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**Special Supplement to the
 Pittsburgh Business Times**

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American Society of Training and
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SMC Business Councils

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Pennsylvania Economy
 League, Western Division

Greater Pittsburgh Chamber
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Pittsburgh Regional Alliance

Three Rivers Workforce
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Proclamation

October 16, 2001

People Do Matter

A company's – and the region's – ability to address the uncertainty of the current economic environment depend upon the talent and will of its people. Now, more than ever, people do matter.

Previously, it was the norm to attract companies with tax breaks, facilities, and other incentives. Now when companies call, they want to know if the region can provide a workforce of a certain size with reliable skills in a specialized area, and if we have capacity to support continued skill development. Similarly, it was possible for a company to hire from a surplus of skilled labor. Now businesses of all sizes must apply innovative solutions to attract, develop, and retain a skilled workforce.

I congratulate the companies recognized by this year's People Do Matter award. Their innovations in attracting, developing, and retaining talent exemplify the change in practice required to ensure success in a turbulent economic environment. Sharing their "lessons learned" with other companies -- and regional workforce and economic development professionals – will contribute greatly to our region's success.

Sincerely,
Jim Roddey
Allegheny County Chief Executive

About the Award

To meet the challenges of a global, knowledge-based economy, leading edge companies are actively seeking ways of leveraging their “human capital” to develop a strategic advantage. Roles and responsibilities are in flux as companies explore new ways of building and leveraging talent. The collective efforts to accelerate recruiting, optimize learning and development activities, measure and appraise performance, and more productively manage an array of administrative tasks associated with people reflect a common theme: people do matter.

Last year, the Pittsburgh Human Resources Association, the Pittsburgh Technology Council, SMC Business Councils, the Pittsburgh Chapter of the American Society for Training and Development, the Community College of Allegheny County, and Workforce Connections mobilized to create the People Do Matter initiative. This initiative recognizes regional employers whose human resource practices best demonstrate the importance of investing in people and, in the process, engages local companies to evaluate their recruitment and retention practices.

A number of additional partners and sponsors joined with the founding partners to support this year’s initiative. They include the Allegheny Conference on Community Development, Pennsylvania Economy League --Western Division, Greater Pittsburgh Chamber of Commerce, Pittsburgh Regional Alliance, Three Rivers Workforce Investment Board, and the Pittsburgh Business Times.

Between June 1, 2001 and September 7, 2001, over 35 nominations for this year’s awards were received from businesses throughout Southwest Pennsylvania (Allegheny, Armstrong, Beaver, Bedford, Butler, Cambria, Fayette, Greene, Indiana, Lawrence, Somerset, Washington, and Westmoreland counties). A panel of human resources experts had the difficult challenge of reviewing the nominations and scoring each on the basis of innovation, results, and ability to be replicated. In a meeting held to review scores and discuss the nominations, the judges zeroed in on two factors as critically important to final selections: a nomination’s overall score and its innovation score.

In the end, eight companies were recognized for their human resources innovation in three areas:

- **People**, which recognizes employers that have adopted new approaches to recruitment, innovative compensation and recognition practices, or pioneered efforts to promote work/life balance,
- **Work Structures and Processes**, which recognizes employers with innovative strategies to communicate vision and strategy throughout the organization, align processes and systems with culture and business strategy, adapt to technological change, or harness high involvement to drive change, and
- **Learning and Development**, which recognizes employers that link learning with business strategy, measure and value the firm’s investment in learning, leverage intellectual capital, or implement new approaches to training and learning.

The eight companies will be honored at an early morning awards ceremony at the Pittsburgh Human Resources Association (PHRA) annual conference on Tuesday, October 16th. The ceremony is the first item on the conference agenda, and is scheduled from 7:45 to 8:15 AM at the Hilton Towers in downtown Pittsburgh. They will also share their lessons learned in a moderated panel discussion as part of the conference. The interactive panel is scheduled

from 9:45 to 11:00 AM. The eight companies will each received a framed certificate of recognition, as well as a \$500 IOU to use toward any other people development activity.

In addition to the media coverage in this supplement to the Pittsburgh Business Times, the firms will be highlighted in articles in program partner's (e.g., Pittsburgh Technology Council, SMC Business Councils) publications. Over the course of the year, recognized companies will also be invited to participate in other educational activities designed to help other companies learn from their experience.

Stephen M. Mitchell
Director, Workforce Connections
People Do Matter Review Committee

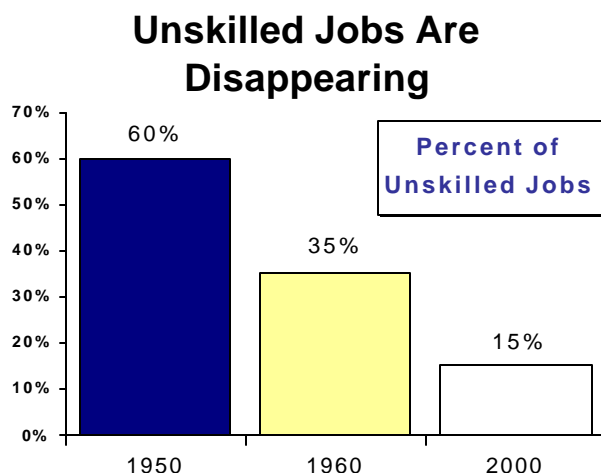
Partnerships

The Key to Mastering Workforce Demands in a Changing Economy

The economic environment in which companies compete today is vastly different than it was one month ago, let alone 15 years ago. Industries and local economies are undergoing massive restructuring. The pressure for change is continuing and accelerating. Change is reshaping how companies organize their workplace and manage and train their employees. Community organizer, Saul Alinsky, described change as the creator of movement and friction. Today's economic environment is filled with this friction and the evidence of this conflict is apparent in efforts to match people and jobs.

In the past 15 years, the demand for skilled people has increased dramatically. In 1960 approximately 60% of all jobs were "unskilled." Today, only 15% of jobs are "unskilled." (See Graph 1)

Graph 1



Source: National Institute of Standards and Technology, 2000

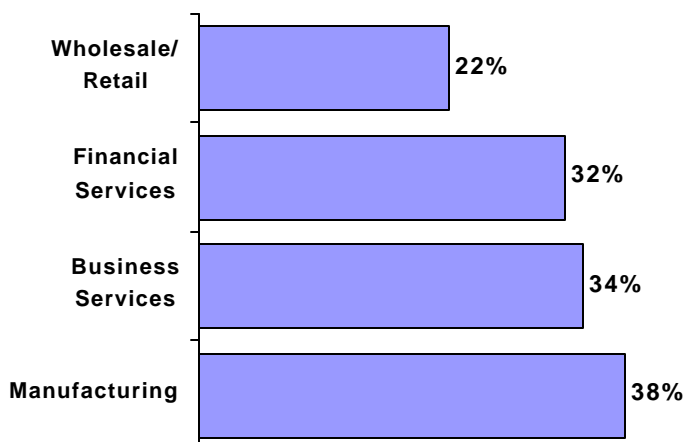
Department of Labor economists predict that by 2005, more than 95% of jobs will require some education beyond high school. Yet, when we look at local educational data, we find that little more than half of people ages 25 and older in our region have no more than a high school education.

Recent data released by the Employment Policy Foundation (EPF) shows that the labor market continues to place a premium on education and skills. According to the EPF, jobs for college graduates over age 25 increased by 130,000 in September. For workers with some college education, jobs increased by 289,000. That compares to a 168,000 decline in jobs for workers with a high school education or less.

This means that while the demand for skills is increasing, our current workforce lacks the required skills. Employers in all sectors are reporting that a significant proportion of job applicants lack "functional workplace literacy" -- the ability to read instructions, write reports, and/or do arithmetic at a level adequate to perform common workplace tasks. (See Graph 2)

Graph 2

Job Applicants Lacking Skills for Position



SOURCE: 2001 AMA Survey on Workplace Testing

When you look at specific industries – the picture gets even worse. Manufacturing is a critical industry for Southwestern PA. There are over 3,400 manufacturing establishments, employing over 145,000 people, with a regional payroll of \$6.4 million in this region. Southwestern PA manufacturers are actually adding jobs at a faster rate than the nation (4.3% growth in Southwest PA vs. 1.2% nationally). But the industry is threatened by a shortage of skilled workers. Data from a 2001 survey of local business reveal that it takes Southwest PA manufacturers, on average, five months to find experienced people to fill vacant manufacturing jobs. Now, consider that industry experts project that 25,000 experienced manufacturing employees will retire in the next 10 years. The industry cannot survive without skilled people to fill these jobs.

So why should *you* care about the struggle to find skilled people? The presence of skilled people is not a regional luxury. It is a necessity. Economic development opportunities depend upon the skills of the regional workforce. Attracting and developing businesses is inextricably linked to the ability to attract, develop and retain talented people.

The cultivation of a skilled workforce is not a K-12 problem or an employer problem – it is a community responsibility. Initiatives such as “People Do Matter” highlight the employer’s role in developing a skilled regional workforce. Learn from their lessons – many of these initiatives utilized partnerships.

In some cases, partnerships are internal. (Luttner Financial Group’s use of multi-disciplinary teams shows that creative collaboration can break down “silo thinking”.) Other partnerships take the form of employer coalitions. (The Pittsburgh Technical Institute led the development of such a coalition to meet shared education and training needs.) Company-community partnerships have also demonstrated success. School-to-Work initiatives, apprenticeship programs and outreach initiatives, such as those created by Penn United, link schools and employers to build a pipeline of skilled people. Finally, some partnerships extend to community-based organizations that are uniquely skilled at helping employers meet the diverse needs of today’s workforce. (Mellon’s ESL initiative and Sony’s America’s Promise endeavor are such examples.)

Coping with the changing economy is no easy task, especially when we are simultaneously experiencing unparalleled opportunities and unprecedented uncertainty. Perhaps Edward Deming said it best, "It is not necessary to change. Survival is not mandatory." But you don't have to do it alone. As this year's "People Do Matter" winners have shown, partnerships are a vehicle for change.

Vanessa Lund
Policy Analyst, Workforce Connections
Contributor, Human Capital Policy Initiative

People Do Matter Q & A

How are People Do Matter winners selected?

To qualify for this initiative, companies must be located in Southwest Pennsylvania (Allegheny, Armstrong, Beaver, Bedford, Butler, Cambria, Fayette, Greene, Indiana, Lawrence, Somerset, Washington and Westmoreland Counties).

Thirty-five nominations for this year's awards were received from businesses throughout Southwest Pennsylvania. A panel of human resources experts had the difficult challenge of reviewing the nominations and scoring each on the basis of innovation, results, and ability to be replicated. In a meeting held to review scores and discuss the nominations, the judges zeroed in on two factors as critically important to final selections: a nomination's overall score and its innovation score.

What makes an initiative "innovative"?

"Innovation" refers to finding a new, unique, or creative approach to a problem. The review committee considered each nomination in context. While some interventions are not entirely unique, they may have been selected because they are new for the Pittsburgh region or for the industry.

Is this the same as a "best places to work" award?

Many of our winners pride themselves as being "employers of choice." Of course, we believe that having innovative HR practices is an important part of creating a great workplace. However, this program does not specifically aim to recognize best places to work.

Were there themes among the winners?

Nearly all of this year's winners relied upon collaboration to succeed. In some cases the collaboration was in the form of teams (e.g., Luttner Financial Group, Medrad, FedEx Ground.) In other cases, companies partnered with community agencies (Sony, Penn United, Mellon). In one case, the collaboration occurred with other employers in the geographic area (Pittsburgh Technical Institute).

A few of this year's winners praised the pilot test process. These companies broke down their programs into small, achievable steps so that they could adapt their plan as each component was tested, and eventually take a more successful model to scale. (FedEx Ground, Mellon)

What can non-HR professionals learn from these initiatives?

Two important themes were evident this year and last. First, the most successful human resource initiatives are connected to the company's larger business strategy. For many of the winning companies, finding, keeping and cultivating a highly skilled technical workforce isn't just an HR issue, it's a business survival issue.

The second, related, theme is that the support of leadership is critical. Leadership has the power to articulate vision, encourage cooperation and facilitate linkages. Most importantly, leadership buy-in sends the message that people are a priority.

What does this all mean for my company?

This supplement should be used as a tool. Read the about the winning initiatives. Each story highlights a business challenge, solution, results and lessons learned. Think about what you've learned. Do you experience similar business challenges? Would these solutions help? Have you solved a similar problem with an innovative solution?

Of course, after you've analyzed the results of this year's initiative and adapted the lessons to solve your business challenge; you'll want to let us know about your success. Please share your innovation with us by nominating your company for the 2002 initiative.

How can I learn more?

Additional information about "People Do Matter" is available online at www.peopledomatter.com. If you would like to be included on the mailing list for information about the 2002 award, call Workforce Connections at 412-471-1477 or e-mail vlund@accdpel.org.

Recognized Initiatives

Learning & Development

Bombardier Transportation

Retaining Key Talent with Strategic Learning and Development Investments

Bombardier Transportation is a world leader in the design, engineering and supply of complete transportation systems and services. Offering the widest range of transportation technologies in the industry -- from large-scale urban transit systems to airport people movers, Bombardier also works in partnership with local civil contractors and suppliers to provide complete systems solutions to meet the requirements of each customer.

To meet performance goals, Bombardier Transportation needed to attract and retain a highly skilled workforce. In addition, the company needed to convince employees and managers to invest in the skills of the current workforce so that individuals maintain their competitive edge and prepare for advancement within the company.

To address company and employee training goals, the Performance and Development Department (P&D) created a comprehensive initiative that made training a part of the organization's strategic planning and career development programs. This endeavor links training to job performance and career development opportunities.

Bombardier's training program includes six key components:

1. Internal and external training based on a formal survey and needs analysis;
2. Formal mentoring program;
3. Formal career path with specific training requirements for non-exempt employees;
4. Tuition reimbursement program;
5. Electronic tech certificate in conjunction with Community College of Allegheny County; and
6. In-house certification programs (i.e., professional engineer, certified purchasing management).

As they designed this initiative, Bombardier's P&D staff carefully analyzed company business processes to create a highly efficient and effective solution. For example, the use of electronic formats for training requests and "Quality Action Requests" allows the organization to analyze individual, departmental and organizational competencies and develop appropriate interventions.

The creation and implementation of a comprehensive training and career development program is not an inexpensive endeavor. The team sought workforce development grants to support their activities. By carefully researching these opportunities, Bombardier was able to access funding to meet specific training needs in key areas such as software engineering, purchasing, program management, and manufacturing.

The creation of a training program is not an end for Bombardier, but a beginning. The P&D Department continues to monitor success through Quality Action requests, a feedback reporting mechanism.

When asked to share suggestions for other companies considering similar learning and development interventions, Bombardier made the following recommendations:

- Enlist support of upper and mid-level managers for training goals;

- Conduct a thorough needs analysis and focus training on performance improvements to increase productivity;
- Monitor and track training closely to ensure that needs are met;
- Accurately track training to provide employees with advancement and reassignment opportunities based on their upgraded skill; and
- Apply for training grants to control costs.

Bombardier Transportation's intervention is unique in that it links all areas of training to strategic business goals and individual employee advancement opportunities. By tying training to the annual performance review process, both managers and employees are accountable for having training goals met.

The development of a training program that meets the needs of the corporation and individuals has enabled Bombardier to maintain a highly skilled workforce and dramatically reduce turnover. Bombardier's William White explains, "Knowing that they can advance within the company, technically skilled workers are less likely to shop around for employment at higher salary at another firm, which results in decreased turnover."

Bombardier Transportation

Carmen Grosse

1501 Lebanon Church Rd

Pittsburgh PA 15236-1491

412 655-5712

www.transportation.bombardier.com

Product/Service: rail transportation/airport people movers/propulsion equipment

Number of Employees: 37,000 (worldwide), 1,600 (Southwest PA)

Most Recent Sales/Revenue Figures: \$5.5 Billion

Penn United Technology, Inc.

Building a Pipeline of Skilled People with Learning and Development Investments

Established in 1971, Penn United Technology has grown from a small tool-and-die shop to a major area employer with more than 570 employees. Penn United offers a range of industrial services and products including plating, carbide preforms, heavy stamping services and precision assembly of final products.

Penn United is a leader in the precision tool and die industry. As such, the company keeps an eye on trends. In recent years, Penn United noticed an alarming trend. People, particularly young people, lacked an understanding of the manufacturing industry. Youth failed to recognize that the tool and die industry could provide a meaningful and opportunity-rich career path. Penn United leadership understood that in the long-run, this awareness issue would adversely impact the company's ability to grow.

Penn United realized that this awareness and image problem could be repositioned as an opportunity. It could demonstrate that the precision tool-and-die industry offers significant career opportunities and that in this field, Penn United is an employer-of-choice. To this end, Penn United made significant marketing, education and training investments. These investments included:

- Demonstrating a commitment to the PA School to Work and Workforce Development Programs by dedicating the staff time of Penn United's Director of Training;
- Developing cooperative education programs with local Vocational-Technical schools, including Lenape Vo-Tech and Butler Vo-Tech;
- Working in cooperation with Kettering University's Engineering program in Flint, Michigan;
- Visiting local high schools in the surrounding area to present and share information on the tool-and-die field and the benefits of employment at Penn United;
- Establishing the Learning Institute for the Growth of High Technology (L.I.G.H.T.) to train Penn United apprentices in nine different state approved programs, as well as providing education to paying students outside of Penn United; and
- Working with Penn State University to make a machining recruiting film, "Ride of a Lifetime" which targets high school students.

From the start of the company 30 years ago, Carl Jones, Penn United's President and CEO, recognized that quality people will make the difference in the company and the company's product. Penn United believes that people will do their best because they believe in what they do and being an employee-owner of Penn United, they have a personal investment in the success of the company. It looks like the investment has paid off. From 1999 to 2000, Penn United gained 104 people and \$10 million in additional revenue.

Educating people about the tool and die industry and how they can have an exciting career at Penn United has greatly enhanced the number of and the quality of the company's applicant pool. Providing in-house training has ensured customized, high caliber training. Of course, Penn United also pays attention to retaining these highly qualified employees by providing financial incentives (such as competitive pay and excellent benefits) and "softer" benefits such as employee sponsored recognition and fellowship events.

Penn United's focus and concern for the employee as an individual has been paramount to the company's success. Penn United aims to recruit the best people, provide excellent benefits to meet their needs, and provide an enjoyable workplace for them to earn a living.

Penn United Technology, Inc.
Jim Ferguson
Human Resource Manager
PO Box 399
Saxonburg PA 16056
724-352-1507
www.pennunited.com
Product/Service: precision tool and die manufacturer
Number of Employees: 650 (2000)
Number of HR Employees: 4
Most Recent Sales/Revenue Figures: \$70 Million (2000)

Pittsburgh Technical Institute

Employer Alliance Meets Shared Educational Needs

Pittsburgh Technical Institute (PTI) is a private, co-educational, two-year Technical Institute that provides professional career education at the Associate Degree level. Founded in 1946, PTI provides non-traditional, professionally oriented, highly technical studies leading to a two-year, Associate in Specialized Technology Degree or Associate in Specialized Business Degree.

As part of the process to obtain Middle States Association accreditation, the nationally accredited Pittsburgh Technical Institute (PTI) decided to facilitate an upgrade of faculty and staff degree credentials. However, the advanced degree training that was required was costly, time-intensive and inconvenient. Moreover, PTI had no training and development plan in place for all personnel (faculty and staff). PTI's Coordinator of Training and Development, Susan Polick, explains, "As a small organization, we were challenged to design a cost-effective program that could bring in quality trainers to serve a small number of employees."

PTI needed to find convenient, accelerated and cost-effective options for degree completion and ongoing training and development. Bringing in quality instructors and trainers on a regular basis would not fit into PTI's budget. The solution? PTI led the effort to form an alliance of similarly challenged companies in the Airport Corridor region.

The Airport Corridor Alliance (ACA) consists of eighteen companies, including PTI, that are all located in the airport area and have experienced the same problem finding affordable training. Although PTI is an education and training provider, the Alliance is not aimed at selling PTI services. The mission of the alliance is to deliver high quality, affordable training to Alliance members. The Alliance operates as an independent non-profit institution. To cover administrative costs such as the web-site (www.airportcorridoralliance.org) and mailings, Alliance members contribute modest annual dues of \$25 per year. Membership allows members' employees to participate in training as often or as little as they like. The cost per participant is the cost of the trainer divided by the number of participants. Thus each company pays only for the number of their employees in each program.

The creation of ACA has allowed PTI to deliver training to their employees that they might not otherwise be able to afford. For example, PTI is now delivering a Professional Enhancement Program (PEP) consisting of:

1. A professional skills program;
2. A supervisor certificate program; and
3. A leadership development program.

While the classes were designed to meet the needs of PTI, they are also open to all ACA member companies' employees.

PTI found that using a traditional model of continuing education tuition reimbursement would not be cost effective, timely or convenient. By forming cohorts of employees, PTI saved money and made the whole process easier. PTI's innovation reached beyond the walls of their organization and resulted in an ongoing partnership between organizations with shared needs.

Pittsburgh Technical Institute
Susan Polick

Coordinator of Training and Development

1111 McKee Road

Oakdale PA 15071

412-809-5213

<http://www.pti-tec.com>

<http://www.airportcorridoralliance.com>

Product/Service: Technical Education

Number of Employees (Total): 300--North Fayette, 40--Pittsburgh

Number of HR Employees: Training and Development is a division of the Teaching and Learning Center at PTL . The Coordinator of Training and Development handles training and development and continuing education activities.

Most Recent Sales/Revenue Figures: \$21,150,000.00

People

Medrad, Inc.

Competency-Focus Attracts and Retains Top Talent

Medrad, Inc. is a worldwide leading provider of medical devices and services that enable and enhance imaging procedures of the human body. A subsidiary of Schering AG, Germany, Medrad is a worldwide leader in the sales of vascular injection systems and serves an international array of hospitals and medical imaging centers.

With a 15% average annual growth rate, the Medrad is constantly challenged to find the right people with the right skills. For a "qualified" employee not only has the required *technical skills*, but the *behavioral competencies* consistent with the corporate culture that has fueled the company's success.

To address their recruitment and retention challenge, Medrad identified three components of a successful program:

1. The identification and development of core behavioral competencies;
2. Internal positions opportunities (IPO); and
3. Employee satisfaction surveys.

To ensure that new hires have the intrinsic skills needed to contribute to Medrad's team-based culture, Medrad has developed a list of eight core behavioral competencies for potential employees. According to Gary Bucciarelli, Medrad's VP of Human Resources, "Technical skills are important, but we also believe that an individual's mindset is an equal factor in his or her performance and personal satisfaction." As a consequence, core competencies are nurtured throughout the entire employee experience. This begins with the rating of all employees on their core competencies. Second, new employees go through Performance Management (PM) training which demonstrates how core competencies are used in establishing individual development plans and objectives for current employees. Finally, core behavioral competencies are reinforced through a variety of training and mentoring venues, including management skills training, technical skills training and formal/informal mentoring programs.

Once employees with the technical and competency skills are brought on-board, retention is essential. Employees are openly encouraged to pursue career-building opportunities within the company. Medrad's IPO process is a very visible reminder of the company's commitment to advancing its current employees. Positions are posted on the intranet, at Medrad locations and in a monthly staffing report e-mailed to all employees. In 2000, 41% of positions were filled by current Medrad employees.

Measurement is also an important component of the Medrad process. To measure employer well being and to identify areas for improvement, the company conducts a bi-annual employee satisfaction study. Though the goals of the survey are conventional, the priority placed on getting, analyzing, sharing and acting on employee input is exceptional. "Employees know that their input will lead to tangible change, and so they put time and thought into the survey," said Bucciarelli.

Medrad has carefully measured the results of its interventions. In addition to achieving very favorable response rates from employees, the company has maintained a low turnover rate. Moreover, they have seen improvement in the effectiveness of their processes, the commitment and understanding of employees, employee job satisfaction and employee

satisfaction with supervisors and the company. These results indicate that the company is successfully recruiting the right candidates for the job, retaining employees and sustaining the culture.

These programs were developed with input from cross-functional teams, and as a result are viewed as Medrad programs, not HR programs. Employees trust the integrity of the programs and they have become part of a common language across functions, levels and borders.

This company-wide adoption reflects the very corporate culture these programs were designed to preserve. They are a means to a vital end: creating an environment where every employee is a valued contributor, and has the opportunity to reach his or her fullest potential.

Medrad, Inc.
Gary Bucciarelli
Vice President, Human Resources
One Medrad Drive
Indianola, PA 15051
412-767-2400
www.medrad.com
Product/Service: Medical imaging devices
Number of Employees: 1,100 worldwide, 800 Pittsburgh
Number of HR Employees: Pittsburgh 20
Most Recent Sales/Revenue Figures: \$190 million (2000)

Mellon Financial Corporation***Integrating Targetted Recruitment Strategy with Specialized Learning Initiative***

Mellon Financial Corporation is a global financial services company. Headquartered in Pittsburgh, Mellon is one of the world's leading providers of asset management, trust, custody, benefits consulting and administration, shareholder services and cash management, and offers a comprehensive array of financial services for affluent individuals, institutions and corporations.

Addressing the challenge of a tight labor market, Mellon provides opportunities for non-native English speakers. In fact, Mellon employs the largest number of refugees in the region, with most of these workers population employed in Mellon Global Cash Management (GCM) operations. While this group's managers routinely comment on the solid work ethic and performance of these employees, the language barriers that exist sometimes create challenges in the work environment. Although most of Mellon's non-native workforce possess basic knowledge of the English language, many lack the conversational skills necessary to progress within the corporation.

Mellon leadership believed that by providing basic conversational English language training, they could improve these employees' capabilities and increase their promotional opportunities. Through collaboration with one of its community partners, Jewish Family and Children's Services, Mellon implemented its English as a Second Language (ESL) Program.

Jewish Family and Children's Services created a customized program for Mellon that focused on listening, speaking, and writing skills. This program consists of multiple classes, allowing employees of various shifts to choose the most convenient opportunity for them.

Learning is an ongoing process. Mellon's ESL classes were designed to offer two components to facilitate this process. First, Mellon provides an uninterrupted program of general, "everyday English" language training to increase conversational ability and comfort among employees. Course material includes lessons on American customs in the workplace, following/giving instructions, handling difficult problems, telephone etiquette, American slang/idioms in the workplace and current events. Second, the corporation repeats a 12-week cycle of "Mellon-Talk." This component is aimed at improving communications between non-native English speaking employees and their managers and co-workers. "Mellon-Talk" course material includes lessons on asking questions, verifying understanding of job tasks, completing Mellon's time cards, understanding benefits, understanding pay-stubs, and job-specific vocabulary.

To ensure continuous improvement, Mellon managers are encouraged to make suggestions and requests for specific material to be covered in the program. Lida Burke, Workforce Development Specialist at Mellon succinctly explained the ongoing challenge: "Curriculum is forever a work in progress."

In addition to implementing a very thorough curriculum, Mellon integrated its ESL program with other human resource initiatives. For example, ESL participants are encouraged to advance their careers within the corporation through the Career Opportunities Program and the Tuition Assistance Program.

Burke points out that Mellon has learned many valuable lessons in the course of implementing this initiative. One of the first lessons was the value of pilot programs. "The Pilot Program allowed us the opportunity to test and evaluate every element of the Program in a short amount of time. By the end of the 12-week pilot, we were able to ascertain information and data to answer the majority of our questions and concerns and understand which issues we needed to examine further."

Another important lesson, was the return-on-investment that people investments produce. Burke, "Not only do we feel that we have enhanced employee skills, but we feel we have gained a more loyal and dedicated work group. Our retention rate regarding students in the ESL program is outstanding."

Informal and formal evaluations from employees at various levels have commended Mellon's ESL initiative. The program has improved employees' customer service skills, self-confidence, interest in learning opportunities and corporate commitment. Data from the organization's job performance management system has quantified the success of the program. In addition to the movement of some program participants into benefits-eligible salaried positions, the majority of them have benefitted from merit increases since the conclusion of the pilot program with others receiving significant job promotions.

Mellon Financial Corporation
Lida Burke
Workforce Development Specialist
500 Ross Street
Pittsburgh PA 15262-0001
412-234-3347
www.mellon.com
Product/Service: financial services
Number of Employees (Total): 26,000 worldwide / 9,000 Pittsburgh
Number of HR Employees: 200 Pittsburgh
Most Recent Sales/Revenue Figures: \$2.8 Trillion in assets under management, administration or custody (or approx \$46 million in assets)

Sony Technology Center – Pittsburgh (STC-P)
Slowdown Turns into a Community Opportunity

The Sony Technology Center – Pittsburgh (STC-P) is a television and television component manufacturing facility that produces large-screen, rear projection and direct view television sets. A vertically integrated television manufacturing facility, STC-P is home to Sony Electronics, American Video Glass Company and Sony Chemicals Corporation of America.

At the end of the last fiscal year, Sony, like many other local companies, was faced with a slowing economy. This caused many divisions to modify production schedules in order to better position the company for the remainder of the year. However, Sony was faced with a significant challenge, “How does the company begin to deal with the slowing economy without adversely impacting employees?”

Sony decided the best way to deal with the slowing economy and the downstream effects on production would be to offer employees, whom Sony calls Company Members, some alternatives to working non-production days or taking vacation or personal time. The alternative was to give Company Members an opportunity to volunteer at a non-profit America’s Promise approved agency. By volunteering for America’s Promise, Company Members would get paid for up to 16 hours of volunteer time.

America’s Promise strives to fulfill five promises for young people: 1. Ongoing relationships with caring adults in their lives; 2. Safe places with structured activities during non-school hours; 3. Healthy start and future; 4. Marketable skills through effective education; and 5. Opportunities to give back through community service.

Sony’s Corporate Communications & Public Affairs (CCPA) Department worked with the United Way of Westmoreland County to identify agencies to participate in the program. These agencies provided opportunities that would fit into Company Members’ shifts and geographic locations. CCPA and the site’s Human Resources department then developed a system to implement, administer and track the program. At its conclusion, more than 100 STC-P Company members contributed over 1,600 hours of time to non-profit and community organizations in Westmoreland and Fayette Counties.

Although the concentrated effort for America’s Promise has ended, overall participation in the America’s Promise program has increased. This initiative helped to raise awareness and motivated Sony’s Company Members to volunteer for non-profit organizations. In addition, STC-P has been able to form stronger bonds with the agencies that serve the community and has made an important investment in the region’s youth.

Sony received positive feedback from this initiative. One Company Member sent an e-mail to Chuck Gregory, site president, thanking him for providing the America’s Promise opportunity. In a letter to the company, one agency representative said, “You should be proud to have employees with the work ethic and professionalism that these two men (who volunteered at our facility) showed.”

When Sony began the America’s Promise program, they did not anticipate the level of interest and participation that they eventually received. Through this program Sony was able to help preserve the financial stability of Company Members and make a significant investment in the community.

Sony Technology Center – Pittsburgh (STC-P)

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www.sony.com
Product/Service: Television manufacturing
Number of Employees: 3,000
Number of HR Employees: 35

Work Structures and Processes

FedEx Ground

Web-Enabled Business Process Helps FedEx Ground Deliver

A Pittsburgh-based company, FedEx Ground is North America's second-largest ground carrier for business-to business small-package delivery. FedEx Ground prides itself on its ability to treat small-package shipping as an important business function, and to provide competitive pricing with value-added technology (e.g., bar code scanning, en route tracking, and automated package sorting).

Because of the company's rapid growth, members of the Human Resources department found that their daily processes were becoming increasingly inefficient. Manual employment applications, paper paystubs, W4 forms, enrollment data and direct deposit paperwork filled in-boxes. Staff resources were devoted to manually entering data into information systems. Ironically, a company known for its efficient delivery process was struggling to deal with an internal roadblock.

FedEx Ground leadership believed that adopting an electronic human resources management system could address their work process dilemma. The initiative, named "Project Millennium" was designed to move from manual, paper-driven processes to a web-enabled strategy. The goals of the project were to enhance communications, streamline processes, and eliminate excess paperflow. The project's key goal became its slogan, "Nothing but Net." FedEx Ground wanted employees to have web access to as many HR processes as possible.

While migrating to web-based processes sounded like a great idea, FedEx Ground leaders knew it would be a challenging venture. One of the first steps was to increase employee comfort with the new medium – the Internet. To do this, the HR department introduced part one of the project in phases, some of which ran concurrently. A project team consisting of members from human resources, PC support, information technology, payroll, field operations, security and outside vendors moved the project forward

Part I of Project Millenium was a seven phase process:

1. Phase I consisted of the design, piloting and rollout of an online employment application for the hourly workforce.
2. In Phase II, the employee Internet and Intranet were designed. These sites provide employee access to personal, benefits-related information 24 hours a day, 7 days a week. Focus groups and an Internet lab were used to establish an internal HR brand identity encompassing all HR-related communications.
3. The third phase introduced the employee Internet/Intranet and concept of "employee self-service." Self-service provides employees the functionality to change their address, W4 and personal information online. To encourage participation, the process was introduced through a contest. Prizes, such as DVDs and Palm Pilots, were used as cost-effective, behavior-changing incentives.
4. Implementation of the first online employee attitude survey comprised the fourth phase. The initial survey established a base line from which the company could measure progress. The survey also provided data on Internet utilization. The second attitude survey was run six months later and will be repeated annually.
5. Phase V saw the implementation of the online benefits enrollment component.
6. In Phase VI, electronic paystubs and electronic direct deposit changes were rolled out.

7. Finally, Phase VII focused on the fine-tuning of the HR Internet/Intranet page and the implementation of an additional site for the hourly workforce and a "toolkit" for Managers. This is a resource that provides managers with up-to-date electronic versions of recruiting, policy, and compensation materials.

In implementing this initiative, FedEx Ground found that pilot testing pays off. For example, the electronic job application process was piloted at a FedEx Ground hub and revised prior to introducing it to other facilities. Even throughout rollout, there were opportunities for feedback and revisions.

The results of Project Millenium have been impressive. Through the HR Internet/Intranet site, employees now have 24-7 access to their personal information. Not only do the employees have better access, the HR department has improved information. One unintended, but welcome, consequence of the program has been an increase in the interest shown by employees in the accuracy of their personnel records.

Participation in HR initiatives has also increased. The response rate for an employee attitudes survey was 95.5 percent. Participation in the organization's first electronic online benefits enrollment program was also impressive.

What are the secrets of FedEx Ground's success? "Teams, prioritizing and piloting," says Cathy Hoferka, manager of human resources information systems. "Through this process we've learned that you need to use a team approach and elicit feedback from all parts of the organization."

Feedback from those teams helped Project Millenium adapt and succeed. Since the implementation of this initiative proceeded in phases, the organization was able to test, troubleshoot, revise and retest. This planned process, supported by communications strategies along with milestone goals and rewards, evolved to better meet the desired goal.

This is clearly a project Hoferka suggests for other companies, as long as they have a clearly defined goal and can stay on course.

"If I were advising someone else on a similar project I'd tell them to keep their goal in mind and to ignore naysayers," she said. "You need to plan and communicate as early as possible, to get buy-in from all involved and keep the project team informed of all that goes on."

FedEx Ground
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Director, Human Resources
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www.FedEx Ground.com

Product/Service: Small Package Delivery

Number of Employees (Total): Total FedEx Ground 25,343 Pittsburgh HQ almost 1,700

Number of HR Employees: PGH HQ 40

Most Recent Sales/Revenue Figures: FedEx Ground 2.2 Billion FedEx Ground Corp 20 Billion

Luttner Financial Group, Ltd.***Financial Services Firm Breaks with Industry Tradition and Adopts Multi-Disciplinary Team Model***

Luttner Financial Group, Ltd. (LFG) was founded in 1969 by Earl J. Luttner, CLU. Initially specializing in the areas of insurance and qualified retirement plans, LFG has grown to be a full service financial and benefit planning organization.

In the Pittsburgh financial service arena, competition is abundant. Luttner Financial Group, a full service financial and benefit planning organization, recognized that finding, retaining and developing top talent would give the company the competitive edge. While the company had already attracted some of the region's top talent to the firm, it sought more diversity in its intellectual capital to ensure growth. The solution: self-managed, multi-disciplinary teams.

Historically, the financial services industry is not known for teamwork. Kimberly Manns, Vice President at Luttner explains, "In our industry, it is extremely innovative to work in teams. In fact, it's unheard of." People are often hired for their self-reliance, persuasiveness, and tenacity, while traits that would be attributed to a good team member would be secondary

While applying a "team of specialists" model to the Luttner Financial Group organization would be challenging, Luttner felt that the model would allow each team member to focus on their area of expertise and their unique abilities, thus increasing job satisfaction and productivity and more importantly provide the highest value to the clients. With 65% of their time spent on their area of expertise focus, 20% of the associates' time was made available to learn a new skill set and/or master a specialized process or knowledge base. The final 15% time allocation was utilized in the area of developing and maintaining the sense of community that comes from a well-functioning and self-managing team.

To begin their initiative, Luttner's senior management team held intensive quarterly meetings to clarify the three year vision, identify the objectives for the business quarter, define the needed infrastructure, and assign obstacle-removal responsibilities. It was early on in these planning meetings that the full scope of training and development needs were illuminated. First, each team would need to know and understand the same financial planning process so that clients could interface with any team member and get a consistent message. Second, each team would need to have a shared vision, shared syntax, and shared system to enable their sustainability. Third, maintaining a team after the initial "forming" phase would require outside expertise. Finally, conflict arising from this cultural change initiative would need to be addressed. Again, outside expertise would be used to address these challenges.

Implementing this initiative required determination. The company's CEO, Earl J. Luttner, CLU remarked that the turmoil of building this model made the year 2000 the hardest year he ever had in the business. Luttner staff say that they knew that the program would be a challenge but were not prepared for sustained energy level it required. Roles and expectations constantly needed to be communicated, updated, and tweaked. Like any cultural change, the process is difficult, but necessary for growth. According to Mr. Luttner, the pain was worth it. "We'd do it all over again in a minute."

In the face of cultural, leadership, compensation, and developmental barriers; successfully adopting a team model is a true innovation. Luttner Financial Groups effort has been so effective that team leaders are even investing their personal resources into the continued development of the teams. Manns explains, "As the result of one of our team leaders hiring (out-of his own pocket) a Life Coach, attendees have committed to work on areas of their

life such as spiritual, relationship, health, body, etc.” Luttner’s staff reports that the resulting camaraderie is obvious. The commitment is also evident in the revenue that these multi-disciplinary teams generate.

It has been almost two years since Luttner Financial Group, Ltd. began their team initiative and the company has been highly pleased with the results. As a consequence of their strategy, Luttner’s production increased 21% in one year. This progress is impressive, as many organizations in financial industries are reporting losses due to recent economic restructuring.

Luttner Financial Group, Ltd.

Kimberly S. Manns, SPHR

Vice President of Human Resources

244 Blvd of the Allies

Pittsburgh PA 15222

412-391-6705 ext 292

www.luttner.com

Product/Service: Financial Services and Planning

Number of Employees: 81

Number of HR Employees: 3

Most Recent Sales/Revenue Figures: 5.8 million in new business, 30 million in re-occurring revenues.

Honorable Mentions

Human Services Center Corporation (HSCC)

The Human Services Center Corporation, a nonprofit human service agency, responded to the pressure to attract and retain a qualified staff by providing a comprehensive employment and benefit package which mirrors the agency's mission of improving quality of life.

Specific components of the benefit plan include a defined contribution pension of 15% (fully paid by HSCC); health, dental and vision insurance for all employees and full family coverage at no cost to the employee; workers compensation, short and long term disability and life insurance provided to all staff; a generous paid time off program; paid time off for birth or adoption; and a generous year-end bonus program.

As a result of these measures, HSCC has had 100% employee retention in the past seven years. Local and national surveys indicate that HSCC's benefits are among the best in the nation for the nonprofit sector.

Although it appears very straight-forward and basic, the majority of nonprofit agencies do not "mirror their mission" with their own employees. HSCC "walks the talk" by demonstrating a commitment to their employee's and, thus, the community's quality of life.

Human Services Center Corporation (HSCC)

David A. Coplan MPA, MSW

Associate Director

519 Penn Avenue

Turtle Creek PA 15145

412-829-7112

hscm-mvpc.org

Product/Service: human services

Number of Employees (Total): 9

Number of HR Employees: 0

Most Recent Sales/Revenue Figures: \$514,800

TurningPoint Systems, Inc.

TurningPoint Systems, a local information strategy firm, found that their name (at that time, Office-tech Services), communications tools and messages had little connection to the way that employees viewed the company. Through the use of an in-depth employee input process, TurningPoint crafted an employee-driven corporate identity campaign and successfully repositioned the company. "If we weren't sure how to communicate what we did, we couldn't expect our potential customers to understand or appreciate our value," explains Marketing Director Doug Yarabinetz.

At the core of the initiative was an employee essay contest. The essays revealed that the company's old name, communications tools and messages were not effective. Feedback from these essays, focus groups, brainstorming sessions and market research were all used to determine the new company name and slogan: TurningPoint Systems, Inc., Your Information Strategy Partner.

Employee input was also a vital part of the design and implementation of the re-branding initiative. Staff meetings were used to review logo designs, collateral materials and the corporate Web site. Staff also played an important role communicating internally and externally about the change.

Feedback from the process has been outstanding. The change initiative was truly driven by employees. TurningPoint staff report that employee morale has skyrocketed because their input was valued. The company plans to continue to recruit feedback from employees on a regular basis with regard to matters in other departments. Staff even look forward to staff meetings as they've become flexible, innovative brainstorming sessions with a direct link to the organization's future. Yarabinetz's enthusiasm is evident: "Our business is stronger today and has a much brighter future than we ever could have imagined...Major change can often snowball into unexpected opportunity."

TurningPoint Systems, Inc.
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Product/Service: Information Strategy
Number of Employees (Total): 18
Number of HR Employees: 1
Most Recent Sales/Revenue Figures: 3 Million

Thank You

We thank the many organizations that partnered to create the People Do Matter initiative.

The Founding Partners : Pittsburgh Human Resources Association, the Pittsburgh Technology Council, SMC Business Councils, the Pittsburgh Chamber of the American Society for Training and Development, the Community College of Allegheny County (CCAC), and Workforce Connections.
Partners: Allegheny Conference on Community Development, Pennsylvania Economy League - Western Division, Greater Pittsburgh Chamber of Commerce, Pittsburgh Regional Alliance and the Three Rivers Workforce Investment Board.

Sponsor : the Pittsburgh Business Times

The Planning Committee

Sandie Akerman, Akerman Consulting & Training, Inc.

Amy Barry, Dominion

Rosanne Clementi Saunders

Leslie Bartok, CCAC

Karen Campbell, SMC Business Councils

Charlotte Krall, Pittsburgh Technology Council

Vanessa Lund, Workforce Connections

Shirley Mayton, HR On-Call

Stephen Mitchell, Workforce Connections

The Review Committee

Mary Anne Bailey, Pittsburgh Business Times

Lisa Binotto, Ansys

Karen Campbell, SMC Business Councils

Robert Christoff, Carbis Walker & Associates

Debbie Heubert, Pittsburgh Regional Alliance

Diane Johnson, Sony Technology Center - Pittsburgh

Charlotte Krall, Pittsburgh Technology Council

Vanessa Lund, Workforce Connections

Carolyn Mariano, Reed Smith

Bill Matthews

Shirley Mayton, HR On-Call

Anne McCafferty, Institute of Politics

Stephen Mitchell, Workforce Connections

Karen Priore, Giant Eagle

Sue Rowe, Ansys

Debra Ruckert, Magellan Health

Rosanne Clementi Saunders

Finally, we thank the many organizations that submitted nominations for this year's award. The decision process was very challenging. We hope that recognition of these companies helps to spread the word that PEOPLE DO MATTER!