

HALLIBURTON

CUBIC AWARDS 2004

Category: Best Virtual Corporate University/Best Use of Technology

Halliburton Energy Services

Contact: Joanne Kincer

1. Provide evidence of your best use of technology (using technology in a way that creates, enhances or stimulates the learning process). 30%

Halliburton has experienced dramatic growth in its international operations. In 2002, international revenues increased to 67 percent from 62% in 2001. Halliburton's business challenge was to determine how to optimize its workforce to capitalize fully on the opportunity that international operations offered. With more than 100,000 employees in 120 countries, Halliburton has a wealth of talent around the world that, working in cooperation, could make Halliburton a more innovative, effective, and efficient organization than it could be functioning as a collection of local operations. The organization set out to create a workforce with portable skills across its many geographic markets. This effort requires a mass training program on key initiatives, and in particular, compliance.

The challenge, however, was that Halliburton's training materials were almost exclusively in English. For example, every field employee, worldwide, at Halliburton must participate in numerous mandatory compliance training programs, such as safety procedures, and most of these materials were in English.

The need for communication skills reached beyond corporate and training materials. Because Halliburton operates in so many countries, it also often faces localization mandates from high-growth/fast-growth countries in the Middle East and Asia. "Halliburton is on a fast track to source, hire and train local employees at many of our locations around the world, and with that comes huge language and communication challenges," said Kincer. "In Russia, for example, regulations often mandate that a certain percentage of the workforce be local. If we comply, we can get the job, but if they can't communicate with us, we can't get the job done."

More, as a U.S.-based company, the dominant language of business was English. A portable workforce must be able to communicate efficiently in meetings and over email, and at the time, the English language skills of the global Halliburton workforce were intermittent at best. Halliburton had a choice to make: train everyone to speak English, or translate all of its corporate safety, process, and operator training materials into every language where Halliburton operates. The decision was obvious. Halliburton needed a global English training program, and fast.

In order to determine how great the need and with that, the best training deployment option, Halliburton first had to quantify its need for English training. In 2002, it surveyed its employees and found that 93 percent of employees surveyed said that English skills were "required" or "important" for their current job. Only 8 percent, however, said their current level of English proficiency was sufficient to do their job. Halliburton realized that it was facing a massive and costly skill gap around the globe.

Halliburton elected to deploy an online English language training program around the world, without which Halliburton could not have sufficiently addressed the magnitude of the need.

1. Halliburton needed a flexible service for training that could be available anywhere and anytime to meet the need of its highly mobile global work teams. Traditional classroom training in all regions would be impractical, but the online service had to be accessible

anywhere an Internet connection was available, including an office, home, airports, Internet cafes, hotels and field sites.

2. Halliburton wanted to maximize its return on investment. To date, its English language training had been delivered primarily via classroom instruction, which not only was five to fifteen times more expensive than an online service, but also difficult to track globally.
3. Classroom instruction was having a significant negative impact on productivity by requiring employees to leave the workplace for extended periods of time (on average, two to three weeks). An online service allowed them to study in 15- to 20-minute sessions when their work or personal schedule permitted.
4. An online solution better addressed the intrinsic nature of learning English. According to English linguistics experts, language training needs to be consistent and accessible for long periods of time in order to be effective. Halliburton employees had access to the online service for at least one year.
5. The online English language service provided instructions and support in ten native languages, thereby enabling employees from dozens of different countries to learn English with little, if any, drain on Halliburton training resources.
6. Halliburton had an immediate need to begin its English language training program. In 2002, it had an immediate need to train nearly 500 employees who worked hands-on with customers, such as service operators and specialists. These employees were based in more than 30 countries, in such dispersed areas as: Colombia, Bolivia, Iraq, Angola, China, Indonesia, Italy, Malta, Kazakhstan, and Russia. An online service could be deployed around the world in a matter of weeks.

In order to identify the right partner for Halliburton's challenging objectives, the company conducted an extensive evaluation program, mandated by Halliburton's procurement process. After creating a business case, the training team looked at every major vendor that could be identified, and reviewed cost, quality, and technological specifications. In Q3 of 2002, after narrowing the field of candidates, Halliburton launched a 15-country, six-month pilot, involving several hundred employees. When it was complete, Halliburton selected GlobalEnglish®, citing the following selection criteria:

Cost: Almost all "traditional" solutions are 5 to 15 times more expensive than the GlobalEnglish Corporate Learning Service™.

Seat Time: The GlobalEnglish service allows learning to be accessed in short sessions (15-20 minutes) over a long period of time.

Proven Service: Many prominent energy and energy service companies, including Pemex, GE Power, Iberdrola, Endesa, were GlobalEnglish customers and reporting favorable results.

Excellent Pedagogy: According to users, the GlobalEnglish learning environment is equal or superior to the classroom experience because of its unique blend of online courses, assessments, translation tools, live teachers, and on-the-job English performance tools.

Rapid Deployment: The service could be launched to the geographies in a matter of a few weeks.

Access: Users can use the service anywhere they have Internet access.

Measurement and Tracking: GlobalEnglish provides a common reporting platform to measure student progress across geographies, job types, and skill levels.

Global Service Program: GlobalEnglish has support staff on the ground in nearly every key country for the Halliburton program.

2. Describe how technology has heightened participant usage (deep reach within the organization). 30%

In April of 2003, the online English training program was launched in 20 countries. The Halliburton University team worked cooperatively with the GlobalEnglish global support team to train local HR personnel using web-based sessions. These individuals would be critical for the smooth implementation, management, and measurement of the program. When training was complete, the service was launched with a highly visible campaign to attract interest and users, and included on-site orientations conducted by the GlobalEnglish team. In addition, the regional HR professionals identified the “high-need” staff members, monitored their progress, and reported results quarterly to the corporate office. The program was funded with charge-backs to the cost centers in each region and this proved valuable for maintaining high usage in every seat.

Halliburton also made sure that the information could be easily accessed, anytime and anywhere a learner was available to study. All instructional materials were delivered online through the employee’s Internet browser and the corporate learning management system. The corporate LMS can be accessed from both inside the corporation across the corporate network and outside of the corporation through the Internet.

The service was also highly interactive, and users claimed they are never bored because it is not simply page-turning content. Users were able to learn to not only read and write English using the GlobalEnglish service, but could also learn to speak and listen. Each assignment included listening activities utilizing Macromedia Flash movies that can be paused, re-wound, or played a single word at a time. Assignments also included speaking activities that allowed learners to record their own pronunciation and compare it to a native speaker’s pronunciation. Reading, writing, and grammar activities were also included.

The system kept learners engaged by continually testing and challenging their skills. As they advanced, learners had to pass assessments that were integrated into each activity. There was also a review test after every five assignments, which covered approximately 50 activities, and a course progress test at the end of each course, which evaluated to what extent learners had mastered the language in that course. This approach was effective in motivating learners because they were continually reminded of their progress.

The results tell the story: For the period covered in this submission, 490 Halliburton Energy Services employees in 36 countries used the system. Activity and Assignment Completion has been excellent:

- Users passed a total of 175 courses* in the last 12 months (*Course = 40-60 hours of instruction).
- Users completed 2,599 learning assignments in the last 12 months.
- Users completed 25,969 learning activities in the last 12 months.
- Over 9,300 cumulative hours of study.

Activity levels have been high despite work pressures: 77 percent or 369 of the users have been active within the last 90 days (this activity level is among the top five to ten percent of GlobalEnglish’s multinational customers).

Not surprisingly, with such a successful program, employee motivation and morale have improved with employees’ increased sense of accomplishment, and their dramatically improved ability to contribute more to the organization. In addition to addressing the immediate skill gap, the English training program proved to be instrumental for the entire global training program because most training at Halliburton was conducted in English. Halliburton employees who lacked English skills in the past were, for all practical purposes, were limited in their ability to grow and advance in the organization—clearly a detriment to Halliburton’s long-term viability and competitive advantage.

3. Describe how technology provides users customization capability. 10%

Halliburton has earned accolades from experienced “e-learners” on the functioning of the GlobalEnglish service and organization of the material, because from the outset the system is customized to address the native language and current skill level, professional goals and personal schedule.

The first screen of the courseware asked the learner to choose from among ten available interface languages. In addition to several European languages, the GlobalEnglish service was available in simplified Chinese and other Asian languages. When learners started the training program, they were taken through a series of evaluation screens where they were asked questions designed to create an individual learning plan. They were asked if they are studying English for business or travel, the types of workplace interactions where they expected to use their English language skills, how many hours each week they could devote to learning English, where they would rate their skills today, how proficient they wanted to become, and how many months they can devote to reaching their goal. The courseware calculated how many hours learners can expect to study English each week in order to reach their stated goals. They then had an opportunity to adjust their individual plan accordingly.

The English instruction portion of the program is divided into two parts, General English and Business English. The Business English program represents approximately 700 hours of instruction from beginning to end. However, because of the assessment, learners could start the curriculum at the level of difficulty appropriate for them, and could leave it earlier once they had achieved the goals outlined. Halliburton found that a high percentage of employees reach sufficient English proficiency to do their job and interact with English-speaking colleagues prior to completion of the full curriculum.

The Business English program is divided into 11 courses, with each course consisting of approximately ten assignments, each of which contains approximately ten activities. A learner may take each section as time permits. The average activity takes between ten and twenty minutes to complete. The system is also personalized to the user’s work environment and while activities could be completed online, entire assignments could be downloaded to the learner’s computer to be completed offline. And regardless of when a user stops a session, they will never lose their work; all results were returned to the system the next time the employee logs in. Lastly, each assignment had a theme that was highly relevant to the Halliburton workplace, such as preparing to travel, going to the airport, preparing for a business meeting, writing business communications, etc. These provided the learner with a work-related context for their new skills.

4. Provide evidence of how technology has positively affected the bottom line. 30%

At the outset of the program, Halliburton established an aggressive set of objectives:

- Deliver a global e-learning solution that can also track the progress of the learners.
- Create a program that can calculate productivity gains and overall value.
- Halt excessive spending on classroom training that also affected productivity due to time off the job.
- Provide training that is appropriate for the communication needs in a business environment.
- Deploy a program that can effectively and efficiently teach reading, writing, speaking, *and* listening skills in order to eliminate frequent miscommunication and the costs associated with translation.
- Decrease the amount of time it takes for a learner to attain an appropriate level of English proficiency.

After using the service for one-year, Halliburton conducted a survey of users.

The purpose of the survey was to measure impact of the GlobalEnglish service and solicit users' satisfaction and impressions of the service. 482 current users were invited to complete the online survey. A link to the survey was provided in the company message box on the GlobalEnglish website and an email invitation to complete the survey was sent out. The link was activated on the website from 03 March – 18 March 2004. Ultimately, 147 GlobalEnglish users responded to the survey, constituting an excellent response rate of 30.5 %.

Key findings from the first annual Halliburton learner survey:

1. **Need:** The need for improved English skills at Halliburton was urgent and directly related to performance and potential advancement.
2. **Satisfaction:** Users were satisfied with the GlobalEnglish service and the flexibility that it offers.
3. **Improvements:** Users were better able to communicate in English across a range of business situations.
4. **Impact:** The learning had high applicability to the job and had an impact on productivity, customer satisfaction, safety, and service quality.
5. **ROI:** Users were able to quantify the benefit of using the GlobalEnglish service in time saved on day-to-day tasks.

The benefit to Halliburton's competitive advantage was prodigious. The employees who improved their English language skills have measurably increased their productivity and improved service to customers. In fact, after only a year of using the service, 93 percent of users had already applied what they had learned to their job.

According to the results, learners said they were better able to communicate with customers:

- 89 percent of all surveyed learners say they have improved their ability to communicate via email.
- 94 percent improved their ability to understand documents in English.
- 76 percent improved their ability to produce documents in English.
- 68 percent improved their ability to participate in conferences and training.
- 59 percent improved their ability to participate in conference calls.
- 68 percent improved their ability to have one-on-one business calls.
- 64 percent improved their ability to give presentations in English.

These percentage improvements have translated into weekly productivity gains across Halliburton. Fifty-two percent of learners are saving more than three hours each week on critical business tasks. Another 30 percent are saving one to three hours weekly. Here are a few of the comments made by users during the survey:

- *"Learning really helped me in produce important business documents."*
- *"Every morning, we speak of a safety subject called "safety meeting." When it was my turn and the big boss was there too, I spoke without any paper as back up, and answered every question that we were asked."*
- *"Everyday I write and I speak in English so I am putting everything to use that I learned with GlobalEnglish."*
- *"Communicate true email with my supervisor and other staff in my organization."*
- *"I frequently have to answer e-mail and questions to people in the USA in the Accounting Transaction Center."*

Lastly, Halliburton was also able to calculate a savings on its investment. The following is a conservative estimate for 500 employees: For every additional 500 employees trained, the value would double, and so on. According to the assessment above, Halliburton employees saved, on average, four hours each week due to better English skills (emails, presentations, etc.). Halliburton then multiplied this number with the number of employees (500), and then again by the average hourly cost per employee. The cost of buying the seats with GlobalEnglish was subtracted from this number and the resulting percentage savings on investment was 1980%.

##