



NW Natural Fuels Internal Promotions and Employee Success with WorkKeys® Assessments

THE ORGANIZATION:

NW Natural
Portland, Oregon

THE CHALLENGE:

- » Find a way to help ensure employee success upon promotion to a new position based on something more than seniority

THE SOLUTION:

- » Profile all bargaining unit positions to establish tasks and minimum skill levels
- » Post required skill levels for all positions
- » Implement onsite WorkKeys training to develop skills and assessments to measure performance
- » Base promotions on skill level attainment as well as seniority
- » Require assessments of all external applicants

THE RESULTS:

- » Assessment scores provide a better predictor of employee success
- » Employees have a clear career pathway to guide their training
- » Employees have a better appreciation for the skills required for each position and greater confidence that they are equipped to be successful

COMPANY OVERVIEW

NW Natural is a 151-year-old natural gas distribution and storage company headquartered in Portland, Oregon. Serving nearly 670,000 residential and business customers in Northwest Oregon and Southwest Washington, its stated purpose is to “bring warmth, comfort, and convenience to people’s lives, and help businesses and communities succeed.” A public company traded on the New York Stock Exchange, NW Natural posts annual revenues in excess of \$1 billion.

About 70 percent of the company’s 1,060 employees are members of the Office & Professional Employees International Union (OPEIU) Local 11. About a decade ago, company management and union leaders agreed that promoting workers based solely on seniority was not working for the company or its employees. Too many employees simply weren’t equipped with the skills they needed to succeed in their new positions. Both parties wanted to continue to respect seniority as one criterion for promotion but felt that adding a skills training and assessment program could enhance the chances for success.

JOB PROFILING TO ESTABLISH MINIMUM QUALIFICATIONS

As a starting point, company and union management agreed to establish minimum qualifications for each bargaining position. Employees worked with an on-staff ACT-authorized job profiler to analyze tasks and skill levels for every bargaining unit position. Agreeing that any test would have to be objective and validated and would provide a training component to raise skill levels if needed, they agreed to use ACT’s WorkKeys assessments.

NW Natural began using the assessments in October 2002 for any internal promotion to a union position.

“We didn’t want the skills tests to just ‘wash out’ an employee seeking a better opportunity; we wanted our people to have a way to ‘skill up’ to the job they want,” says Dave Williams, NW Natural vice president of utility services. “I think that’s what I love most about ACT’s assessments. And now our employees really ‘get it.’ Many work through the training modules even when they aren’t seeking a promotion. They want to be ready for that next opening when it becomes available.”

Williams cites an example: “If employees would like to move to another position, they can look up the specific WorkKeys scores that are considered minimum for that position. They can take the assessments right here, onsite; see where they are currently; and determine where they need to improve to meet the standards for the job they are interested in pursuing. Once they meet the standards, they can be confident they are highly likely to be successful in the new position.”

Required minimum skill levels are posted for all 130 bargaining unit positions to help union members set their sights on promotion opportunities.

“Before you put a shovel in the ground, how do you know where to dig? You have to read the order. You have to locate specific and important information on that order, and then you have to do some actual locating. You have to take measurements, and you have to do some math. The digging part is not really even the important part. And the consequences of digging in the wrong location could have life-or-death consequences, for you and for others. So tell me you’re not using your head when you do this job.”

— Dave Williams, vice president of utility services, NW Natural

THE UNION / MANAGEMENT RELATIONSHIP

Williams reports that the company has a unique relationship with its bargaining unit. “It’s certainly not typical. Rather than calling our agreement a Collective Bargaining Agreement, we call it a Joint Accord.” The committee that handles negotiations and hears grievances is called the Joint Accord Committee. Williams serves as executive sponsor for the company; the elected head of the union, Mike Richards, serves as executive sponsor for the bargaining unit. There are two co-chairs, one from each group, along with 10 company management members and 10 union members. This committee structure has endured for two decades.

“Whenever I talk about our skills testing around the nation and with other utilities in particular, they are shocked to hear that we have testing requirements for internal candidates. It’s a huge step for a union to agree that there is a place for testing,” says Williams. “Clearly, our union is interested in much more than just wages and benefits.”

Richards, executive secretary and treasurer of OPEIU Local 11, adds, “Our members understand that we are dependent on one another to work as a team if we want to consistently produce an above-average product. When we have the right people in the right place, we help ensure job security and therefore the futures of our members and their families. The relationship we have with company leadership at NW Natural speaks to the commitment we share. Other unions could benefit from this approach.”

SKILLS DEVELOPMENT AND TESTING

Eight WorkKeys assessments are used by NW Natural:

- Applied Mathematics
- Applied Technology
- Listening
- Locating Information
- Observation
- Reading for Information
- Teamwork
- Writing

Employees may work through training modules on any or all of the eight skills as they prepare for future opportunities. The assessments are given onsite once each month. NW Natural has career development personnel on staff in Human Resources to work with employees to build their resumes—not only for possible opportunities within the

company, but also for positions they may be interested in elsewhere. “We’re committed to training and development,” says Zane White, Human Resources Consultant at NW Natural. The company and the union are interested in providing opportunities for success, here or with another employer.”

INITIAL RESISTANCE TO TESTING

Skills assessments were not embraced immediately by all union employees. According to Williams, some said, “If I’m applying for a job as a pipefitter, then test me on how I join two pieces of pipe together. If I’m applying for a job as a ditch digger, then watch me dig a ditch. What does it matter whether I can read or locate information or add numbers?” Williams believes some couldn’t make the connection early on between the tests and their job duties. “We would combat that by saying, ‘Before you put a shovel in the ground, how do you know where to dig? You have to read the order. You have to locate specific and important information on that order, and then you have to do some actual locating. You have to take measurements, and you have to do some math. The digging part is not really even the important part. And the consequences of digging in the wrong location could have life-or-death consequences, for you and for others. So tell me you’re not using your head when you do this job.’”

SKILLS TESTING OF EXTERNAL APPLICANTS

When NW Natural has openings for union positions, applications are screened by the company’s internal recruiters to ensure applicants meet the minimum qualifications. A phone screen may be done, as well. The second step is to administer the required WorkKeys assessments for the open position, and applicants must score at the minimum level or above as defined by the job profile to proceed. All finalists also must pass a drug screen and an interview.

Williams anticipates that as Oregon begins to implement statewide adoption of the National Career Readiness Certificate based on three of the WorkKeys assessments, the Certificate will be a requirement for all applicants. Until then, NW Natural will continue to assess applicants before an interview is granted.

White adds, “I believe that the testing complements our selection process by validating that internal and external candidates have the necessary foundational skills to do the job. It is one more data point to help us select the best applicant.”

BENEFITS

Williams cites three benefits of skills testing:

1. “It is a better predictor of employee success. Those who meet minimum skill levels are more successful in their positions. We have a high level of confidence that when we hire individuals, if they don’t make it, it’s not because they couldn’t read or write or fulfill the technical aspects of the job.”
2. “Our employees now have an inside career track that helps them train and develop. They have a way to prepare for the jobs they really want. It gives them a sense of direction. In the past, they just had to be with the company longer than anyone else applying for that position. The testing provides an objective pathway for them to reach their chosen goals.”
3. “It gives employees a lot of confidence. When they go in to test, they may be nervous. But I’ve seen them come out saying, ‘Oh, wow—this job I’d like to get only requires a 3, and I just scored a 5.’ They get a lot of satisfaction and a lot of confidence from knowing they can perform at a higher level than they may have thought. And even if their scores don’t match the desired position requirement, they can work with an HR professional to get themselves on a developmental plan to reach that goal.”

Williams concludes, “I don’t know of any other mechanism that can accomplish all three. In our company, there was none. Advancement was either a matter of seniority or just luck.”

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— Mike Richards, executive secretary and treasurer, Office & Professional Employees International Union Local 11

STATEWIDE IMPLEMENTATION

A 31-year veteran at NW Natural, Williams also serves as Chair of the Oregon Workforce Investment Board (OWIB). Appointed by the governor to assist in developing a five-year strategic plan for the state's workforce system, the majority of Board members represent the private sector. One of the tools the Board recommended was the National Career Readiness Certificate to serve as a statewide credential of foundational workplace skills. As a longtime user of WorkKeys assessments, Williams has become an advocate for the initiative.

“What we keep hearing from the business community is that, bad as it sounds, a high school diploma isn't really an indicator of success,” he says. “Businesses told us there has to be a better way to find out if a person can actually read and write and perform, and accepting a high school diploma just wasn't working. Oregon educators are working very hard to build credibility behind the diploma, but in the interim, a National Career Readiness Certificate seemed to be the answer. So that's what the OWIB leadership latched onto and is working hard to promote.”

Williams continues, “As a long-term user of this kind of testing, I've been able to travel the state and say, ‘Hey, it works. It has been validated. It gives us a better predictor that people will be successful in the jobs they apply for. In fact, we are testing everyone that comes in now.’ So of course we encourage others to do the same.”

Providing his vision for the future, Williams says, “I am excited about the notion that we could have a ready-made workforce in Oregon. Imagine the potential of having 150,000 certified workers. Just picture how great it would be if everyone coming out of high school had a Bronze, Silver, Gold, or Platinum National Career Readiness Certificate, and every one of them was ready to go to work and be immediately successful. That would be my vision for a bright future.”

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