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Surprise Case



THE COMPANY

The Reipap pulp mill in Mauricie is a Quebec leader in the pulp and paper industry.¹ The company has been in business for more than 50 years.


In 1964, Yvan Dupapier's unparalleled passion for paper drove him to found the family business. Dupapier has always stood by the philosophy that by combining his team's skills and expertise, he could produce paper pulp of a quality superior to anything available on the market. Guided by this philosophy, Reipap has experienced impressive expansion and steady growth over the years.

Pulp and paper processing is the factory's main line of business. Reipap's product mix is as follows: softwood pulp, hardwood pulp, fluff pulp, NBSK pulp and RBK pulp. Annual production is roughly 251,000 metric tons. Only 10% of production is distributed on the local market—70% is exported to the United States and Latin America, and the remaining 20% goes to various countries in Europe and Asia.

The business's three guiding principles are:

1. Excellence: Above all, the company's philosophy is that anything you do is worth doing well. It takes pride in the quality of paper pulp it produces. Every production run undergoes strict testing to ensure that not a single order is sub-standard. Other aspects of the business are no exception: finances are carefully managed, a marketing department is charged with continually crafting the company's brand image, and human resources staff are under orders to hire only exceptional workers who produce outstanding work.
2. Teamwork: All positions are important and interdependent. Clear, effective

¹ Because this is a fictitious business, you must use the data included in the case as well as statistics relating to pulp mills (Industry Canada classification 32211) to complete your study



and respectful communication is essential. A clearly defined hierarchy of team leads and supervisors helps efficiently centralize information and decisions.


3. Equity: Fairness and equal opportunity for all employees. All employees should feel they have the opportunity to grow within the organization, earn a promotion or a raise, according to standards that are fair for everyone. In addition, strict anti-discrimination policies are in force.

When Yvan retired in 2011, his son Jay took over the management of the factory. The transition went smoothly: sales continued to grow steadily and the business was extremely stable. But five years later, the company faced a daunting challenge: Reipap began having trouble finding qualified labour to support its growth. Both its pool of qualified candidates and the number of new hires were shrinking progressively. Understandably, Jay dismissed it as an off year, and the next year, the problem seemed to go away on its own. The management team put it out of their minds until October 2018, when Jay realized that the situation had only worsened over the past three years.

THE PROBLEM

A special meeting of the Reipap management team is called for October 31. As the most reputable human resources consultation firm in eastern Canada, you have been invited to sit in on the meeting and submit your recommendations at the next meeting.

The following people are attending the meeting: Jay Dupapier – President, Julie Sage – VP Human Resources, Felix Navidad – Staffing Agent, Marc Ting – VP Marketing, and your team.



The meeting is about to start.

Jay Dupapier: Hello, everyone. We are gathered here today because these are grave times for Reipap. A high turnover rate, partially due to retiring employees, has led to a labour shortage.² Recruitment is proving challenging; if we don't hire **20 production day labourers and 10 industrial mechanics** in the next six months, we'll never have our customers orders out on time.

Julie, could you please tell us why we're having trouble attracting skilled workers?


Julie Sage: Certainly. We aren't the only ones having staffing problems; there's an industry-wide labour shortage. You have to admit—pulp and paper just isn't as appealing as it used to be, and our competitors are recruiting aggressively. Some of the big players are really proactive and have the money to get their names out there with solid recruitment campaigns. And it's hard to compete with the salary and benefits they're offering. If we take a risk and set up similar programs, it will reinforce our employees' sense of belonging, and that in turn will bring down the turnover rate and make the company more attractive to potential candidates.

Jay Dupapier: It seems like our pay is already pretty competitive: new production day labourers make \$23/hr and our industrial mechanics have an average starting salary of \$28/hr. And our benefits are standard.³

Julie Sage: That's true! But a few companies are really setting themselves apart.

² Number of employees, staffing, employee turnover: see Appendix 1

³ Benefits offered: see Appendix 4



Resolute Forest Products introduced the LiveWell program for all employees in their American factories. The program is meant to improve worker health. Employees have access to biometric tests, fitness programs, health goals, and physical fitness monitoring. It's no secret that healthy employees are happier and more productive. Plus, they have a complex bonus program that rewards employees for their performance,⁴ both individually and as a team. Maybe we should start giving out performance bonuses, too.


Jay Dupapier: Interesting. So, we're on the right track. What about our recruitment channels? What are we doing right now to find qualified workers?

Felix Navidad: Our staffing strategy is to attend career fairs around the province and hold open houses at our factory. We post our job openings on several online platforms. We don't have a social media presence. Since last year, we've offered a \$1,000 hiring bonus for every candidate referred and hired so we can target workers with the right qualifications more directly.

Marc Ting: Those strategies are stale and outdated. I understand that they're the basics of recruiting, but we really need to make a bigger splash. We need to generate buzz with a viral media campaign! Public perception of our brand image will determine how attractive we are to future candidates. We have to craft an image that is just as striking as the big guys' like Kruger or Resolute Forest Products. The problem is that we don't have a big enough marketing or staffing budget to get unique, creative ideas off the ground!

Jay Dupapier: Marketing people! Spending money's all you think about. Well, we did

⁴ Reipap expansion process performance review: see Appendix 3



have a record year for profits. We could take a portion of our retained earnings, say up to \$100,000, and inject it right away to set up a new strategy that kills two birds with one stone: filling our high-need positions and improving our recruitment process for the long term. You might want to stay under budget, because you'll have to make a case for the ROI of every dollar you spend. You have until the end of our fiscal year—May 31, 2019—to get the staffing strategy up and running. Don't worry—next year, we'll review the budget to see how successful it was and if we'd like to keep it going.


Marc Ting: That's good news. I can get started on it with HR. Just one last question: what does our target candidate look like?

Julie Sage: Right now, we're targeting men and women age 18 to 60. Selection criteria are based on the position requirements we've already set.⁵ We mainly visit trade schools across the province. We don't recruit outside of Quebec because of the language barrier: all Reipap employees have to speak French fluently. This year, we received an average of two applications for every open position, which is not enough to maintain a skilled and qualified staff. For that, we'll need to at least twice as many applications.

Felix Navidad: Maybe we just need to target a different sociodemographic profile? I think there are government subsidies for hiring women and foreign workers. That would definitely offset costs so we could offer them more attractive benefits and widen our pool of candidates.

Julie Sage: Great idea! But if we start recruiting abroad, we'll have to be careful to

5 Job descriptions and requirements: see Appendix 2



emphasize integration as part of our strategy. And we can't forget about local candidates, who've always made up the bulk of our staff.

All committee members nod in approval.

Marc breaks out into song: Felix Navidad, Felix Navidad, Felix Navidad!

Satisfied, Jay stands to wrap up the meeting.

Jay Dupapier: Those are all fantastic ideas. Now we'll hand things over to the HR consulting firm with us today so they can run a diagnostic on our company's appeal and recommend an action plan to help meet our ambitious goals.

In two weeks, we'll hear their recommendations, and then we'll put things in motion as soon as we can.

Jay warmly shakes your hand; he is confident in your abilities and believes that you will tackle this challenge with gusto.



YOUR MISSION

You have been tasked with addressing the qualified labour shortage at the Reipap pulp mill.

Specifically, you must:

1. Complete a diagnostic of Reipap's current "employer brand" and the external factors to consider when measuring the business's appeal to candidates in relation to its competitors.
2. Design a comprehensive and feasible marketing / human resources strategy that paints a comprehensive and detailed picture of Reipap's long-term employer offer. This strategy must:
 - 1) Attract workers, 2) integrate workers, and 3) build worker loyalty.
3. Create an action plan for quickly hiring 20 production day labourers 10 industrial mechanics.

Your strategic plan must also:

1. Respect the business's mission and values
2. Include an updated calendar and budget that respect the listed time and budget constraints⁶
3. Include a list of material, human and financial resources to mobilize

You have 20 minutes to present your recommendations to the committee. Good luck!

⁶ You may work outside the time or budget constraints without penalty if your team provides a valid explanation.

APPENDIX 1.1: STAFFING AND TURNOVER DATA

TOTAL EMPLOYEES DECEMBER 31, 2017			
Age	Units (#)	Women	Men
< 30	People	6	44
30–50	People	18	102
> 50	People	2	25
Total	People	26	171

NEW HIRES 2017			
Age	Units (#)	Women	Men
< 30	People	4	24
30–50	People	4	20
> 50	People	1	7
Total	People	9	51

EMPLOYEE TURNOVER 2017			
Age	Units (#)	Women	Men
< 30	People	3	14
30–50	People	5	14
> 50	People	3	25
Total	People	11	53



APPENDIX 1.2: FACTORS CONTRIBUTING TO EMPLOYEE DEPARTURES

When an employee resigns, they must complete an exit interview during which they talk about why they're leaving the company. Here are the human resource department's findings from 2017.

EXIT INTERVIEW RESULTS 2017	
Reason for leaving	% of resignations
Dissatisfaction with work-life balance	26.56
Limited opportunities for advancement	23.44
Lack of challenge	18.75
Unattractive salary and benefits	15.63
Lack of skills required for the position	12.5
Poor company leadership	3.12

A similar survey was distributed to employees working for the business for at least one year. They were asked to name the main reason for staying with Reipap.

EMPLOYEE RETENTION SURVEY RESULTS 2017	
Reason for staying with the company	% of employees
Feeling of team pride and belonging	28.16
Good job security	21.24
Attractive salary and benefits	16.63
Opportunities for advancement	16.23
Good company leadership	13.75
Quality of food in the factory cafeteria	3.99



APPENDIX 2: POSITIONS TO FILL

PRODUCTION DAY LABOURER

JOB DESCRIPTION

- Operate and monitor production equipment in our departments
- Clean some areas of the factory and keep your work environment clean and safe
- Maintain product quality in line with our standards and customer expectations
- Comply with required healthy and safety, ISO and environmental standards

REQUIREMENTS

- Respect for health and safety policies and regulations
- Resourcefulness and ability to solve problems
- Attention to detail and understanding of the importance of high-quality work
- High school diploma
- 1 to 3 years of manufacturing experience an asset

INDUSTRIAL MECHANIC

JOB DESCRIPTION

- Complete repairs and address equipment failures during production hours
- Make machinery improvement and upkeep recommendations to the diagnostic and repairs team
- Comply with required health and safety, ISO and environmental standards



REQUIREMENTS

- Respect for health and safety policies and regulations
- Highly independent, problem solver
- People skills and team work skills
- DCS in mechanical engineering or a DVS in industrial mechanics and a minimum 2 years of experience in a manufacturing context



APPENDIX 3: PERFORMANCE REVIEWS - REIPAP

Every year, direct supervisors and middle managers must evaluate operational employees based on the following standards. Performance that surpasses standards will be rewarded with praise and words of encouragement, while performance that fails to meet standards will be subject to disciplinary measures.

Exceeds standards	Exceeds all main standards. Achieves better results than the majority of same-level employees and makes a significant contribution to the organization's success.
Meets standards	Has a thorough and deep knowledge of their job functions. Results could be improved in some minor areas with training or experience.
Fails to meet standards	Unable to achieve results required at their job level. Rarely meets main goals. Seems incapable of overcoming obstacles.
Knowledge	Employee's understanding of the working methods and procedures needed to do their job and how their work relates to the work of others.

⁷ Table translated from Gestion des ressources humaines: Gérer le rendement des employés, Conseils des Ressources humaines du secteur culturel, <http://hrcouncil.ca/info-rh/documents/Gererlerendementdesemployes.pdf>, p.25



Productivity	Quality of work produced and the degree to which the employee achieves or surpasses the goals set for the evaluation period, including organizational skills and judgment.
Relationships	How effectively an employee conducts work relationships, both internally and externally, including teamwork, communication skills and adaptability.
Initiative	Degree of leadership demonstrated by the employee when initiating productive activities related to work.
Health and safety	Degree to which an employee is aware of health and safety issues affecting them and their colleagues.
Service	Quality of service provided by the employee to external customers, internal services and staff.
Self-improvement	Extent to which the employee pursues opportunities to improve their professional skills and knowledge.



APPENDIX 4: BENEFITS OFFERED

The following benefits are offered to all Reipap employees:

- Disability insurance, medication insurance, life insurance
- Dental and vision insurance
- Parental benefits
- Tuition reimbursement program for continuing education
- One week of paid time off above what is required by law, based on employee seniority
- Generous contribution to a registered retirement savings plan (RRSP)
- Option to receive an advance of up to one month's pay
- Subsidized public transportation
- Cafeteria with a wide selection of snacks and lunches