

Caterpillar management structure

[Business](#), [Management](#)



Caterpillar Management Structure Caterpillar is a corporate governance structure where the Chairman of the board acts as the CEO. The Board of Directors is a group of independent non-employee directors that are chosen from outside of the company. Many of the group presidents report to the CEO, which makes the vice-presidents report to each group president. The Board consists of 14 directors and is divided into three classes for the benefit of election. The Board has four committees which are Audit, Compensation, Governance, and Public Policy.

The Board adopted Guidelines on Corporate Governance Issues and that reflect the Board's commitment to oversee the policy functioning as well as all decision-making. These guidelines are for both the board and management level, with a view to enhancing stockholder value for the long term benefit. The average age of the Board of Directors is currently sixty three. Caterpillar uses change management and 6 Sigma which is used to both prioritize and guide the improvement of health and safety performance.

Caterpillar established procedures to encourage facilities to improve employee safety by utilizing the Vision Zero program. Each facility conducts annual reviews of its safety programs and reports these results to the facility manager. Facility management is responsible for the establishment of objectives, goals, metrics, and targets for the facility's safety process and providing resources and authority to facility staff. Managers and employees are to use the SMART goals that are identified, tracked, and rewarded at each facility.

All front-line leaders discuss safety with employees on a daily basis and all supervisors hold formal weekly safety meetings. The behavior of all employees is governed by a Code of Worldwide Business Conduct whereas management employees are retested on this code annually. Caterpillar's code of ethics is called Our Values in Action. Integrity, Excellence, Commitment and Teamwork are the core values identified in the code and are the foundation for Caterpillar's corporate strategy. The code applies to all members of the board and to management and employees worldwide.

It documents the high ethical standards that Caterpillar has upheld since its formation in 1925. The values of Caterpillar are centralized throughout the entire organization. Caterpillar's hiring practice is designed to assess the skills and talents of all applicants to compare to the jobs they have available. There are four phases to the hiring process, which are: Completion of an application and forms, testing, invitation for an interview, and job offer. Caterpillar's compensation package represents their employees' contributions to the success of the company and the investment in their financial security.

They have a highly competitive salary structure which is designed to attract, retain and motivate the valuable employees whose contributions help the company succeed year after year. There are two primary components which define Caterpillar's compensation philosophy: Pay for Performance and Pay at Risk. As an employee's responsibility increases, so does the proportional amount of "at risk" pay. In addition to the base salary, Caterpillar offers incentive plans and gain-sharing plans that give employees the opportunity

to impact their compensation for achieving targeted corporate and business unit results.