

BUSINESS ACTION GUIDE

Leading at the Intersection of People & Profits

INVEST FOR CONTINUOUS IMPROVEMENT

Structuring Clear Career Ladders: Pridgeon & Clay



BOB CLAY, CEO

Employers often have trouble recruiting and retaining skilled workers, while employees seek ways to advance to higher skilled and better paid positions. Developing clear career ladders is a way to meet both needs, and can result in a more engaged, knowledgeable, and productive workforce. To learn more about how to structure career ladders, we spoke with Pridgeon & Clay. Based in Grand Rapids, MI, they are one of the largest independent manufacturers and suppliers of automotive stamped and fine-blanked components in the United States, with more than 1,100 employees.



We sell skills – that’s our differentiator. We provide our customers with customized, precision manufactured solutions that you can’t buy in a catalogue. In order to do this, our employees have to be cross-trained and able to operate multiple machines. Oberg has a longstanding focus on continuous improvement, with a training and apprenticeship program going back to the 1970s. In 2001, our company diversified from traditional tool and die stamping to precision machining of components, and so we shifted the apprenticeship program from time-based to competency-based. This allows employees to complete their training more quickly while also giving us more precise knowledge about what each employee can do. Our work is very specialized, so we have job-specific apprenticeships; for example, grinding apprenticeships, stamping apprenticeships, and precision computer numerical controlled (CNC) apprenticeships. These apprenticeships create clear career paths throughout our production spectrum, and people see wage increases as they gain new skills. Our focus now is to spend smart training money – to go after any skills gaps so we can be smarter, more agile, and more efficient. Tracking our training ROI helps us do that. These are some key lessons we learned in the process:

PRIDGEON & CLAY’S FORMULA FOR STRUCTURING CLEAR CAREER LADDERS

1. On the job training
2. Five Skills Trade Career Path Program
3. Cross-train and promote from within
4. Organizational commitment

1. On the job training

All new production employees go through a four week on the job training (OJT) program to learn the basic processes, and are paired with an experienced employee who can show them the job. Automatic Press Operator (APO) trainees take 22 classes over the course of eight to 12 months, from a general hire such as a packer, all the way to an APO setup tech. Each progression is paired with a pay increase (*see chart*). The progression they go through includes the length of time on the job, the classroom training and test, and demonstration of their skills through an audit. Once everything is complete, they are promoted to APO status and receive a wage increase. Approximately 30 employees have completed the program.

Automatic Press Operator Track	Training	Average Wage Gain
Initial General Hire	Screen, orient, hire	-
APO Trainee	Post, screen, promote	17%
APO Certified	Complete training, pass test	7%
APO Setup Tech	Additional training	4%

2. Five Skills Trade Career Path Program

The Career Path program is similar to an apprenticeship in that it contains formal education and skills acquisition components. We want people to have both a technical background and liberal arts training to enhance their creativity and critical thinking, so we partner with community colleges that offer associate’s degrees. When people are hired, they receive a career path plan and begin the process of mastering the skills on their checklist. Every time they finish a level, with the needed credit hours and skills, they can be promoted to the next level with the associated wage increase. One example of a clear career path is for Die Technicians. We have five levels, with 1 being the highest level. Our goal is for Die Technicians to at least be working towards a level 2. We also offer more than a dozen other defined career paths.

The Career Path program is designed to enable each employee to make steady, focused progression in their skill development while the company retains a high level of talent in each classification. It gives us a tool to provide feedback and guidance to employees if they are struggling in any area, and helps ensure that no employee’s development gets overlooked during especially busy periods. As employees reach the milestones of the program, it enables them to achieve promotions and pay increases in a timely, structured, and transparent manner. Everything is documented, and there is a written plan that includes the skills and milestones needed to advance to the next level.

3. Cross-train and promote from within

We are committed to promoting from within, and we first post job openings internally to give all employees a chance to move up. Another way we do this is through a program called “approve to perform.” It’s a way to move people around when we need coverage, for example, if an employee is on vacation. It is also a chance for someone to try out a different position. An individual first works with the team leader to see if they have the aptitude, interest, and ability to do the job, and then the team leader helps them get the training they need. When HR approves the person as a backup, if someone is out it gives the employee variety and more

KEY ELEMENTS TO DEVELOPING A SUCCESSFUL CAREER PATH AT YOUR ORGANIZATION INCLUDE:

- Job descriptions
- Job specifications
- Required competencies
- A responsive internal job application process
- Access to employees doing the job currently
- Training classes
- On-the-job developmental opportunities
- Job shadowing
- Mentoring
- Promotions
- Transfers or lateral moves
- Coaching from supervisors
- A formal succession planning process

Credit: Susan M. Heathfield, You Owe Yourself a Career Path

hours. It also gives the person an option if there is an opening. It’s a type of cross-training with a purpose.

It’s also an important retention tool. When people come to the company, they are more likely to stay if they can see a clear path to growth. People want a sense of mastery; they want to find their place. And most people want to grow, which is good since you can’t stay still in the auto industry – things change fast. We value longevity because it gives people time to evolve and contribute more.

4. Organizational commitment

As with all employee practices, it’s easy to get busy and let things slide. Top management, the HR group, and front line leadership should get together to make sure there is a strong organizational commitment to a career path program. Once the commitment is there, the program has to be well organized and

structured. You also have to have someone manage it, and you have to hold people accountable. The person who manages it has to believe in it – they serve as a combination evangelist and police officer. And higher leadership has to be vocal in saying “we have to do

this” and then follow through, without exceptions. Companies need to do their due diligence and see if it makes sense for their business; if it does, put everything you have into making it happen.

FINAL WORDS OF WISDOM

Career ladders work best when the positions truly match up – you can’t force one position to lead to another if it’s not really aligned. Along with that, you have to create wage ranges so that people have a place to go. Most importantly, leadership has to be on board so that the discipline and follow through is built in. That way, even when managers feel too busy to do the paperwork to move someone up to the next rung in the career ladder, it’s not optional - it’s just how business is done.

HOW DO WE LEARN MORE?

[Robert Woods Johnson Foundation, Hitachi Foundation, and Department of Labor: Jobs To Careers](#)

[Precision Metalforming Association: Pridgeon and Clay](#)

[Susan M. Heathfield: Performance Development Planning](#)

[Erin Palmer: Create a Career Path to Retain Employees](#)

Other companies that excel at structuring clear career ladders include Oberg Industries, High Plains Community Health Center, and Union Health Center

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