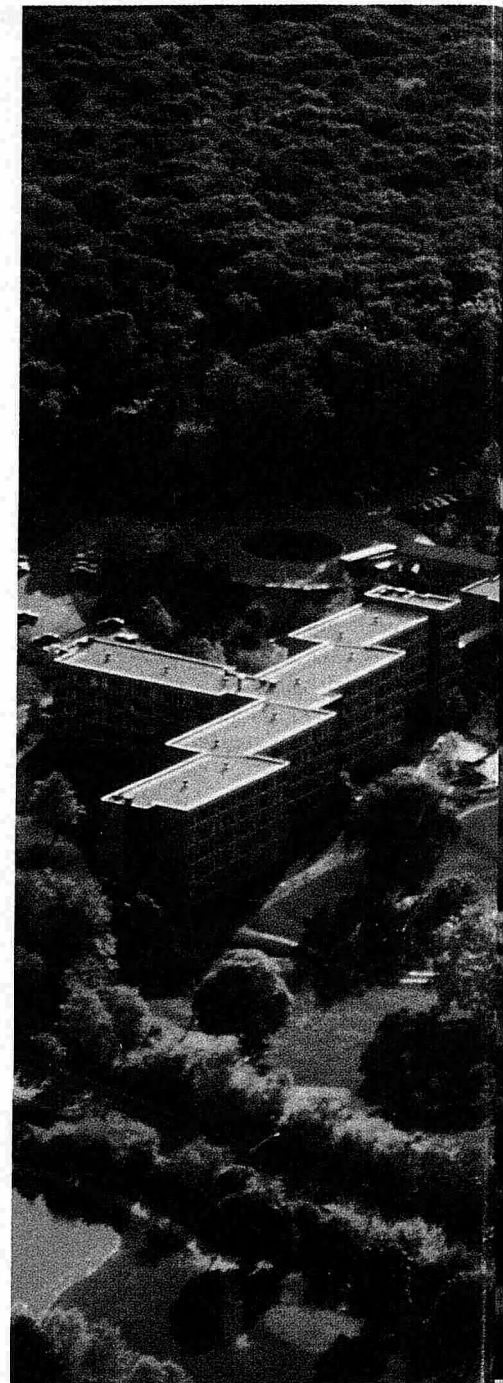
**ARTHUR ANDERSEN AND ANDERSEN CONSULTING EMPLOYEES ARE AMONG THE BEST TRAINED IN ANY INDUSTRY. WILL THE COMPANIES' TRAINING PROWESS CONTINUE TO HELP KEEP THEM AHEAD OF THE COMPETITION? ALL INDICATIONS SAY IT WILL.**

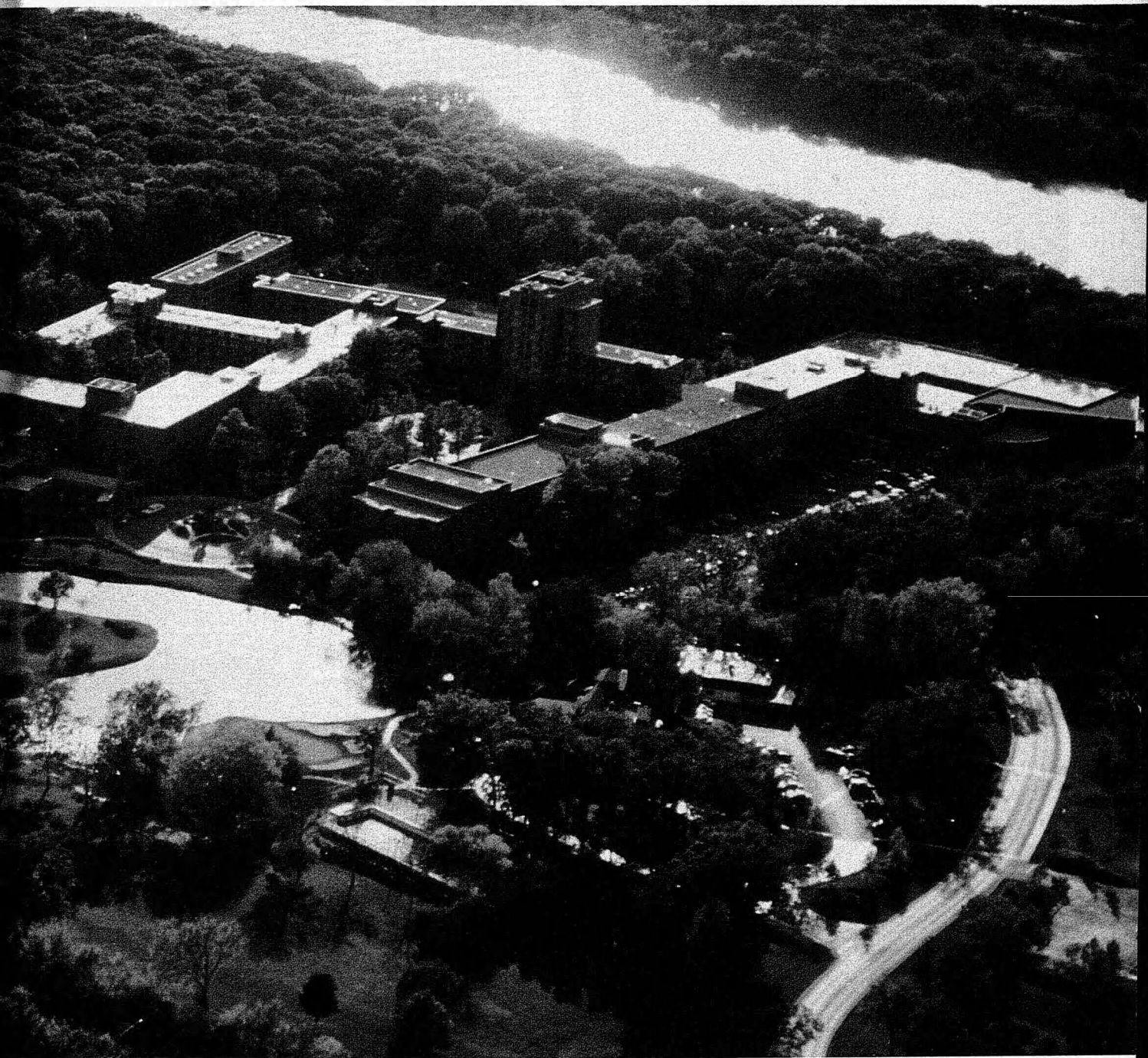
**E**ighty years ago founder Arthur Andersen decided that the accountants he hired for audit and tax season would do a better job if he made them year-round employees and trained them. That was the start of a learning gestalt that has helped make world leaders of the Arthur Andersen Worldwide Organization business units, Arthur Andersen and Andersen Consulting.

Lawrence A. Weinbach, managing partner and chief executive of the Arthur Andersen Worldwide Organization, says, "Education gives us our

competitive edge. Anybody can hire smart people. It's what you do with them that makes the difference. In a professional service organization, all you have to sell are your people's abilities, so we invest in that."

Andersen has its share of smart people. Through an aggressive campus program, it recruits bright graduates in such fields as accounting, computer science, engineering, and communications, and trains them heavily in the culture and methodologies of what many employees call simply The Firm. Common training





in standard methodologies and approaches to problem solving enables Andersen personnel from any country to work side by side in developing unique solutions tailored to individual business challenges.

Herbert W. Desch, managing partner of the professional education division (PED), and the organization's chief training officer, says, "Individual brilliance is not as important as the ability to share different ideas and a variety of potential solutions through a worldwide team approach. As a global organization,

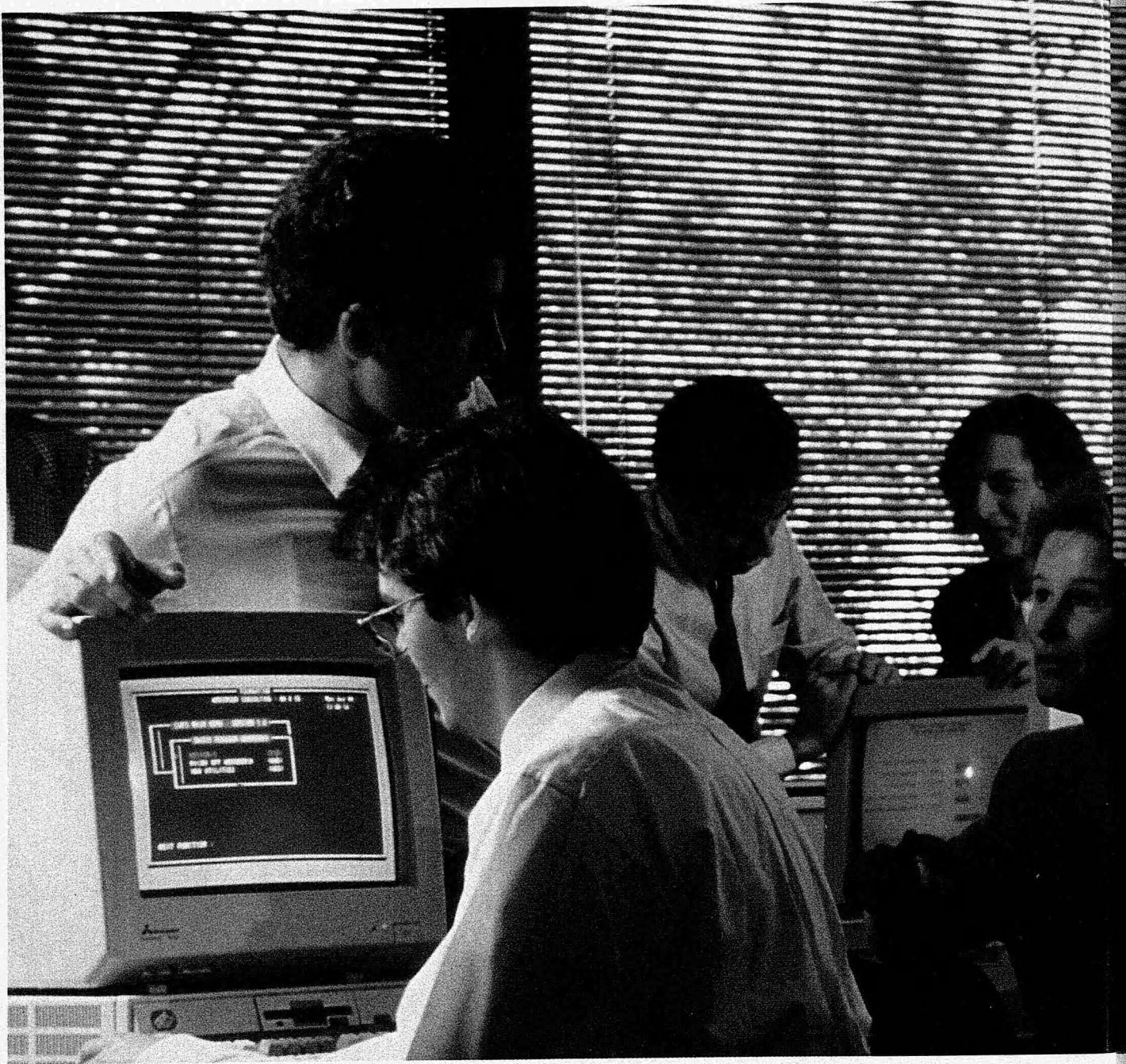
we believe that clients ought to be able to get the same level of quality service from any of our offices.

"When you train for a worldwide culture and teach consistent methodologies for approaching complex tasks, you have a better chance of providing consistent quality while reaching solutions tailored to an individual client's needs."

#### **Train early, train often**

In 1989, the organization restructured into two business units: Arthur Andersen (which provides corporate

*About a third of all training for Arthur Andersen and Andersen Consulting takes place at the Center for Professional Education in St. Charles, Illinois. This training center can accommodate more than 1,700 students. Other major training locations are Veldhoven, the Netherlands, and Kuala Lumpur, Malaysia.*



specialty services and audit, business, and tax advisory services) and Andersen Consulting (which helps clients apply the integration of information-based technologies for competitive advantage, strategic planning, and change management). It is the world's third-largest accounting and consulting organization, with revenues in 1992 of \$5.6 billion.

The two business units share many support services, including training. Together they invest the equivalent of 5.5 percent of their revenues, or over \$300 million, in training their employees, an amount that is significantly higher than the U.S. average.

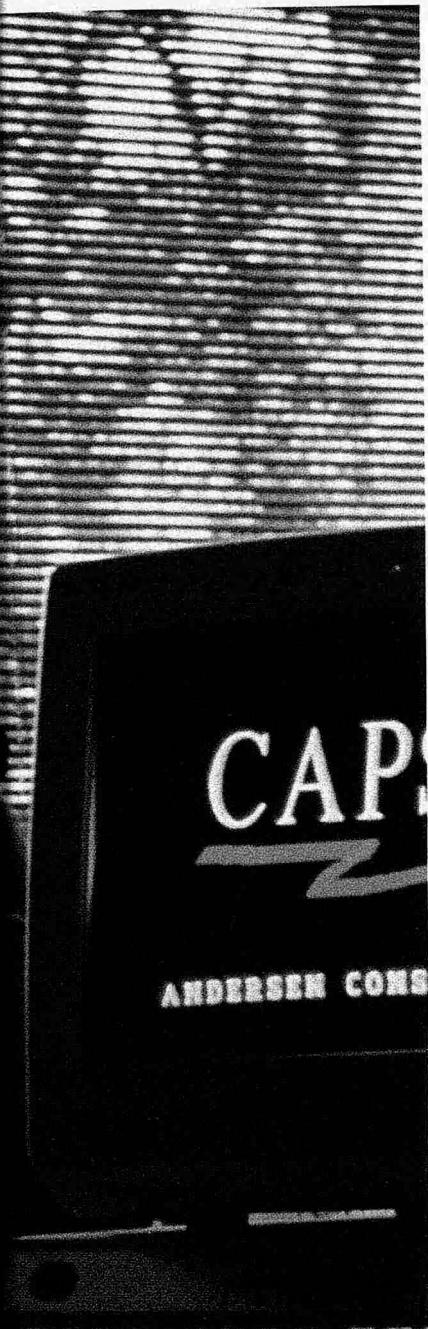
Unlike most U.S. companies, Andersen gives the most training to the people at the start of the career ladder. Most new staff recruits, no matter what part of the world they come from, get an automatic three weeks of professional education. Two major training sites are the Center for Professional Education in St. Charles, Illinois, and Veldhoven, the Netherlands. And that's just the tip of the iceberg.

The company delivers about 6 million hours of training a year in formats ranging from basic classroom courses to deluxe multimedia programs on computer workstations. Each person in the Andersen

Organization of 48,000 professionals gets an average of 138 hours of training every year. Training is tied to career advancement.

About a third of all training takes place at the worldwide Center for Professional Education in St. Charles—a 151-acre campus in a country setting, where new recruits forsake their college cut-offs for business attire and a can-do attitude. Initial training is rigorous, with some participants working up to 12 hours a day. There's a heavy emphasis on personal networking, facilitated by numerous recreational facilities and team-oriented activities.

The St. Charles training center is



*The Center for Professional Education (left) has more than 1,000 workstations. Nearly 60,000 people are trained here each year. Herbert W. Desch (right) is head of professional education for the Arthur Andersen Worldwide Organization.*



Patricia Galagan

(DVI), CD-ROM, and desktop computers. Desch estimates that the division is one of the largest employers of instructional designers and technologists in the United States.

To shorten the time between training design and delivery, PED has begun using teams of subject matter experts, educational experts, and graphic artists to bring new training products on-line quickly in response to rapidly change markets. These teams are called group technology cells, a concept borrowed from manufacturing. Such innovations promise to keep Arthur Andersen and Andersen Consulting in the training vanguard.

### **Test time**

The ability to generate new knowledge through R&D and institutionalize it through training is a big part of what has kept Andersen ahead of emerging technologies and market shifts—so far. But the real test is yet to come, especially for Andersen Consulting, according to industry analysts.

Andersen Consulting has moved aggressively to train its professionals, schooled on mainframes, to work with the networks of desktop computers—client/server networks—that now make up about 70 percent of new business.

Herb Desch has no doubts about being able to train people quickly in client/server technology.

“Anticipating a market shift, we rolled out our first client/server training in just five months. Andersen Consulting has more than 3,000 professionals trained in client/server technology, and we’ll have an additional 6,000 professionals proficient in client/server application by the end of 1993.” Desch predicts that the company will have as many as 24,000 consulting professionals skilled in client/server solutions by the end of 1994.

CEO Weinbach asserts, “We believe that Andersen Consulting is clearly a leader in bringing client/server solutions to the marketplace. It pioneered a software product called Foundation for Cooperative Processing, the first CASE (computer-aided software engineering) tool for designing computer systems that was built on a client/server platform.”

The firm’s training professionals continue to provide the support necessary for Andersen’s personnel to deliver high-quality client service in a rapidly changing world. This is possible, in part, due to cutting-edge work in performance support, the application of cognitive theories, and group processes involving the use of group software.

Many of Andersen’s innovations are technology-based. A multimillion-dollar training-management support system, using Lotus Notes software, tracks individuals’ curriculum plans and monitors who gets what training.

also the site of hundreds of special “schools” or courses that keep the company’s experienced professionals sharp. Most are taught by people from line operations. “In our culture it’s an honor to teach,” says Desch. Training topics include everything from basic auditing and tax law for Arthur Andersen to the latest in client/server technology for Andersen Consulting.

The professional education division handles training design and development, provides training support, and does curriculum planning. It uses several technologies to deliver training, including video conferencing, digital video interactive

"We have the ability to monitor progress toward training objectives approved by the executive committee," says Desch. "Performance reports show partners how the offices in their regions are doing."

Every unit in the company that uses training must account for it, and all training is evaluated at least for participants' reactions—level one in the popular Kirkpatrick evaluation model. Forty percent to 50 percent of programs get level-two evaluation: What knowledge do participants gain?

One recent program was carefully evaluated at level four to determine results on revenue and quantity of work. The evaluation unit gathered empirical data before and after a training program on state and local tax law, known as SALT. The study showed that tax professionals who took the tax-law course had more billable hours after the course than those who didn't take it.

A data base tracked SALT-related fees and hours billed before and after

### **Arthur Andersen Honored for Commitment to Training**

In 1992, the Arthur Andersen Worldwide Organization became the eighth company to receive accolades from the American Society for Training and Development for outstanding commitment to employee training and workplace education.

The ASTD Award for Excellence has also been given to Xerox, Motorola, IBM, Ford Motor Company, Dayton-Hudson, Aetna, and Federal Express.

training. A work-activity survey collected information on such things as the time spent on SALT-related activities. The evaluation showed that people with training generated more new tax business than the untrained.

Darryl Jinkerson, director of evaluation services, a unit of 23 people, says, "We have some unique skills in

the area of applied research, statistics, and experimental design. Our mission is to provide evaluative information to decision makers at all levels of the organization."

One of the unit's service lines measures client satisfaction. "We've developed a sound methodology to understand clients' expectations and what drives their satisfaction levels," Jinkerson says. "We call it 'turning feelings into facts.'"

### **Beyond TQM**

Susan Bumpass is director of the performance and organizational support services group for PED. This group supports the development of TQM principles and techniques through methodology, information dissemination, training, and nontraining interventions for PED personnel.

"Our organization sees training as a solution to issues," says Bumpass. "We changed the name of our unit to support the idea that training is a piece of a much larger performance-support solution. As our unit's reputation has grown, our internal clients are more willing to let us help them look at whole systems with respect to the performance of individuals or groups."

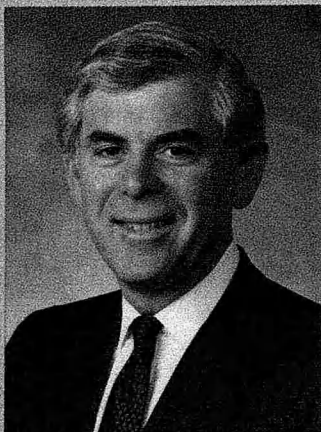
While legions of training professionals profess they feel left out of the business mainstream, those at Arthur Andersen and Andersen Consulting seem to have no doubts about their relevance. Bumpass explains, "Our role is to help the Arthur Andersen Worldwide Organization meet its strategic objectives in the marketplace. One way we do that is by developing performance-support tools such as educational software."

One such program is a new course in business practices for non-businesspeople. Jeff Howell, director of technology services, says the technology-based course applies some new cognitive theories developed at the Institute for Learning Sciences at Northwestern University. Andersen Consulting and Arthur Andersen are founding and sustaining sponsors of the institute, having committed \$30 million in financial and personal support.

One Andersen staff member described the project as "taking alpha research in learning theory through the beta stage all the way to a large-scale, commercial applica-

### **Andersen CEO Is Training's Champion**

Lawrence A. Weinbach, the managing partner and chief executive of the Arthur Andersen Worldwide Organization, the world's third-largest accounting and consulting company, has just finished speaking to 250 newly promoted tax managers about magic. Yes, magic. He tells the man-



agers of a major message he conveys when welcoming new recruits to their first training program at Andersen's Center for Professional Education in St. Charles, Illinois.

"I tell them that the company lives or dies not just by their technical skills, but by the magic of the connections among our people. Some of the networks that new hires build in the first weeks of training will stay with them throughout their whole careers."

Weinbach is clearly proud of

the Arthur Andersen Worldwide Organization's training capability. When he attended the ASTD national conference last year to accept its top corporate award for training, he told the audience, "We place a major emphasis on the quality of the training we provide our people. It has always been one of

the pillars of our organization."

The company spends more than \$300 million a year on training. "Part of my job," says Weinbach, "is maintaining partners' will to spend that kind of money in good years and bad years."

He also backs training by making himself visible at training programs. "I talk to managers and partners about the importance of training to what we do. If support doesn't start at the top, training will flounder."



*Members of the Professional Education Division say they position training as one of many aspects of performance support. From left to right: Darryl L. Jinkerson, director of Evaluation Services; Steven Bond, a manager in Management Development; Susan Bumpass, director of Performance and Organizational Support Services; and Jeffrey J. Howell, director of Technology Services.*

tion." Another said the project was so far out on the cutting edge, "it should be called bleeding edge."

The business practices course is a highly interactive self-study program that uses multimedia to teach basic business functions. The company expects as many as 5,000 people a year to participate. The 15-module course includes more than 180 minutes of audio and video segments stored on CD-ROM disks. DVI technology lets the user select at random among video segments. Through their PCs, users can access many levels of support systems and navigational tools.

Not all of the education division's efforts to support company goals involve high technology. Some are purely developmental but still serve Andersen strategic goals.

### **Opportunities for women**

Like many high-technology companies and all the major accounting firms, Andersen Consulting and Arthur Andersen have found that their new employees have become more diverse over the last 10 years.

Larry Weinbach says, "We have policies that help make sure women have opportunity commensurate with their abilities. We approach it at a strategic level. Every group that reports to me has goals and strategies for gender diversity, and we

measure progress against them during the year."

In 1991, 36 percent of Andersen's new professional employees were women; the total number of women in the company rose to 41 percent.

That year, Catalyst, an organization that works with businesses to advocate advancement of women, presented Andersen with one its annual Catalyst awards for programs and policies that promote women's leadership.

Of particular note is a workshop called Men and Women as Colleagues, designed by Harbridge House and customized for Andersen by its own management development unit for use in local offices. Steven Bond, manager of the unit, says the workshop's objectives are to increase awareness and understanding of gender issues and their effect on people's careers and productivity. He believes that such forums legitimize discussion of gender issues and will help his company retain highly qualified women.

For the fifth consecutive year, *Working Mother* magazine has recognized Arthur Andersen and Andersen Consulting as two of the 85 best companies for working mothers. The companies' unusually responsive approach to the changing needs of its personnel includes such family benefits as child- and elder-care referral programs, dependent day-care reimbursement, maternity and parental

leave, adoption benefits, and flexible work hours for managers who are recent parents.

The organization also has adopted various forms of alternative work arrangements, such as combining days in the office with telecommuting from home. One consultant in Andersen Consulting's change-management

services group has been working part-time since having a baby last year, an arrangement that did not stand in the way of a promotion. "The company has been wonderful to me since I had the baby," she says.

"The lifestyle in Andersen Consulting is to do whatever it takes to turn out a quality product for the client. The firm is struggling with how that works for women.

"As a professional, I'm trusted to get my work done. Does that mean if I'm home with a sick baby during the week, I'll be in the office over the weekend? Yes. But I don't think the lifestyle here is any harder on women than on men."

### **New directions and training**

Andersen faces some tough challenges. "It is a real challenge to train for the changes we anticipate in information technology and all our practices," says Larry Weinbach.

"Our competitors hire the skills they need, and that may give them a short-term advantage. In general, we prefer to invest in training and developing the people we have.... Hiring experienced professionals for strategic purposes to provide necessary expertise when developing our own people is not the best answer." ■

**Patricia Galagan** is editor of Training & Development.