



IT TOOK JUST 16 MONTHS FOR KAREN MAGGIO AND A COLLEAGUE TO GET THEIR FIRM'S MANAGEMENT TRAINING PROGRAM UP AND RUNNING. THE PROGRAM HAS A LOT GOING FOR IT—A GOOD DESIGN, A CLEAR TIE TO CORPORATE GOALS, AND THE CEO FOR ITS CHAMPION. THE STORY OF ITS DEVELOPMENT TELLS HOW TO ACHIEVE THIS WINNING COMBINATION.

When the CEO Is on Your Side



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Karen Maggio, corporate director of organization development for Children's World Learning Centers, a nationwide child-care provider, thought she had died and gone to HRD heaven.

Her company had a new CEO, Duane Larson, hired from outside. Instead of having to persuade him that the child-care center directors around the country needed better training to be able to do their jobs better, she found him in complete agreement. Because of his past experience as an HRD professional, training was part of his strategy for running the business.

The story of how Children's World started a centralized management development program from scratch and had its first graduation 16 months later makes the case for these often-touted but more often ignored principles for success: tie your program to corporate goals, design it to meet real needs, and be able to demonstrate its link to performance and the bottom line.

Having a CEO with a human resources background doesn't hurt, of course, but having a program that makes business sense is even more important, according to Larson. That's what will win top management support.

That the project went from vision to completion in little over a year owes a lot to Larson's direct support. He pulled Maggio and Kim Moore, the director of educational training and development, from their regular functions to work on it "day in and day out." He made the necessary financial resources available to them, as well as extra hands.

"We made it our number-one priority," Larson says, "because I knew that until we were able to guarantee consistent service delivery in the business, we weren't going to be able to really progress. And I believe that high productivity boils down to

IN THIS ARTICLE

Securing Support for HRD, Instructional Implementation, Case Studies

a company's commitment to the training process."

It wasn't that training wasn't being offered. Children's World Learning Centers, in the child-care business for more than 20 years, had been training its field employees for some time. District managers developed and implemented training for the directors of almost 500 centers scattered across the United States. Two trainers from corporate headquarters supplemented this training, upon request, with workshops in 18 management topics.

This approach had some problems. The timing of training was haphazard. There were inconsistencies in topics, and district managers tended to train when they had time, not always when the center directors needed it.

Because CWLC's business is the care, growth, and development of kids, the company recruits center directors with strong teaching backgrounds. Most new directors are young, often only in their twenties. Few have had time to gain business management skills; even so, they run child-care centers that are in effect small businesses.

Besides handling the education program for the children attending the center, directors are responsible for food service, transportation, accounting, marketing, managing a staff of 30 to 40 people, and running a \$1 million plant.

"One of the things that troubled us," says Karen Maggio, "was that we were putting these young people in a situation where they were almost set up for failure." Not surprisingly, turnover among center directors was high—about 32 percent. While that was lower than the child-care industry average for managers, it was not acceptable to Larson.

As a new CEO in 1989, Larson

BY PATRICIA A. GALAGAN



had traveled around the country visiting Children's World centers. "It became apparent that we were providing high-quality care, but it wasn't consistent from one place to another. So my initial idea for the centralized training was to bring the same quality goals to all the centers. We wanted to create a standardized road map for them—a strategy for helping center directors learn all they had to know to run a center successfully.

"We had people leaving us because they felt they were failures at their jobs. To me that was a condemnation of the company for not giving them the kind of training they needed.

"In addition we believed it would help reduce turnover among center directors, which in turn would reduce turnover among classroom staff—a big concern of our customers, the parents of the children we care for at our community, elementary-school, and employer on-site locations."

A model for success

Larson had in his head a model for a centralized management development program. As a benchmark, he used programs at Manpower Inc., a large temporary-help firm known for its training capability. Larson had worked at Manpower for 10 years.

"I'd observed their branch manager and service rep training programs. I'd spent 10 years seeing what worked and what didn't work in centralized training for far-flung managers. And I knew there was nothing like this in the child-care industry."

Children's World's new integrated training system would have two phases. Phase one consisted of on-the-job field training that was well-timed and relevant. Subject matter and training experts developed the user-friendly training materials that became known as Management Development Series 1, or MDS 1. People who wanted to become center directors and be eligible for fur-

*Children's World CEO Duane Larson:
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process."*

ther training had to complete the package successfully. It is mostly self-paced, but it is monitored by a candidate's district manager, who can customize parts of the training if needed.

Phase two, or MDS 2, would take place at the company's new management development center in Golden, Colorado. In the fourth to sixth month on the job, a new center director would take 50 hours of instruction delivered by home-office staff trained as trainers.

To begin building the program, Maggio and Larson put together a task force of district managers and center directors. In a formal organizational analysis, they confirmed the need to reduce turnover among center directors, to deliver first-rate service to customers, and to standardize training.

The task force also laid out the key responsibilities of a Children's World Learning Center director. The results of this job analysis became the subjects of the training modules in MDS 1 and 2.

First, though, the subjects were reviewed by experts at headquar-

ters—people from accounting, data processing, and other areas in which center directors needed training. The experts developed outlines of key points for each topic. This helped separate the “have-to-knows” from the “nice-to-knows.”

“We also asked the experts to supplement their outlines with sample forms and other resources that field staff would be using. This essentially forced us to evaluate these tools, update some of them, and create new ones,” says Maggio.

With the approval of their supervisors, home-office staff auditioned for the role of trainer. Each person prepared and delivered a 15-minute presentation in his or her subject area to an audience of peers, supervisors, and training experts.

“This helped identify specific training skills to cover in our train-the-trainer sessions,” says Maggio. “We decided to go with presentation skills, instructional design, and group facilitation.”

All of the management and trainer training was developed in-house, because, according to Maggio, “off-the-shelf programs tend to be dis-

counted by our people as not being relevant to our industry. We developed all our own videos and wrote all our own training modules.”

The curriculum is laid out according to the training that a center director should take during the first week, the first month, and the first quarter on the job. Learning topics cover everything from safety and health to customer service. Directors learn to manage not just children and their teachers but maintenance workers, bus drivers, and kitchen staff. They learn how to hire and fire, how to handle payroll and benefits, and how to develop a local marketing strategy.

A second task force refined the format, packaging, content, and resources for the modules. Maggio found a packaging firm near Golden to design and produce the instructional materials. MDS 1, in particular, needed to be easily portable by the district managers, who would be taking it to their far-flung centers.

Meanwhile, the home-office staff selected to be trainers worked with a training professional to perfect their workshops, practice their training

Advice From a CEO on Selling Your Program at the Top

The HR person who makes it to the CEO slot is rare; even for Duane Larson, it was not a direct trip.

He first passed through the proving ground of operations at Manpower Inc., where the person who hired him admitted that he was “pleasantly surprised that someone with an HR and training background could move naturally into operations.”

Larson thinks HRD is “the perfect background for operations. It exposes you to people issues. It makes you accustomed to solving problems without getting any credit. It teaches you the criticality of people understanding the skills for their jobs. And it gives you background in the legal issues surrounding employer/employee relationships.

“To my mind, HR people are better choices for positions in operations than people with financial or marketing backgrounds because the hard part in managing an opera-

tions-oriented company is motivating and dealing with people. And that's exactly where HR people come from.

“What HR people sometimes lack is an ability to sell their ideas to senior management. You can't sell a program to top management unless you can quantify what it will mean to the organization. You can't propose spending money unless you can show what benefit will come from it, and the potential return on that benefit.

“My recommendation to people in HR positions is to develop the skill of comparing cost-benefit relationships, or to find someone who can help them quantify the effects of their ideas. As chief operating officer of this company, I make everybody who comes through my door with an idea tell me what it's going to cost me and what I'm going to get for it. If they can't do that, we don't put the process in motion.”

Larson acknowledges that the soft or humanistic benefits of training are harder to quantify to a CEO's satisfaction, but he gives business leaders credit for understanding the connection to results. “They can understand how training helps bond people to a company—how it helps them believe in a product or feel more confident about the delivery of a service. You may not be able to put a cost on that kind of benefit, but most leaders would trade a lot for it.”

Being the visionary leading the project, and the person signing the bills, has taught Larson to appreciate why many CEOs say no to big-ticket training efforts. “When you commit to spending \$300,000 in just 12 months, and you realize what kind of revenue you have to generate to cover it, you start having a higher level of respect for the people who said no to you in the past.”



skills, and gain confidence.

Maggio and Larson observed a number of the now-polished presentations. They decided on an early rollout to some of the task-force members and the district managers from Colorado. A field-test evaluation helped put the modules in final form.

Getting the green light

Even though Larson was the CEO, he solicited input from the parent company, ARA Services. He planned a formal presentation for the president and CEO of the Health and Education Services sector of ARA, and for ARA's chairman of the board.

The centralized management development institute at the company's headquarters in Golden, Colorado, once it was planned and costed out, had a price tag of about \$300,000 for the first year. Once it is up and running, it will cost CWLC about \$1,500 per trainee to send a director to the institute. On an ongoing basis, the company will invest about 3.5 percent of its bottom line

into training center directors each year, a number that Larson calls "pretty significant."

It was not a problem for ARA. "ARA Services is parent to 20 different businesses around the world. The top managers understand the importance of training because they are very customer oriented. Spending the money to develop the management training wasn't an issue with them. They were supportive from the beginning."

Nevertheless, Larson saw the need to make a business case for the project. He tied it to CWLC's goals of reducing employee turnover and increasing customer satisfaction. "We had a group of goals with some pretty quantitative data on each one," he says. "We knew that it cost less to train a center director than to replace one, so training that would help reduce turnover made economic sense."

"We had targets for reducing turnover among center staff and customers. It was simple to quantify the cost of hiring: advertising costs, inter-

Children's World's headquarters (above) in Golden, Colorado, is the site of its management development institute, which provides consistent training to center directors from across the country (right).

viewing time, and the cost of setting up benefits. That gave us the cost of losing one person.

"We could also compare customer turnover against staff turnover and see that customer turnover was higher in centers with high staff turnover. So we knew staff turnover had a relationship to revenue."

"Once we knew what turnover costs us and what losing clients costs us, we could stack those numbers up against the cost of putting a training program together. It wasn't even close." In the year since the training began, turnover among center directors has dropped 5 percent.

"The only drawback that we've encountered so far is that the demand for the training is greater than we expected," says Maggio.



"For the first year we've limited attendance to center directors who have been in their jobs less than seven months.

"All 500 of our current managers will take MDS 1 and 2 in the next two to three years. And we have an MDS 3 in the works.

An unplanned benefit of the MDS 1 training has been its ability to help screen candidates for the job of center director. "We're finding that it's weeding out people who aren't right for the job of center director before they actually take the job," says Maggio. Some district managers have changed their interviewing process to determine if candidates are strong enough to get through the management training.

No speedboat

If the upward sell to ARA met no resistance, the downward sell to the field managers was more of a test. "It was predictable that a corporate-driven training program would meet with some resistance in a highly autonomous and entrepreneurial

organization such as ours," says Larson.

"People in the field, running their own districts and centers, were naturally afraid that a centralized program would take away their ability to create something for themselves. But once they realized we were offering them a methodology for enhancing the company's mission, their reluctance disappeared. We all want to offer the highest-quality child care in America."

Most of the resistance from the field to the new training came while it was still under development. District managers and center directors who were not part of the task forces working on the program worried that their autonomy would be compromised by centralized training. Resistance melted slowly but surely as field staff realized this was not going to be the case.

"When you have an organization with almost 500 units spread across 21 states, you don't have a speedboat; you have an ocean liner," Larson says. "And it took us a while

to turn around. But now that people have gone through the training and found out how it helps them, they've become supporters."

Lessons learned

Karen Maggio says she has learned a lot from the last hectic 18 months.

"Very quickly I was 100 percent dedicated to the development process, and the rest of the training department had to learn to pick up the slack. I'd recommend planning for that in advance. And I think we could have used more project management to help us in the days when the program was coming together at the same time that the equipment and furniture for the center was being delivered and installed."

"But the best thing of all," explains Maggio, "is seeing the center directors walk out of here feeling that they can conquer the world. It makes us feel as though we've made a difference." ■

Patricia Galagan is editor of *Training & Development*.