

Bringing it all together

Boeing Human Resources balances 'high tech' with 'high touch'

By DEBBY ARKELL

Ask 10 employees to name a Human Resources–provided service and you're likely to get 10 different responses. That's a good thing.

Boeing Human Resources provides the company's employees with a wide array of services and tools designed to support many life events and experiences. What's more, the organization is doing this in a time when tremendous attention is being paid to implementing Lean+ and doing more with less.

Corporations worldwide face increasing pressure to juggle seemingly conflicting priorities, such as attracting and retaining the next-generation work force while managing the soaring costs of health care and other benefits.

For Boeing, the pressure to attract and retain new workers has never been greater. Today, 18 percent of the company's employees are eligible to retire. Another 19 percent will be eligible in five years. And in 10 years, fully 60 percent of the current Boeing population will be eligible to retire.

There also is a growing concern at Boeing about the availability of technical talent in the labor market to meet future employment requirements. Moreover, too many competitors are looking for the same skills—and offering comparable salaries and benefit packages.

Ultimately, Boeing is looking to HR and its ability to provide benefits and services that will differentiate Boeing from other competing companies—in other words, to make Boeing an employer of choice. The goal of these activities is to strengthen the company's viability and competitiveness through greater growth and productivity, as well as the creation of an environment that supports a diverse, inclusive and engaged work force.

"We want to make sure that we have the best employees in Boeing, that we develop them, and that we provide the right environment so they can be successful at all levels," said Rick Stephens, senior vice president, Human Resources and Administration. "Boeing is looking to us to help create that environment—one that develops leaders, where open dialog and diversity are valued, and that provides competitive benefits."

To that end, Boeing Human Resources has been evolving, finding a balance between a transaction- and administrative-based business model and one of personal attention where HR professionals help guide employees.

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Services provided: Boeing employees explain how the human side of Human Resources helped their personal, professional lives. **Page 19**

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For more information on some of the many services discussed in this package of articles, visit the sites—on the Boeing intranet as well as the World Wide Web—listed in the box below.

This evolution is coupled with HR efforts to contribute improved customer service, best practices and cost savings, and support the Lean+ and Internal Services Productivity initiatives.

Stephens acknowledged that the changes undertaken by the organization in the past have resulted in challenges for employees as well as the company. "This is a work in progress," Stephens said. "We've made some significant improvements in the way we do business from a technical standpoint. However, we're not there yet. We're working very hard to re-establish relationships with employees and find the right balance between technology and personal hands-on assistance. We're working hard with our leaders to get it right."

On the following pages are stories of some of the many services provided by Boeing Human Resources. ■

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For more information

To learn more about the programs discussed in the following package of articles, visit these sites on the Boeing intranet.

- **HR Five Strategies site:** <http://humanresources.web.boeing.com>
- **Employee Assistance Program:** <http://eap.web.boeing.com>
- **Dependent Eligibility Verification:** http://hr.web.boeing.com/published/9/docs/dv_qa.pdf and <http://humanresources.web.boeing.com/index.aspx?com=9&id=151>
- **Alternative Dispute Resolution:** <http://globaldiversity.whq.boeing.com/adr.html>
- **Training:** <http://ltd.web.boeing.com>
- **Family Care Resources:** <http://familycare.web.boeing.com>
- **Boeing Wellness:** boeingwellness.com
- **Pay & Benefits Online Profile:** www.boeing.com/express (Those on the Boeing intranet also can access their profile through the TotalAccess link on the Boeing portal at <http://my.boeing.com>)

The human side of HR

Boeing employees explain how services helped their lives—both personally and professionally

Providing an environment that supports a healthy, diverse and engaged work force is the key to attracting and retaining employees in a fiercely competitive market. Indeed, people are the heart and soul of Boeing. Following are just a few examples of the many services and benefits provided this past year to Boeing employees.

HEALTH RISK ASSESSMENT

The Health Risk Assessment is an online survey offered by Boeing through the Mayo Clinic. Employees and their spouses—or same-gender domestic partners—who are covered by a Boeing health-care plan can take the HRA and receive a personalized health report identifying potential health risks and suggested steps to improve their well-being. In addition, those who took the HRA in October and November were eligible for a \$50 gift card from one of numerous merchants. If the HRA identifies health risks, Boeing offers company-paid coaching through the Mayo Clinic to address issues such as stress and poor nutrition. Better health helps individuals lead more satisfying and productive lives, and it should also help keep Boeing medical costs more manageable over time. This fall, more than 107,000 individuals—including Commercial Airplanes employee Teresa Arends—completed the Boeing HRA. Here is Arends' story.

I've been with Boeing for two years, and I took the online Health Risk Assessment last year for the first time. I learned as a result of the assessment that my cholesterol was considered to be really high—a risk factor—and that surprised me because of my age. I'd had my cholesterol checked previously and knew it was borderline, but the assessment results opened my eyes.

After taking the HRA, I started receiving good tips on improving areas where I may not have scored so well—including my cholesterol. After I took the assessment results to my doctor, we had a good conversation, and I've since been able to get those numbers down.

It's encouraging to know that I have good, healthy behaviors too, and that I'm doing some things right!

I think it's remarkable that Boeing cares so much about its employees that it would make assessments like this available. I worked at another company for six years, and they didn't have anything that came even close to this in terms of wellness. The company provided gym equipment for us to use, but no counseling or other health-related information was available to us.

The HRA amounts to a 10-minute test where you can use the results however you want to, and the programs offered by Boeing Wellness are really terrific. I've become more aware of the Mayo



MARIAN LOCKHART PHOTO

Teresa Arends of Commercial Airplanes participated in the online Health Risk Assessment this past year. Her HRA's results motivated her to change her eating habits—and to improve her fitness, in part by walking during her lunch hour.

■ FEATURE STORY

Clinic Web site that Boeing offers; the exercise monitor is a great tool, too. To be perfectly honest, the \$50 incentive didn't hurt, either.

Ultimately, I feel that with tools such as the HRA, Boeing wants its employees here and that the company really values my health. That makes me feel good.

PAY & BENEFITS PROFILE

Most employees know how much pay they take home every two weeks, but few know the total value of their complete pay and benefits package. The online Pay & Benefits Profile gives employees a snapshot of their share of the nearly \$20 billion that Boeing invests annually in pay and benefits programs for employees and their families. The profile recently adopted an electronic format, increasing functionality for employees and saving the company \$500,000 annually. Shared Services Group employee Kali Louman explained how she uses her Pay & Benefits Profile to plan actively for her future.

I've been with Boeing for almost 30 years and I use the Pay & Benefits Profile quite a bit. The profile has a lot of information, and the areas I focus on have changed over the years. At this point I'm looking more at the retirement aspect and using the new modeling tools [available online]. The information in my profile has helped me realize what I need to do to help me be able to retire when I want to.

It's really important for employees to be able to have all the pieces of their compensation package available to them. I feel that, through the Pay & Benefits Profile, Boeing is providing us with the total picture, rather than just part of it.

The profile puts all the information in one place and helps employees evaluate whether Boeing is a good place to work relative



Kali Louman of Shared Services Group said she appreciates the increased functionality now available through her online Pay & Benefits Profile. The online tools have come in handy as she's adjusted the focus of her retirement-planning strategy, she added.

MARIAN LOOKHART PHOTO

On-site Health Screenings

This past summer, employees at many U.S. locations had an opportunity to participate in free wellness screenings to check blood pressure, glucose and cholesterol levels, and body mass index. This year Boeing Human Resources hosted 113 events where health care professionals conducted nearly 20,000 screenings. Wellness screenings are an important step in maintaining health, as they can identify key risk factors and help prevent serious conditions from developing. Many employees were able to use the information from their screenings to get even more meaningful results when they completed their Health Risk Assessment (see story on Page 19).



DENISE DAGLAN PHOTO

Gary Toyama, IDS vice president, Southern California Region, participated in on-site wellness screenings earlier this year. This past summer, employees at many U.S. locations had an opportunity to participate in free screenings.

to their personal needs or to other opportunities. For example, if you're considering a job in another company, you might be offered a higher salary, but that could be offset by lower benefits. Knowing the full value of your pay and benefits package at Boeing helps you make informed decisions.

Before Boeing, I worked at other companies where I didn't have benefits. Knowing the full value that Boeing invests in me is a great thing. The fact that Boeing provides this information shows me that the company wants people to know the value of working for Boeing. And it shows that the company values us.

LEADERSHIP DEVELOPMENT PROGRAMS

Strong leadership drives employee engagement—the way employees think and feel about their jobs. That, in turn, is linked to attracting and retaining a talented, diverse work force. To that end, Boeing provides leadership development programs and uses a Leaders Teaching Leaders methodology to develop leaders, open the culture and create a one-company mindset through all levels of the organization. Pete Dougherty, 737 Engineering leader in Commercial Airplanes, this past year used elements of LTL he learned from a leadership development class to drive understanding of the Boeing Leadership Attributes in his organization.

Earlier this year, my HR generalist Heidi Kenoyer and I met to discuss how we could work together to help our management team

and employees fully understand the Leadership Attributes. We modeled a “Leaders Teaching Leaders” structure to better engage the managers and prepare them to help their employees understand how the attributes apply to daily work.

We began with a series of management off-site meetings to “tee up” the idea of leadership attributes and generate buy-in. We spent a lot of time talking about what they meant and how they applied to our organization’s work. At our first meeting we all acknowledged how important the attributes are and discussed how we might share the concepts within our group by engaging our employees. We spent our second and third off-sites discussing details and establishing a plan for how we’d proceed.

Our plan was for each manager to take an attribute and create a brief training module about what it meant to him or her. We then scheduled time in staff meetings to go through each module with employees.

Leaders are supposed to be teachers, and that’s just what happened in this case. They used the Lean+ method of teaching by asking and listening to the feedback. Managers shared examples of the attributes in action and asked employees for their input on what the attributes meant to them. This way managers and employees alike felt ownership and learned from one another.

We’re seeing positive results from this approach, too. For example, when we look at our employee survey score on the question about understanding the attributes, our total group score was 70—well above the average for the company.

Even better, now employees are telling us they want to take this further. We are beginning [employee survey] action planning, and employees are saying they want more involvement in this area and want to use the attributes in their daily work model.

Ultimately, our group’s ongoing partnership with HR is helping open the culture for our employees. It’s exciting to see!

—Debby Arkell



Commercial Airplanes’ Pete Dougherty and his team recently took a “Leaders Teaching Leaders” approach to enable understanding and acceptance of the leadership attributes. At the time the efforts began, the team included (from left) Bob Rohwer, Don Helgeson, Tim Traynor, Stan Iwata, Dougherty, Mark Murdoch, Ruby Lam and Heidi Kenoyer of Human Resources.

BOEING PHOTO

Stephens: Where HR is going in 2008

What’s in store for Human Resources next year? Rick Stephens, senior vice president, Human Resources and Administration, offered his view.

“We, like other functions at Boeing, are trying to manage costs and have been using technology to achieve that. However, we’ve gone too far to the high-tech side of things, taking ‘people’ out of the equation.

“People feel they’re valued when they’re included, when there’s an open environment, when diverse perspectives are respected, and when the company appreciates what they’re doing. A computer can’t do that. Computers are great for record-keeping and certain information transactions, but they don’t do anything to improve the quality of conversations.

“To that end, Human Resources in 2008 will focus on ‘service delivery’ and help us find the right balance between our HR professionals, existing technology and tools, and new ones. We’ll use Internal Services Productivity as the tool—or metric—to measure service delivery from a cost standpoint.

“Ultimately, Human Resources’ role is all about people and creating a competitive advantage for Boeing. I’d like Boeing to be recognized and valued as the best place to start a career and as the best place to work. By helping Boeing meet business objectives, and demonstrating that we value our employees through helping them grow, learn and improve their skills, I feel we will earn that recognition.”



BOB FERGUSON PHOTO

What’s the role of the Human Resources organization at Boeing? It’s “all about people and creating a competitive advantage for Boeing,” said Rick Stephens, senior vice president, Human Resources and Administration.

Serving Boeing—and its people

HR pitches in on cost savings—while following best practices and improving customer support

When reflecting on Human Resources' work to help Boeing become an employer of choice for top talent, some successes stand out. Read on to learn about the highlights of some of HR's work to help Boeing be more competitive.

TRAINING IMPROVEMENTS

Training is a vital service managed by Human Resources. Nearly every Boeing employee likely has taken an on- or off-hours course to increase skills or maintain certification. Annual compliance training also is required of all Boeing employees in many areas, from computing security to acceptance of business gratuities.

Boeing recently undertook a massive effort to streamline the number of courses offered and the frequency with which training is needed. The work led to a more-efficient schedule for the frequency of completing required training, and a new option to “test out” on some courses. That lets employees proceed to the final test without first taking the course—and to receive credit with an 80 percent passing score. The end result: more efficient and effective training, and increased employee satisfaction. This work supports the companywide Internal Services Productivity growth and productivity initiative—along with HR's strategy of service delivery, as training services are delivered more efficiently and cost-effectively.

“The test-out option makes the training really efficient,” said Michael Massie, Safety and Mission Assurance manager for Space Exploration in Houston, earlier this year. “It takes into account what you already know and saves having to take training you don't need. For the first time in years, my training has been completed early.”

This streamlining, combined with the adoption of enhanced training technology, is expected to result in more-efficient administration of training. Labor-hour savings could amount to 160,000 hours in 2007 alone, and projected cost savings are approximately \$43 million over four years.

EMPLOYEE SURVEY

Another area with potential positive impact is the employee survey. The survey, distributed companywide every other year, is designed to measure employee engagement—how an individual thinks and feels about Boeing and his/her job. This is a key part of the HR strategy to establish and maintain a diverse and engaged work experience.



Michelle and Graham Crippin are Boeing employees who participated in the Dependent Eligibility Verification process this year, providing documentation confirming the health benefit eligibility of their children Claire and Collin.

MARIAN LOCKHART PHOTO

More than 107,000 employees participated in 2007.

The survey was re-engineered in 2005 to measure employee engagement more closely. John Messman, Employee Relations director and enterprisewide process leader for Employee Engagement, said the two years of data gathered thus far indicates it's still a work in progress.

“When we compared the 2005 and 2007 data, we didn't show much movement on an enterprisewide basis, although there are definitely pockets of significant improvement across the company,” he said. “We're hopeful that over time we'll see the progress that we're looking for taking place across all of Boeing.”

Meanwhile, HR has made other improvements to the survey to improve the quality of results and save money.

- Gathering demographic data is now automated. The manual process led to errors in the data and increased the time needed to take the survey. Now employees are assigned an anonymous ticket number, which has embedded in it the appropriate demographic information from HR databases for use by the survey vendor. This has decreased the amount of time needed to take the survey—and increased its accuracy.

- The survey is now almost completely electronic. Messman said that in 2007 the survey was fully 90 percent electronic, up from 60 percent just a few years ago. Because the electronic survey costs 10 percent of what the paper survey costs, and data can be compiled electronically, Boeing receives a higher-quality product at a significantly lower cost.

- A new vendor has added greater capabilities into the survey—

and at a lower price compared to previous vendors. Boeing managers now have “survey action planning” functionality, which provides questions for managers to help them probe more deeply into particular survey items, tools to help managers with suggested action steps for improvement and even e-mail notices to managers to remind them of action steps they’ve committed to undertake.

This year also was the first time that managers at the local team level received reports on results (if the manager received five or more responses). Indeed, this enables managers to make meaningful changes for their teams. “We find that engagement scores go up when you drive down results to that level, because more specific, actionable data is available,” Messman said. “This, we believe, will ultimately drive employee engagement to new heights over time.”

DEPENDENT ELIGIBILITY VERIFICATION

Part of being a good steward of company resources is ensuring money is spent wisely. One example: ensuring that the company’s benefit plan covers only eligible dependents. Indeed, health care market data has shown that many businesses—not just Boeing—have been covering significant numbers of ineligible dependents. This is due in part to eligibility rules being complex.

“Removing ineligible dependents not only helps manage health care costs for employees, but it also has a positive impact on Boeing’s bottom line—and contributes to the company’s efforts to boost growth and productivity,” said Rick Stephens, senior vice president, Human Resources and Administration.

To minimize these expenses, and to ensure benefit plans are administered according to the plan’s rules, Human Resources in 2007 conducted a Dependent Eligibility Verification process, asking employees to verify the eligibility of dependents covered under Boeing health care plans. Many large organizations, including Ford, Daimler Chrysler, UPS and American Airlines, have successfully implemented similar programs.

The initial process concluded midyear. As a result of this activity, nearly 22,000 ineligible participants were removed from coverage. Boeing expects to avoid \$34 million in health care costs in 2008

and even more over the next five years. This will help reduce expected cost increases while maintaining current benefit services.

Those results aren’t lost on Boeing employees.

“As a family, we place a high value on our insurance coverage benefits and really appreciate the comprehensive package Boeing provides,” said Michelle and Graham Crippin, Boeing employees in the Puget Sound region of Washington state. They participated in the Dependent Eligibility Verification process this year by providing documentation that confirmed the health-benefit eligibility of their two children. “We realize that controlling costs is an important part of the company’s ability to offer this benefit, and we found the process easy to understand and simple to complete.”

HR FUNCTIONAL EXCELLENCE PROGRAM

The work in progress isn’t just for HR services and tools for employees. The HR organization is focusing on its own team as well. Boeing HR has created a new Functional Excellence Program, designed to align all HR professionals around a “common language” and tool set for driving business results.

“At the highest level, it’s about creating a one-company approach to the key people issues facing the company,” said Nancy Cannon, vice president, Human Resources for Corporate and SSG. “Within that, we want every member of our HR team to understand the company’s HR strategies, as well as how to use business analytics and develop people, to drive productivity and growth.”

The HR Functional Excellence Program has two components: a Core Program and a Forum. The Core is designed for senior HR team members, delivered in an interactive classroom-style setting at the Boeing Leadership Center. The Forum is a regional conference-style course that brings together HR teammates in large groups to hear and talk about the key HR issues facing the company. Both programs are founded on leaders teaching leaders, and tie in with the five HR strategies. The first core session was held at the BLC in early October; the first Forum took place in November. Scheduling for sessions in 2008 and 2009 is under way.

—Debby Arkell



BCA’s Kevin Jackson (left) and Guadalupe Sanchez (right) take part in certification training for Bond and Ground in Everett, Wash., as Learning, Training and Development instructor Todd Gehlke observes. Human Resources oversees the training of Boeing employees.

GAIL HANUSA PHOTO

The people of Human Resources

The organization is made up of many teammates; here are a few of them

Debby Arkell of the *Boeing Frontiers* staff spoke to some of the many individuals in the Human Resources organization and asked them about their jobs—as well as about the HR field in general.



MARIAN LOCKHART PHOTO

LENEE HILDENBRAND (above)

Location: Seattle

Years with Boeing: 18

Process improvement: “This year I was part of a team chartered with developing and implementing a common offer/hire process within my customer groups. We used Lean+ methodologies to evaluate current processes and see where we may have been missing opportunities to incorporate diversity considerations. One key element identified was the need to ensure managers have a rich, diverse pool of qualified applicants to review for hire. We now provide hiring managers with visibility of their applicant and interview pool metrics to assist them in the hiring process. It’s important to note that we don’t tell managers who to hire and we don’t identify individual applicant data. Through this, we’re also able to monitor progress to plan and adjust staffing and recruiting strategy to support business requirements.”

On varying viewpoints: “I’ve learned that you can’t assume you know what your customers want or need; you need to take time to get to know your customer, ask lots of questions, and learn how they run their business to establish the right working relationship.”

MARIAN LOCKHART PHOTO



BRENDA HASTINGS (above)

Location: Puget Sound region, Washington state

Years at Boeing: 17

Role in HR: “My role is primarily leadership development and coaching. Everyone knows inside what they need to be successful; I help them through the use of the coaching model: by asking the questions that encourage them to find their own answers.”

“Necessary qualities in a role like mine include being approachable, enthusiastic, open-minded and having the ability to listen without judgment. We in HR advocate for both management and nonmanagement and encourage people to incorporate the Leadership Attributes in everything they do.”

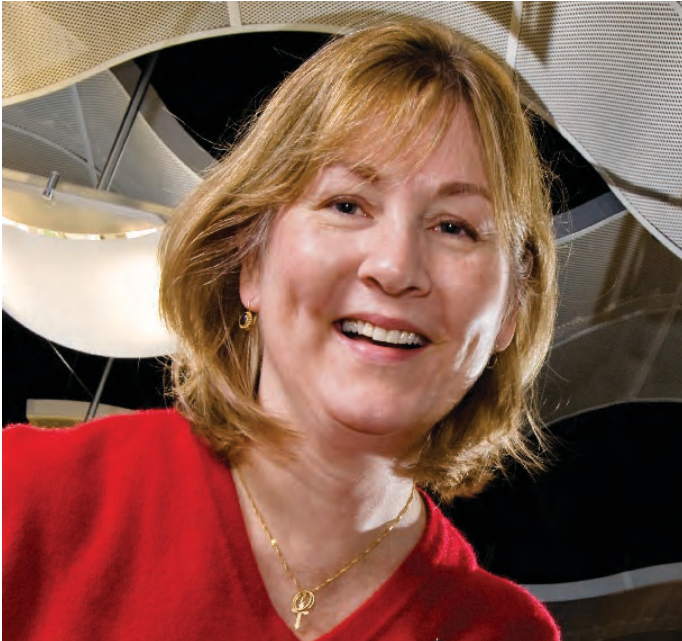
What’s important to me: “It’s important to me to know I made a difference. It is my core value and my main priority.”

It’s our future

Actions cited in the package of articles on Pages 18 to 25 show how employees are applying concepts of the Boeing Management Model to support the company’s business strategies. Here’s how.

- **Growth and productivity: Lean+ and Internal Services** Productivity, through streamlining processes, identifying ways to improve customer service and cutting costs.
- **Leadership Attributes: Leadership development programs aim to teach and promote the six attributes, as well as open the Boeing culture and create a one-company mindset.**

To learn more about the Management Model, visit <http://bmm.web.boeing.com> on the Boeing intranet.



MARJAN LOCKHART PHOTO

SUSAN REED (above)

Location: Puget Sound region, Washington state

Years at Boeing: 10

On HR's changing role: "Ten to 15 years ago, effective communication, problem solving, and 'playing well with others' were considered soft skills. Today, working well with others, trust, emotional and social intelligence, understanding people, and how you communicate and incorporate diversity of thought are essential skills that have a direct impact on the bottom line."

What employees might not know about HR: "I think the traditional view is that HR is very compliance-driven. The lesser-known part is HR's ability to be an advocate for an employee and to provide solutions."



BOB FERGUSON PHOTO

ABBY BAKER (below)

Location: Houston

Years with Boeing: 14

Changing expectations: "Much of what HR did when I first joined the company was administrative. Today our role has shifted and we are strategic business partners. Strong customer focus and business acumen is critical. It's a never-ending balancing act between employee needs and business needs."

Core values: "Our core values are fairness and impartiality when evaluating all situations. People want to feel heard, so it's important for us to exercise patience, listen and explain the impact of situations. It's also very important to establish a strong relationship and be engaged with our customers. Knowing that my customers trust and value my contributions is very rewarding."



BOB FERGUSON PHOTO

VANESSA WILKINS (left)

Location: Long Beach, Calif.

Years with Boeing: 17

On sympathy vs. empathy: "In HR you have to be empathetic and objective. Because we're working with people and issues that affect people's lives, naturally the issues will be very emotional. If you're not careful, it's easy to become emotionally attached and lose your objectivity. ... When an employee's job is more important to me than it is to them, it's hard to help the employee improve performance or change unacceptable behaviors."

The role of leadership: "Ultimately, good leadership can help curb most issues addressed in HR. When looking at most issues, if managers trust their employees and address concerns early on, the issues are much less likely to grow into problems that are disruptive to the team. Good leadership and trust are the foundation for success at this company."