

PRO-TEC Coating Company

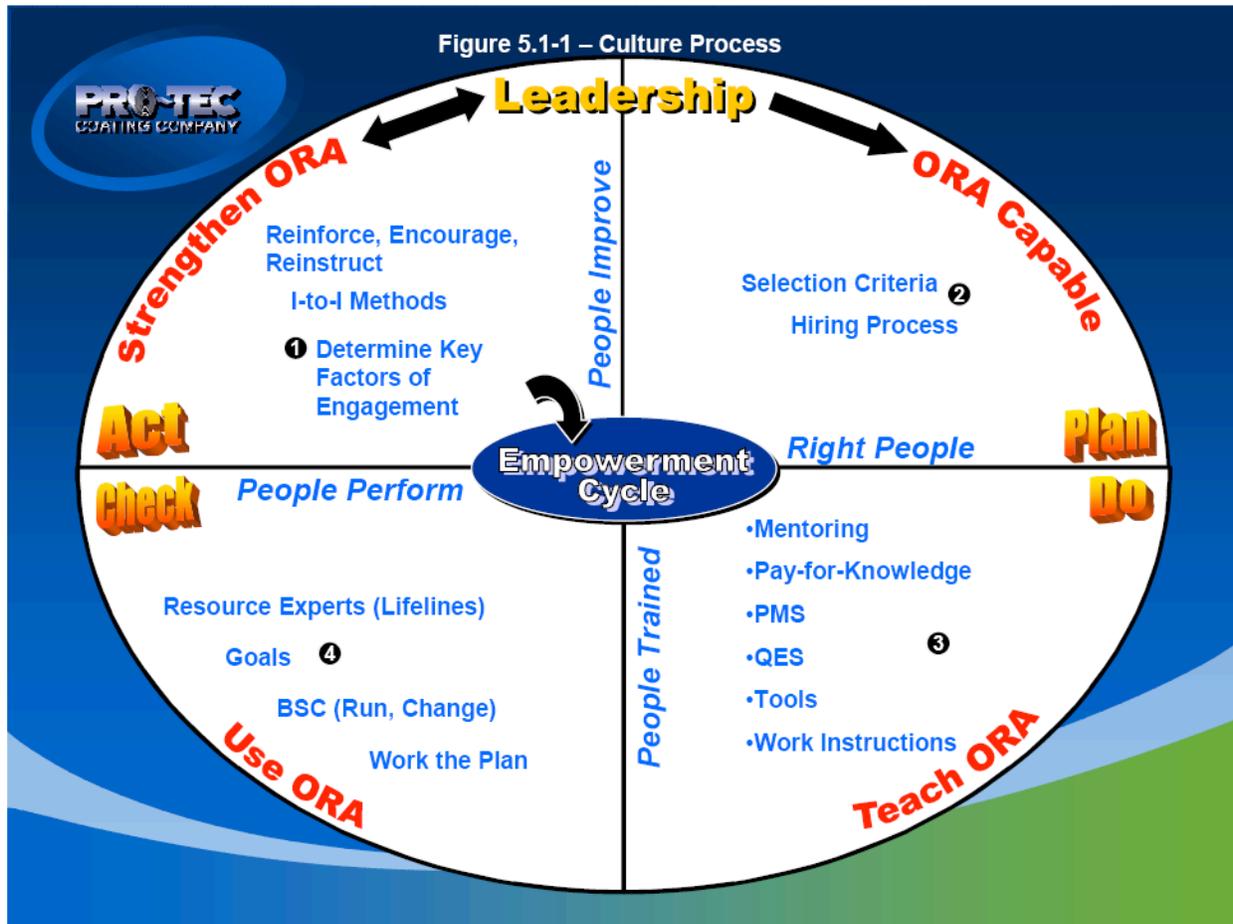
Culture Process and Performance Management System



Culture Process

The PRO-TEC Culture Process ensures their Associates will succeed. Associates perform meaningful work with ORA (ownership, responsibility, accountability). Their culture was created based on industry experience and best practices.

Their Associate Survey process validates this culture internally. They closely monitor their Associate engagement and satisfaction relative to key business results. The Associate satisfaction survey results are reviewed by a group of managers once the results are tabulated. The items are reviewed using a structured process at an off-site, half-day meeting. The same data are then reviewed by an Associate focus group. Action items from both groups are combined, prioritized, and assigned to specific managers or continuous improvement (CI) teams. The results of the survey, the summary of action items that resulted, and the status of the action items are communicated to the Associates during 3rd quarter communication meetings.



Source: PRO-TEC Coating Company

PRO-TEC determines the key factors that engage their workforce. As previously mentioned, the annual Associate Survey process is one method. The results of the survey help them determine what is important to their Associates to keep them engaged and to strengthen their ORA culture.

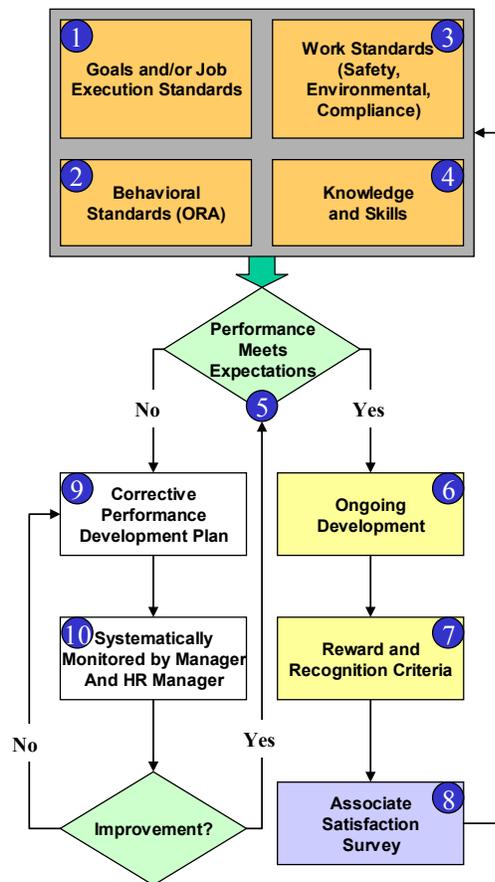
Every year their survey questions are reviewed to ensure they are gathering data that is meaningful. Other indicators that they monitor to determine workforce engagement are safety statistics, leading and lagging safety indicators, their retention rate, and the Associate referral program.

They also recognize that there are different engagement factors for the different work groups. The survey data are analyzed with this in mind. It also helps them determine key factors that affect workforce satisfaction (survey results are available on-site). Other methods of determining satisfaction are participation in safety and wellness initiatives, CI (continuous improvement) teams, personal development, and flexible work schedule options.

Performance Management System

To support high performance work, everyone has goals. Goals are reviewed as part of the Performance Management System (PMS). High performers have an opportunity for ongoing development and improvements that may be discussed through the PMS. Performance is expected to meet expectations as shown in the figure 5. This aligns performance to organizational and individual goals leading to rewards and recognition.

**PRO-TEC
Performance
Management
System**



Individually, all Associates receive a written performance evaluation based upon selected measurements and goals. This influences their annual merit increase or salary progression increase. The salary progression system is designed to review performance in three areas to ensure expectations are

understood: Job Execution Standards❶, Behavioral Standards❷, and Work Standards❸. Thirty one individual non-exempt positions have defined Job Execution Standards for their position which include specific expectations for that job. Goals are included with specific alignment to balanced scorecard measurables. The behavioral standards are the same for all jobs and include teamwork, communication, problem solving, and leadership (ORA). The work standards include expectations of Safety, Environmental, Attendance, and Policies and Procedures (including QES requirements).

The salary progression system was designed to reward performance that meets expectations. Expectations are set high, so meeting expectations should not be construed as 'just average' performance❹. The PMS process also provides the opportunity for discussion; high performing Associates can receive verbal recognition along with better promotional opportunities❺. Associates that are not meeting expectations receive a corrective performance development plan❻. This is typically a three- or six-month development plan with specific measurables. The HR Manager and the appropriate department manager monitor this plan❼.

Team performance is recognized formally, with participation in a company profit-sharing plan. All Associates participate on an equal percentage basis. Individual and team achievements are recognized informally in a variety of ways including off-site celebrations with spouses/guests, verbal recognition, special catered meals, recognition in company publications, and helmet stickers. Educational achievements are recognized in the quarterly newsletter, "The Galvanews," and a closed-circuit TV network, "Galvavision." Safety recognition is defined in a company policy. For every 500,000 man hours without a lost-time accident, everyone in the plant receives some form of incentive/recognition❽.

The Associate satisfaction survey is designed to collect feedback in all areas of our business❾. One area is the performance management system. Feedback from the survey is reviewed, and actions are assigned. If changes to the plan are needed, they are implemented during the next annual review process (pp. 401–403).

About PRO-TEC

PRO-TEC is a small business centrally located to the American automotive industry in northwest Ohio, PRO-TEC Coating Company (PRO-TEC) provides world-class coated sheet steel products and services primarily to the quality-critical automotive market.

PRO-TEC was established as a 50/50 joint venture partnership in 1990 by two global leaders in steel technology – U.S. Steel Corporation (USS) and KOBE Steel (KOBE) of Japan. The partnership agreement was designed to ensure organizational sustainability with an assured substrate (raw material) supply from USS as well as 'shared services' type of external support services. Finally, USS provides the interface to the final customer (supported by PRO-TEC, particularly where there is a processing or technical issue).

This model has allowed all participants to leverage their strengths. For example, KOBE is a world leader in advanced steel technology and processing requirements, USS is a product and technology leader within the United States, and has a marketing presence throughout North America, and PRO-TEC is a leader in process control, and innovative approaches to bringing new products to market. In many ways, this partnership is viewed as a global alliance which is a model for many future organizations (pp. 29-30).

PRO-TEC is a 2007 Malcolm Baldrige National Quality Award Recipient

Reference

Latham, J. R. & Vinyard, J. (2011). *Organization diagnosis, design, and transformation: A Baldrige user's guide* (5th ed.). Hoboken NJ: John Wiley & Sons.

http://www.johnlatham.info/publications/books/bug_5th_ed/bug_5th_ed.html