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## Case Studies

### UPS: Delivering Lifelong Learning

March 2004 - Emily Hollis

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With a workforce of around 360,000 in the United States and around the world, the training and development leaders at UPS are intent on creating a lifelong learning environment. Corporate schools manage the various stages of employees' careers, from orientation through leadership roles.

"What we really are trying to do is make sure that it not only covers those significant plateaus within a person's career, but that it also meets the needs in between," said Alan Dimick, training and development director for UPS Corporate. "How can they access information and learning opportunities to develop themselves through our more structured program, as well as do a lot more individual development?"

Dimick's group in Atlanta is responsible for the overall training of both management and non-management employees, encompassing most types of training with the exception of specialized topics like IT, sales training and industrial engineering.

Tom Martin, corporate schools manager for UPS, said that the company uses just about every methodology and modality out there, but that the company's learning is still primarily driven by classroom training. "It's been the hallmark of our organization, and we've tended to stay in that medium even to the present," he said. "But more and more, we are moving toward more computer-based learning."

Much of the shift to technology-based training has to do with how UPS leverages the technology that already exists in much of the organization. "The tools are there, we just need to leverage those tools to our advantage to deliver the training as we become more technology-driven to meet the needs of our customers," Martin said.

The Information Services side of UPS recently transitioned much of its learning to an e-learning format. According to Lina Hardenburg, learning & development manager for UPS Information Services, the two goals were to continue to keep costs flat while providing continuing support for the company's IT professionals—about 4,000 altogether. "We're not being asked to cut, but we are being asked to do more with the same amount of money," Hardenburg said. E-learning allowed her group to cut training costs while being able to provide courses on a just-in-time basis.

Hardenburg said that UPS does a lot of classroom training for its IT

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professionals, often followed by discussion groups to help solidify and build on knowledge gains. The IT group also gets the chance to attend lunchtime lectures on various technology solutions. Hardenburg said this helps save classroom costs. "There are people, especially technical people, who want to know everything about every technology—even if it's not something that they're working on now or that they might work on in the future," she explained. "So if you don't provide them with some other solution, they're likely to end up in the classroom, and we're going to spend money to train them on something that they might not use."

The main challenges of delivering learning to the UPS workforce, Dimick said, are the problems that are typical to many large companies. Operations in more than 200 countries bring on distance, language and cultural challenges. Finding the time for training can also be difficult. "When you're looking at a non-management group, we don't have a lot of face time with our people," said Dimick. For example, drivers are out delivering for eight to nine hours a day with short windows of time at the beginning and end of the day. And the feeder network, or the tractor-trailer group, is even more difficult, Dimick said. "They work staggered shifts. They work around the clock, and having access to them is usually on an individual basis and represents a lot of different hours," he said.

Technology has also been a challenge at UPS for some time, Hardenburg said. During the '90s, UPS grew rapidly in the technology arena, mostly driven by customer demand: "The IT organization in 1985 was 100 people; now it's 4,000," said Hardenburg. "For the last 10 years, our IT budget has been right around \$1 billion." Being able to anticipate technology requirements and have a solution in place when it's needed is a big challenge, Hardenburg said. Technology-based training often must take a back seat to technology projects that are designed to address customer needs, Dimick explained.

Although learning is not always the top priority for UPS, it does get plenty of support. A management development committee, which includes Dimick as well as UPS CEO Mike Eskew, meets at least quarterly to discuss how to train and develop the workforce. "You put your money where your mouth is," said Dimick. "This is the third year running that we have increased the budget for our corporate schools." These budget increases come at a time when many companies are looking to cut expenses, and training is often first on the chopping block in tight budgetary times.

In addition to the management development committee, UPS has a training coordinating group at the corporate level that functions as a "gatekeeper," Martin said. "We have a rigorous process that we go through to try to capture the plans for the coming year and, through the training coordinating group, make sure those plans are tied to strategic business initiatives, and in turn ensure that those initiatives are communicated broadly to the field so that the field can budget properly."

Blended learning has been a key to reducing the costs of learning and ensuring that it is delivered efficiently, effectively and just in time. In addition, Dimick said blended learning allows the company to measure effectiveness in new ways. For example, new drivers

must attend driver orientation. This used to include two weeks in the classroom plus a week to 10 days of training on the truck with a supervisor. Blended learning has reduced classroom time by four days, a significant savings when you multiply those days by thousands of drivers. Drivers are tested as they work through the orientation and must test out of modules covering everything from safety to performance and service. Following this training, Dimick said UPS tracked new drivers and compared them with existing driver groups in the same distribution centers, looking at their performance, safety and service. "Our findings are relatively new at this point, but we've already seen a reduction in accidents and injuries, which typically this group would have more of, having had less experience driving our vehicles," Dimick said.

A great benefit of using e-learning is the cost savings. The IT group uses the LearnShare Consortium to take advantage of pay-per-use e-learning courses. While other companies were asking for around \$500,000 for this type of solution, Hardenburg said that UPS only had to pay \$50,000 a year for two years to take advantage of LearnShare's ability to provide courses from multiple vendors.

Hardenburg said that UPS' commitment to technology leads to lower-than-expected turnover in its IT ranks. Dimick said that turnover is low in the full-time management ranks as well.

"Typically the turnover we deal with is part-time turnover in our operations, but even that has been very low, with record lows for the past couple of years," he said. Dimick attributes the record lows for hourly staff to the state of the economy, but said, "As a rule, our management group turnover has always been extremely low."

Some of the low turnover might be attributed to UPS' commitment to education. With a tuition reimbursement program for management-level employees and an educational assistance program to help hourly employees stay in school or go back to school, UPS encourages and supports education for its people. "Part of this is built around that whole idea of retaining—not just attracting, not just developing, but retaining a workforce over time," said Martin.

In addition to retaining existing workers, UPS is committed to promoting from within, building its workforce from the ground up. "It's not unlikely for a person to start out driving a UPS truck and end up as the CEO," said Dimick. In fact, this was the case of former CEO James Kelly.

This commitment to internal promotion is not just words on paper, said Martin. "We believe in it. We practice it," he said. "And coupled with that is a lot of development. Our mission statement talks about providing our people with opportunities for advancement and development. Our strategy states that we're going to develop the most talented people. Our policy book talks about looking for people who have the potential for development and helping them develop themselves."

UPS is growing in a number of directions both nationally and internationally. Dimick said the goal moving forward is to stay

ahead of the curve, “to be able to know what we are going to be required to do in the future, what our people are going to have to know how to do in the future to be able to stay in line with where our business is going.”

As the business grows into new areas, maintaining the company culture and understanding its history will remain important, Dimnick added. “Training and learning development is helping the organization continue to preserve those values,” he said. “So that is something else that will be a priority for us as we go forward—to not only make sure we have the skills in place to keep up with the business, but to make sure that our history, our legacy and our culture also are very much a part of where we’re going.”

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