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CAREER READINESS  
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CASE STUDY

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# CG Power Systems USA Transforms Hiring for Plant Expansion with National Career Readiness Certificate

## THE ORGANIZATION:

**CG Power Systems USA Inc**  
**Washington, Missouri**

## THE CHALLENGE:

- » Hire up to 150 skilled workers over three years for a \$20 million plant expansion to build small- and medium-power transformers

## THE SOLUTION:

- » Profile 17 positions for the new plant
- » Convince union leadership and members to embrace ACT WorkKeys® skills assessments and the National Career Readiness Certificate for all employees
- » Implement skill building opportunities on-site, conduct testing, begin hiring, and measure results

## THE RESULTS:

- » 90 of the 150 workers have been hired; about two-thirds of the 90 were required to earn a National Career Readiness Certificate, others are management or nonunion employees
- » 78 percent have earned Gold-level National Career Readiness Certificates, and the remaining 22 percent have earned Silver-level Certificates
- » Turnover is running less than 3 percent
- » Employees know exactly what scores they will need to achieve to earn a promotion or transfer to another profiled position in the plant

- » Union members are proud that the entire workforce in the new plant is WorkKeys certified and all union employees have earned a National Career Readiness Certificate
- » Missouri Governor Jay Nixon awarded CG Power Systems the state's coveted "Innovative Industry Training Award" in September 2010 for implementing this credentialing system for plant expansion hiring

## COMPANY OVERVIEW

CG Power Systems USA Inc (CG Power Systems) is a subsidiary of Crompton Greaves Ltd. (CG) headquartered in Mumbai, India. As one of the world's leading engineering corporations, CG helps customers use electrical power effectively and increase industrial productivity with sustainability. CG was established in 1937 in India and is widely recognized as a pioneer and leader in the management and application of electrical energy. The unique and diverse portfolio of turnkey solutions offered by CG includes transformers, switchgear, circuit breakers, network protection and control gear, project engineering, motors, drives, lighting, fans, pumps, and consumer appliances. CG operates manufacturing plants and subsidiary companies on three continents.

The Washington, Missouri, location of CG Power Systems USA has been manufacturing three-phase distribution pad-mounted transformers for more than 25 years. In 2008, as a direct result of customer needs, \$20 million was invested to further expand the company's transformer manufacturing capabilities. A new plant was constructed to build small- and medium-power transformers. These transformers are highly technical products, requiring more sophisticated engineering and a higher skill set than the pad-mounted transformers this location has excelled in building for a quarter of a century.

## THE HIRING CHALLENGE

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Mary Shofner, human resources manager and a 19-year veteran at CG Power Systems, faced the task of hiring highly skilled employees for the expanded plant. About the same time, Shofner was invited by East Central College (ECC) in nearby Union, Missouri, to attend a conference presentation about ACT WorkKeys assessments. The college asked Shofner to provide an opinion to ECC about the value of the skills assessments to area employers like CG Power Systems. Shofner vividly recalls that presentation by Bryan Herrick, director of Workforce and Community Development at Jefferson College. Shofner asked many questions of Herrick after the presentation, thinking that this might be just the tool she was looking for to help evaluate applicants for the new plant. Her enthusiasm strengthened what has become a long-term relationship with Jefferson College for job profiling and with ECC, a WorkKeys Solutions Provider for the area.

Because all plant employees at CG Power Systems are members of IUE-CWA Local 86114, the Industrial Division of the Communications Workers of America, it was important to gain the buy-in of union leadership early in the process. CG Power Systems had used a variety of assessments for hiring and promotion for positions requiring specialty skills. Union members questioned the use of assessment tools for assembly work and felt they needed an opportunity to prepare. Shofner felt they had a legitimate point and knew that the training component available with WorkKeys could help ease acceptance of a testing requirement.

Shofner expanded her analysis to explore job profiling with Herrick of Jefferson College, an ACT-authorized profiler, as well as online training and on-site testing options through ECC. She also became aware of the National Career Readiness Certificate based on ACT's WorkKeys assessments. The value of an evidence-based, industry-recognized, and nationally portable skills credential for the expanded plant workforce appealed to Shofner and to company management. Shofner hoped union leadership and members would feel the same.

## THE KICKOFF MEETING

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Herrick suggested a presentation to a combined audience of company management and union leadership. Shofner confesses that she was a bit nervous about putting everyone together for a unified presentation, but after the two-hour presentation and a two-hour question-and-answer session, she changed her tune. "Bryan handled every question and

every concern perfectly. I could not have orchestrated it better myself. They were all able to hear the same message, the same benefits, and evaluate everything openly, collectively, and without suspicion. It was exactly the right way to jump-start the process."

Shofner recalls that at that initial meeting, there was a discussion as to whether experienced CG Power Systems employees applying for jobs in the expanded plant should be "grandfathered in," with the assessment requirements applying only to new people hired off the street. "The union was the first to say no, quickly seconded by management. If we had been meeting separately, management would have struggled with this decision," reports Shofner. "The union has a very good understanding of how tough it is to be competitive in this market. They grasped early on that if we were going to build this new plant and take business away from our competitors, it couldn't just be 'business as usual.' They could see that we had to do something special, something unique, and make sure we were a step ahead."

Brandy Brown, training and employment specialist at CG Power Systems, adds, "I think they have experienced firsthand working with a new employee or a coworker lacking one or more skills essential for the job. Maybe the worker was struggling with math and they had to carry that worker along. If they've ever experienced that situation, they don't want to do it again."

## IMPLEMENTATION STEPS

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Bruno Verelst, the manufacturing manager at the new plant, was asked to create job descriptions for all 17 positions. Many of these positions didn't exist at the Washington location prior to the expansion. Job profiling came next. Herrick conducted all 17 profiles, assisted by Brown and Verelst of CG Power Systems, using extensive input from employees. The positions included production jobs as well as maintenance and quality testing. Minimum qualification levels were established for each position as a result of the profiling process.

Herrick and company management held small group sessions with all employees to introduce the assessments and skill level requirements. Employees were invited to ask questions. Herrick believes these meetings were important to address concerns and fears. "Many had not been in any kind of formal educational setting in a while. They were understandably concerned about the testing and who might see their scores. We assured them there was an instructional support program to help them, and we were able to alleviate most of their fears."

Partly to create a good example, and partly to ensure they knew what they were asking of their people, company management agreed to take the assessments that support the National Career Readiness Certificate. Shofner recalls the experience as intimidating but worthwhile. Brown felt the experience was valuable as she helped workers prepare for and take their assessments. Verelst felt the tests were challenging and thought the system was an excellent way to document skill levels and differentiate the workforce from that of the competition.

Debby Breeden, program coordinator for customized training at the ECC Center for Workforce Development, assisted CG Power Systems with the training materials and on-site testing process. Breeden has proctored all WorkKeys testing at the CG Power Systems site. Testing generally takes place on Fridays. Depending on the number of employees to be tested, Breeden conducts one session in the morning and a second in the afternoon. Employees have access to training materials on-site during non-work hours at a learning center the company set up equipped with computers, at the Missouri Career Center in Washington, or at home via Internet access. Employees use the training curriculum to prepare for their assessments as well as for any retakes in order to reach a higher score level. Breeden manages the testing and Certificate process for CG Power Systems. The company agreed to fund retests for employees wishing to raise their scores once additional training time has been documented by Brown, who is able to monitor usage of the curriculum materials.

## OBSERVATIONS FROM THE UNION PRESIDENT

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Gerald Nickelson, union president and low voltage set-up operator, says that about 75 percent of all CG Power Systems union employees in Washington took the assessments, even if they weren't interested in applying for a position in the new plant. "They wanted to see what they could do and they wanted a National Career Readiness Certificate with their name on it. They realize they can take this credential with them wherever they might go. And it's just as good in another state as it is in Missouri."

Nickelson summarizes the testing this way: "We have a lot of guys who actually scored higher than the required levels. Not only does that say a lot about the individuals involved, but a lot about the union and the company if they can say that their entire workforce is WorkKeys certified, especially if they are talking to a potential customer. It looks really good on a bid."

Nickelson adds, "I would recommend this system to other unions in any industry. It can help their members as individuals, and it can help their company. It can cut down on waste, it can reduce training time, and it can tell you exactly where a worker stands and the amount of time it might take to train them for a particular job. This system benefits everyone."

## OBSERVATIONS FROM HUMAN RESOURCES AND TRAINING

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"Initially, company management had concerns about the costs," recalls Shofner. "But now that we've used this system to hire about 90 of the 150 employees we will ultimately need for this plant expansion, it has sold itself." Brown adds, "The results far outweigh the costs. Our success rate is very good; in fact, it's phenomenal. We've only had one employee who met the minimum Certificate level and didn't work out. That shows the return on our investment if our turnover rate is less than three percent."

Shofner and Brown report advantages in diagnosing training needs. According to Brown, "If an employee is struggling, you may not know why. You may think it's because they aren't getting along well with a coworker, but maybe it's really because they are struggling with their math skills and it's truly affecting their work. WorkKeys scores can help you see where people may need to improve. It can help explain some things. You may not realize how important reading can be in manufacturing. If a worker's comprehension isn't where it needs to be, that can help explain why they struggle with some of their tasks. Profiling and testing can help ensure that your workers have the right skills for the job."

Shofner continues, "When you have someone who has met the minimum requirements, their learning curve is much shorter. They can perform at a higher level much more quickly. Not to say that a person who can't meet the minimum requirements can't perform the job, but I believe it will take them longer. In this economy and in this market, it's the speed of performing that is very, very critical. We don't have months or years to come up to speed. We've got to perform and be a recognized, respected competitor in the market—quickly."

Shofner offers this advice to other human resources professionals: "When you put applicants through a stringent hiring process, you learn whether they take it seriously. That contributes to our very low turnover and our very high success rate. When people have to work hard just to get a job here, they take care of that job." Brown adds, "The process helps to 'weed out' individuals who do not want to invest in a company that is willing to invest in them."

## OBSERVATIONS FROM THE MANUFACTURING MANAGER

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Verelst, a 33-year veteran of CG Power Systems, says, “Our workers take great pride in the complexity of the jobs at this plant. These are not routine assembly manufacturing positions; these positions require highly skilled people who can read and follow blueprints with precision. They are proud of their skill levels, and they know exactly what levels will be required for any promotion they might want to pursue.” He continues, “I would recommend this certification system to any business with complicated work tasks. You get a better-quality worker, and the workers are more efficient.”

## OBSERVATIONS FROM THE COMPANY PRESIDENT

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Marc Schillebeeckx, president of CG Power Systems—Americas Region, attended the ceremony in Kansas City when CG Power Systems received the “Innovative Industry Training Award” from the governor. Commenting on the award, Schillebeeckx said, “Implementing this Certificate is probably the most significant thing we’ve ever done for our workforce. Six Sigma and Lean Manufacturing are important to company success, but WorkKeys testing and the National Career Readiness Certificate will strengthen both our company *and* our people.” Shofner recalls Schillebeeckx as saying that the award recognition is something everyone at CG Power Systems should be very proud of.

## NEXT STEPS

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Another 60 or so employees will be added to the new power plant using this system. The company expects to implement profiling, testing, and certification companywide. Given the success the Washington location is experiencing, CG Power Systems plants in other locations are expressing interest in instituting the National Career Readiness Certificate or the International Career Readiness Certificate in their facilities.

According to Herrick and Breeden, CG Power Systems has become a champion for the system to other area employers, actively and enthusiastically sharing their experiences and results. Herrick and Breeden agree that the National Career Readiness Certificate is a significant workforce development tool to keep jobs in the state and in the nation. According to Herrick, “The Certificate works. It’s the best system available. There’s nothing else that even comes close. When employers understand the value and see the big picture the way CG Power Systems does, they will see how their investment in their workforce can result in long-term substantial gains for the company and the economy.”

Learn more at [WWW.ACT.ORG/WORKFORCE](http://WWW.ACT.ORG/WORKFORCE)

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