

Hypertherm

Overview

Hypertherm is a global industry leader in plasma, laser, and waterjet cutters for manufacturing and fabrication. Its products are used for small- and large-scale projects, from constructing skyscrapers and dismantling nuclear power plants to crafting precision parts. Founded more than 50 years ago in a two-car garage by Dick Couch, and based in Hanover, New Hampshire, Hypertherm has grown into a global company, with over 65 percent of sales coming from outside the United States.

In 2001, Hypertherm adopted an employee stock ownership plan. As such, all employees—from entry-level to upper management—are responsible for the company's profit and loss. In addition, Hypertherm has a zero-layoff policy. Even in the face of economic downturns or strategic corporate pivots, employees are redeployed into other positions (sometimes even as landscapers) to ensure they are retained.

New Hampshire's Upper Valley generally lacks qualified job candidates for this work, and there are very few positions at Hypertherm—from machine operators to tech developers—that do not require specialized skills. Hypertherm's commitment to training entry-level workers and upskilling them increases employee retention and investment in the company's success and keeps jobs in the region.

Training and Employee Engagement

In 2007 Hypertherm opened an internal training program for computer numerical control (CNC) machining called Hypertherm Technical Training Institute (HTTI). HTTI's nine-week training not only guarantees employment and career growth at Hypertherm but also grants participants half the number of hours required for an associate's degree. Hypertherm has five full-time staff managing the HTTI training programs. Trainees receive full benefits and are paid during training, with raises after graduation.

Program graduates work with a trainer on the manufacturing floor to become certified as machine operators. As there are many different CNC machines to master, employees can continue to grow their careers in this field. In addition, the company's tuition reimbursement program encourages employees to move from technical jobs into engineering positions, and Hypertherm has developed additional trainings to support leadership and research and development skills. Mike Baymiller, vice president of human resources, says, "Hypertherm tends to fund [training] on a very liberal basis to encourage people to further their education. We have people who came in through our machine operator program who are now in management positions throughout the company." He continues, "From a pure business standpoint, we can't be successful without doing this. We don't have the talent available in our communities. We cannot hire skilled people, so we've got to train them. So if we're going to do it, let's do it the right way. They know we have a no-layoff philosophy; they're not threatened by that robot. In fact, they're actively looking for ways to figure out how to do more with less."

Furthermore, Hypertherm is committed to building staff diversity. Though trainees often come to HTTI with no formal skills, they need only a basic understanding of mathematics to be candidates for the program. Because of the company's efforts to open the manufacturing workforce to women and to support them in their careers, women now make up approximately 30 percent of HTTI graduates.

In its commitment to attracting young people to the field, Hypertherm opens its facility to students during the school year and offers a summer program that takes high school students through four weeks of the nine-week HTTI program for CNC machinists, paying them \$10 an hour. Most of these students enter the program interested in becoming engineers and have had little prior exposure to manufacturing. Hypertherm also brings teachers to its facility to educate them about nontraditional career options for their students.

Funding

Hypertherm funds the costs of its training programs. In addition to paying for on-staff instructors and offering trainee wages and tuition reimbursement, Hypertherm has invested more than \$3.5 million in equipment dedicated exclusively to training, including a stand-alone facility for the HTTI program.

Goals, Achievements, and Lessons Learned

Hypertherm has learned that training its own workforce improves employee morale and loyalty, and attributes its less than 5 percent voluntary turnover rate to clear promotional paths and frequent opportunities for skills gains. As Tom Rucinski, director of human resources, puts it, "We want to train our associates well enough so that they could leave, and we treat them well enough so they won't want to."

Running its own training institute has given the company a competitive advantage. Hypertherm retains its skilled workforce and incorporates automation and robotics to improve working conditions rather than rendering workers redundant. Upskilling employees has allowed Hypertherm to grow organically and maintain a position of global industry leadership. Moving forward, community outreach and education programs about Hypertherm's business and culture will become a greater part of its strategic growth initiative.



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