

# Downturn Hits Employers and Community Colleges Hard – Successful Training Partnerships Resuming After Both Adjust

**“PREPARING FOR THE UNEXPECTED” LESSONS LEARNED ... HOPEFULLY – by Stacey Lett** Nothing teaches lessons in business better than an unexpected economic event that reveals how plans and programs work during adversity. For example, “Just-in-Time” manufacturing and its cousin Lean Manufacturing have allowed

manufacturers to operate on the edge of perfect efficiency and competitiveness. No more

warehouses for inventory and,

therefore, costs for unused floor-space; no more long lead times and production chain delays. Order in, product out.

Along comes a major economic upheaval like the Crash of 2008. Now no orders in, no need for product out. These organizations could not even fill downtime with inventory building as in past recessions; no warehouse. Decisions had to be made to just stay in the game.

Considering only costs, accounting departments directed the layoff of 30-40%, perhaps more, of the company’s skilled workforce...with the training department leading the way out the door. Manager’s assessed the damage to capacity as the dust settled. Then it becomes clear that the only person that could run these parts, or that machine, has been let go.

Sometimes there is enough knowledge, memory and experience among the survivors to figure it out. Often there is not. The “hit-and-miss” approach to follow, which runs counter to sound quality practices, proves costly as expensive equipment is damaged or marginal products produced.

Months or years later a recovery starts to take shape. The hunt begins for some of the original, experienced workers who kept the operation running at the previous successful level. Some have moved on. The organization resorts to bringing unknown individuals with unknown skill-bases into an unstructured training

environment with little or no documentation. Capacity declines further as existing workers fumble around with new workers. Sound familiar? It is pretty common, actually, as currently seen.

A 2007 study of 2046 companies performed by **Monster.com** and reported

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by **SHRM Online** found that only 4% of the respondents had what they considered a formal process of transferring “knowledge” from retiring boomers to new-hires; 29% stated they had no process but planned to have one and 44% did not have a process and had no plans to have one.

A 2010 study by **OfficeTeam** and reported in **Employee Health and Safety Today** in September, 2010 stated that 45% of those HR Managers surveyed said their top concern was training and developing employees followed by retaining top-performers and recruiting new employees.



Ken Jackson, HR Director  
Triumph Thermal Systems

We have known for years that employers rely on on-the-job training. A study in 2002 found that 70% of those employers surveyed relied on informal on-the-job training for new hourly employees; 57% relied on informal on-the-job training for hourly incumbents. These numbers are relatively the same for salary employees (**AdvanceOhio**-December, 2002).

With all of our elaborate accounting models for capital equipment and facilities, the real value of a worker is usually unknown until after they are gone. An excellent worker makes complex work

look so easy that sometimes mistaken impressions of value are formed.

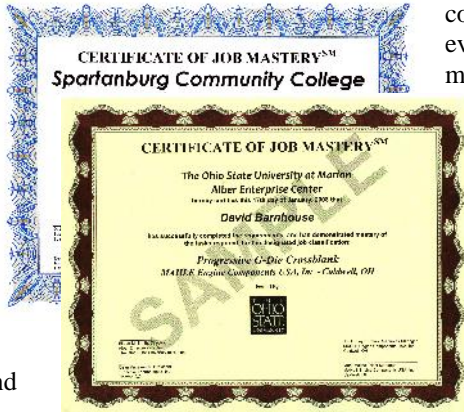
“Companies have an enormous investment in a worker to bring them to a level of recognizable value.” stated **Dean Prigelmeier, President of Proactive Technologies, Inc.** “The value is truly understood after lay-offs, voluntary separation, retirements, relocation or promotion. Having a structure in place to control, manage and maximize that value seems crucial in a competitive world.”

One visionary company is **Triumph Thermal Systems of Forest OH**, an aerospace engine components, manufacturer and FAA repair station. In 2000, **Ken Jackson, Human Resources Director**, was faced with 40% of their experienced production workers retiring in the coming year 2 years; 80% in the next 4-5 years. Proactive Technologies, Inc. was brought in by **Rich Dempsey of The Ohio State University – Lima and Frank Gibson of The Ohio State University – Marion campuses**. With occasional funding from the **state of Ohio**, each job’s best practices of task performance were analyzed by order of retirement date of its subject matter expert, then worker development programs were created and managed for, ultimately, all hourly production positions.

Being a “union shop,” the next big challenge would be the “bumping effect;” one person’s retirement leads to 4-6 people changing job classifications through seniority. The PROTECH system performed as if there was no extra load. (cont. on page 3)

**CERTIFICATE OF JOB MASTERY<sup>SM</sup> PROGRAM RAISES BAR FOR WORKER, ACCELERATES TRANSFER OF EXPERTISE AND CUTS EMPLOYER’S COSTS - by Sara Brown** – the “Certificate of Job Mastery” portfolio has become very popular with both employers and employees as a recognition of the value each employee has achieved and as an incentive for new-hires and incumbents to achieve high levels (cont. on page 3)

“Certificate” (cont. from page 2) of performance. For example, **Waldrop, Inc. of Spartanburg, SC** began implementing on-the job training in August of 2008 for 4 job classifications. Since it has had 166 new-hire and incumbent trainees, with 36 receiving certificates of job mastery. **Mahle Engine Components of Ohio**, a German-based company with more history with the approach has been participating in the CJM program with Ohio State University since 2000 at two plants for 35 job classifications and 360 workers; 63 have received CJM and 83 more are close.



The CJM program is incredibly inexpensive with high-value outcomes including a certificate from the partner educational institution. It supports ISO/TS/AS compliance and can be a fair, but robust, “pay-for-value” wage plan.

Since 2005, in South Carolina alone 25 companies have partnered with 5 community and technical colleges, with the help of some grants from **AdvanceSC (“Duke Energy”)** and the **state of SC**, in robust CJM programs of their own, some registered as US Department of Labor apprenticeships. New partner companies include: **SEW Eurodrive, Magna Drive Automotive, Cooper Standard, Lear Corporation**. Other CJM programs across the country are underway, as well.

**ILLUSTRATED TECH PROCEDURES ASSIST TRAINING, ARE A SOLID REFERENCE FOR UNIQUE PROCESSES - Mahle Engine Components of OH**, a long-time proponent of structured on-the-job training and **Bosch of Piedmont, SC** – another worldwide supplier to the auto industry - utilized one of Proactive Technologies, Inc. expanded services recently – development of illustrated technical manuals to aid in training workers and as a solid reference document for technical processes that may

be forgotten but are critically important in performance.

For Bosch, the target was their Moehwald Test Bench for transmission control module testing. Built specifically for Bosch, each bench is unique to an automobile model and are developed by a German company. Mahle needed documentation for its continuing casting line for everything from its rough mills, slitters and melting pots to the anneal, finish mills and indent/coat.

In both cases, the PROTECH methodology and software were used to document the process and develop illustrated documentation in sync with the hiring,

training, certification and performance evaluation steps of the human resource development process. Project completion was at a fraction of the expected cost.

**US DEPART. OF LABOR RECOGNIZES OJT AS VITAL TO WORKFORCE DEVELOPMENT** – Starting with DOL announcement of changes in the apprenticeship rules in 2009 to include competency-based (“on-the-job training” plus time-in-job) and hybrid apprenticeships (on-the-job training and related technical instruction with a time-in-job component) it became clear that the DOL realized that not everything of value to an employer can be taught online or in a classroom.



Don Bridgman, Production Mgr.  
Mahle Engine Components

Perhaps there was a realization of the value of advanced skills learned while employed. Regardless, grant funding services from the DOL such as the

National Emergency OJT, Workforce Investment Act (WIA) allocation guidance, and many other Employment and Training Administration (ETA) requests for proposal contain language in strong support of on-the-job training. For more information contact: [www.dol.gov/eta](http://www.dol.gov/eta) before you contact your local Workforce Investment Board (WIB).

**SMALL BUSINESS JOBS ACT OF 2010 SIGNED** – An emergency measure called the “Small Business Jobs Act of 2010,” signed by President Obama, includes a provision allowing companies to **accelerate the depreciation of capital equipment purchases to one year**. This applies to the licensed PROTECH<sup>®</sup> system of managed human resource development, with modifications to add the job and trainee data. Essentially, the employer receives a complete package to train new and current workers – **for free**.

PROTECH helps companies comply with ISO/TS/AS quality program requirements, as well as other modernization programs such as lean manufacturing and continuous improvement.

Creative companies contact, once this turnkey system to accelerate the transfer of expertise is in place, the local Workforce Investment Board (“WIB”) to determine what additional tax incentives are available for hiring workers or “up-skilling” incumbents. **For more information, contact Proactive Technologies, Inc. at [ptiunsol@aol.com](mailto:ptiunsol@aol.com).**

**“Lessons” (continued from page 2)** In November, 2003 **Parker Hannifin United Aircraft Products** announced it would sell off the division to Triumph Thermal Systems to raise cash. In response, some workers moved up retirements to “lock in benefits.” For the next year, 12 people out of 124 changed positions or were new-hires – all while a lean manufacturing was underway.

Nevertheless, the year following the buyout was the most profitable in the history of that division; the year after even better. In two year’s time that division was profitable enough to return to the new owners 100% repayment for the purchase. Since, Triumph has been in expansion mode. Pretty impressive for a two-person human resources department!