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→ HUMAN RESSOURCES MANAGEMENT CASE

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Presentation of the case study company and its R&D Department

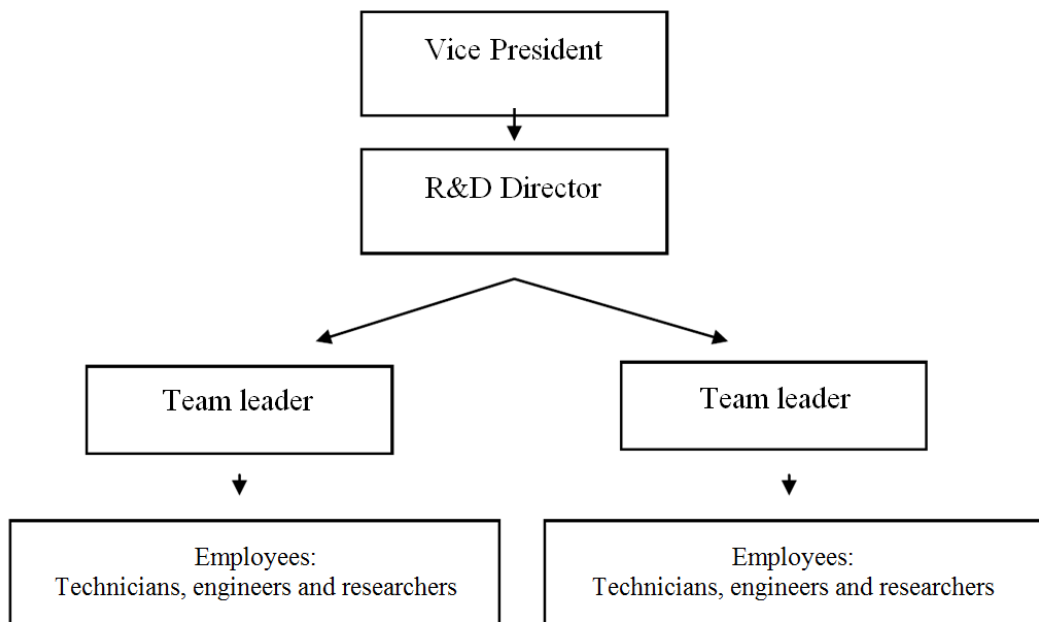
X Company has been in operation since 15 years in the administrative region of Bas-St-Laurent of Quebec. X Company is specialised in the field of optics. Its core business focuses on the design and manufacturing of high-technology products for enterprises.

The production is automated and runs 7 days a week, 16 hours a day, from 8 o'clock to midnight. The company has an approximate workforce of 1200 employees consisting of scientific researchers and technical workers (technicians, engineers and researchers). The highly qualified employees work on product designing and development, within project teams. Manufacturing is ensured by trained operators. They are in charge of different problems that may occur during manufacturing, during new product launch and during break-downs.

Scientific and technical employees contribute significantly in Research and Development Department (R&D). The hierarchical structure of the department is simple (see figure 1): one director, who is under the Vice President of R&D, manages the department. One team leader is responsible for each project. These team leaders supervise eight to ten members of the working team.



Figure 1: R&D Department organization chart of X company



The teams are temporary and unique, being set up according to specific requirements of each new project. Once the project is over, the team is dissolved and the members are reallocated to another work team which is responsible for a new project. Telecommuting is sometimes allowed since every team member is equipped with a laptop as well as Internet connection. Employees must sign in on company network at the beginning of every session so that the team leader and other members can get to know who is active. Activities of each member are registered on the company network. Moreover, interactions among team members are simplified and the latter are free to make their working plan. However, these activities are still liable to certain policies and restrictions. Employees need to be present at working place from Monday to Friday, from 9:30 to 15:30.

The department director and the team leader consult regularly the company network in order to track project evolution and evaluate employees' work. For each project, one plan is fixed by the team leader and the department director. Those schedules are relatively short and compact. The products should be designed and developed rapidly.

The remuneration comprises of a fixed salary that can be topped up with a variable amount depending on the team performances. This amount can be up to 15% of annual salary for R&D Department employees. Performances are evaluated as follows: respect of schedule and meeting the estimated budget. Salary is adjusted at the end of each project by following the



evaluation of achieved results. In this context, certain tension exists within the team. Thus pressure is built among colleagues in order to improve the performance which impacts directly everyone's salary.

Although the schedules of employees are flexible, working time depends mostly on the different deliverables. It happens that employees work more than 40 hours weekly, which is not rare, especially at the end of a project. Employees should work in the evening or on weekend to "buckle" the project. Moreover, since the responsible individuals are in charge of the manufacturing plan problems, the engineers are, alternately, available for phone calls during 72 hours. Even though it is possible for them to carry out certain tasks out of company, long working hours exacerbate the difficulties to balance work/family for the scientific employees.

In spite of those dissatisfactions, employees of R&D Department perceive numerous advantages at work. They are autonomous during planning and implementation phases. They are occupied by a job which practices their creativity and is stimulating. There are numerous challenges and the tasks are variable. Furthermore, most of the scientific employees are proud of working for X Company who has an excellent reputation in its activity community.

The context of X Company: Growing issues

Since its establishment, X Company has been concerning its capacity of attraction and retention of scientific employees. This category of workers is more and more demanded by enterprises in Quebec. Those enterprises compete one with another to find and retain highly qualified workers. It becomes very important for X Company to distinguish from others in order to attract the potential candidates, hire them and maintain the employment relation in long term.

The situation is particularly worrying, as X Company is located in the peripheral region, where it is far-off the grand urban centers. The demographic decline, basically caused by the aging population, combined with immigration of the youth to urban centers, increases difficulties for these Bas-St-Laurent organizations to meet their needs of employees.

The Human Resources Consultants from company's HR Service are already keen to solve this problem. Facing the attraction problem, as well as the recruitment advertisements on the



national and local newspapers, they accentuated their presence in Quebec job salons as well as on the web-site (LinkedIn, Facebook, job searching web-site). They also set a bonus for the employees who help company to step the recruitment proposing potential candidates (their friends, family members, earlier colleagues, etc.). Once one of the candidates is hired and stayed more than six months in the organization, employee who referred can receive 1000 dollars. In order to promote scientific employees' loyalty, company also searched their ways to increase their salary. After analysing the salaries in their field, X Company decided to increase the remuneration by 10% higher than Quebec average for their scientific employees. Furthermore, during recent years, company conducted the recruitment abroad. Seven highly qualified workers from other countries have been equally hired in the last three years.

These processes do not always have the expected effect. The delay of filling the occupations stays too long, which takes 138 days. Moreover, if those employees from Bas-St-Laurent stay relatively long time at the company position, on average, employees from other regions leave after four years' service. The revenue of R&D Department appears then higher by 16%. However, the hired foreign employees stay in the organization. So the plan of retention is successful, at least for now. On the other hand, the recruitment of these candidates seems pricey for the company. Besides that, their integration in the working area seems difficult. First of all, five of them experience difficulties in oral and writing in French. So they communicate mostly often in English with co-workers. Even if the scientific employees master generally well the language of Shakespeare's, it is not the same for the whole administration team (secretaries, human resources professionals, accountants and so on). So the communication problem is found. On the other hand, those seven employees created a good relation among themselves but were involved little with others. So the collaboration is therefore not always optimal in R&D Department.



The mandate

Facing the difficulties, HR Service of X Company calls for your services as consultant. You are asked to develop a strategy of attraction and retention of scientific employees considering:

- Strategy implementation cost;
- Strategy delay;
- Company geographic distances.

Your strategy plan should include:

- Strategies to step and their justifications;
- Implementation schedule
- Necessary resources (human, material and financial).

