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EDITOR

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PRESENTED BY



Labatt

ABOUT THE COMPANY

Labatt Breweries has been one of the biggest players in the Canadian beer market for more than 170 years. Despite enormous competition, the company is a mainstay of the industry. Its strength is supported by a portfolio of approximately 60 quality brands and breweries throughout Canada.

Anheuser-Busch InBev (AB InBev) acquired Labatt in 1995, making the company part of an international powerhouse that generated revenues of up to US\$45.5 billion in 2016 and has more than 200,000 employees around the world. Their products are made in nearly 50 countries and consumed in more than 100. North America is the geographical territory that has seen the company's greatest business growth and accounted for 36.3% of its earnings before interest, taxes, depreciation and amortization (EBITDA) in 2016. The 200 brands of beer they brew include many that are well-known to Canadian consumers, such as Budweiser, Corona, Stella Artois, Bud Light, Leffe, and many more. In recent years, AB InBev has also acquired the Palm Bay brand, as well as Lac-Beauport's Archibald microbrewery, Ontario's Mill Street Brewery and British Columbia's Turning Point Brewery. What's more, the company made its entrance into Africa in 2016 with the acquisition of SABMiller, which gave them a foothold on each continent and created a promising business partnership.

AB InBev's sense of social responsibility is structured around three pillars worldwide:

1. A growing world: Where everyone has the opportunity to improve their livelihood (Producers+ Retailers)
2. A better world: Where natural resources are shared and preserved for the future (Water + Renewables and recycling)
3. A healthier world: Where every experience with beer is a positive one for a life well lived (Global Smart Drinking Goals)

For its part, Labatt has always based its development on brewing excellence and commitment to the communities where it operates. Since its founding in 1847, the company's mission has always been to serve consumers by continually finding innovative ways to enhance the customer experience. That's how a small brewery in London, Ontario, became the internationally renowned brewer it is today.

THE PROBLEM

Labatt operates in a highly competitive market, and the company has used a variety of means to meet its labour needs. In general, the results have been positive, and most positions are filled within the anticipated timelines. However, the job category of technical trades, made up of tradespeople such as electricians and mechanics, poses a particular challenge. Many positions still need to be filled at the company's **brewery in London, Ontario** - which is why Labatt is turning to you today! Labatt is looking for innovative ways to attract and retain employees from the technical sector, i.e., mechanics and electricians. Short and long-term solutions need to be implemented in an effort to reduce gaps in the workforce for this job category, since these positions are necessary for production systems to operate properly.

As demographics undergo significant change, the pool of available candidates for this type of job is increasingly limited, especially in big cities. People are tending to move away from technical trades to pursue university training, which creates a labour shortage. Furthermore, many companies in a variety of industrial sectors are competing with each other to find and keep skilled workers who can hold these key positions. As the London brewery is located near the US border, competition is even fiercer due to offers in the neighbouring market. The Canadian market also poses a threat since the pay in remote areas such as the Northwest Territories can be much higher, including an isolation allowance and other benefits. It is critical for Labatt to set itself apart from the competition in order to attract, hire and maintain a long-term employment relationship with potential candidates.

Labatt's human resources advisors have examined this problem, and several measures have been taken to address the issue of attracting workers. In addition to posting job offers on the company's website, Labatt's advisors have enhanced their presence on CEGEP and vocational/trade school campuses and online using sites such as LinkedIn, Indeed, Workopolis and other general and specialized job search sites. The company has also developed partnerships with public bodies to recruit skilled workers from other countries, has been working with external employment agencies, and has hired a recruiter for 2–3 days a week to specifically recruit in these trades.

Labatt has also reviewed the specialized positions to make some improvements and increase the pool of potential candidates. The company made more exceptions to their

required electrical skills to accommodate candidates from the residential sector in order to meet its labour needs and increase the number of potential candidates. However, very little of the training in the residential sector applies in an industrial context, which means these workers need a lot of training before they can properly work in a Labatt facility. Additionally, a referral program was set up so employees could submit applications from potential candidates and receive a \$500 bonus if their referral is hired. And after analyzing wages in the industry, the company implemented a new pay structure with a progressive pay scale that increases the starting pay to \$31/hour.

Labatt has many other characteristics that are attractive to outside candidates, such as:

- ✓ Its status as one of Canada's top 100 employers
- ✓ A pleasant work environment
- ✓ The opportunity to work on a variety of interesting projects
- ✓ Very good working conditions
- ✓ A safe work environment
- ✓ Competitive pay and benefits
- ✓ Performance bonuses

However, the different approaches taken to promote the company's employer brand and fill its vacancies have not had the desired effect. Labatt is still having trouble finding people for those specialized positions in London. Furthermore, the turnover rate is rather high, mainly because of pay and work schedules. Many employees have found jobs elsewhere with better pay and fixed hours. This labour shortage is likely to get worse in the next few years, as half of Labatt's employees in this job category are 50 years of age or older.

THE SPECIFICS OF LABATT'S TECHNICAL TRADES

COMPENSATION

The workers' compensation plan is based on fixed wages, starting at \$31/hour and graduating up to \$38/hour after five years, and includes potential performance bonuses. Employees also receive several benefits, including group insurance and a pension fund.

WORKING CONDITIONS

Employees work rotating shifts every week, which includes weekends. All employees are required to take turns working three different kinds of shifts: Day (7:00 a.m. to 3:00 p.m.), Evening (3:00 p.m. to 11:00 p.m.) and Night (11:00 p.m. to 7:00 a.m.). An employee can work

three 12-hour shifts from Friday to Sunday for a total of 36 hours, with pay equivalent to 40 hours of work. Employees may work from Friday to Sunday or from Saturday to Monday.

JOB REQUIREMENTS

To fill these positions, the company is looking for candidates with a Class C electrical licence and a college diploma in instrumentation or electrical engineering for the electrical technician positions. The candidates must have at least three years of experience and specific qualifications for control and automation systems. Finally, the candidates must have a strong understanding of instrumentation and industrial networking.

It is also important to note that these tradespeople are unionized. All their current employment benefits are thus governed by a collective agreement.

YOUR MISSION

First of all, your short-term mission is to find solutions that will help Labatt fill five electrician positions and five mechanic positions that are currently vacant at their brewery in **London, Ontario**.

In the longer term, what measures would need to be taken to successfully attract and retain desirable candidates, and what strategy would help the company adequately meet its future labour needs in this job category? How can Labatt set itself apart from the competition to become a preferred employer?

Specifically, you must:

1. Offer solutions that can be quickly implemented to fill the vacant positions
2. Suggest ways for the company to better troubleshoot and understand their difficulties attracting and recruiting workers
3. Compare Labatt's offer with its market competitors (in Canada and the US), particularly in London, Ontario
4. Come up with a strategy to attract, recruit and retain workers, keeping in mind the costs and time frame for implementing the strategy

Your strategic plan must include:

- ✓ The strategies to implement and their rationale
- ✓ An implementation timetable

- ✓ The human, material and financial resources needed to implement the strategy

JOB DESCRIPTIONS

MAINTENANCE ELECTRICIAN

- ✓ Providing maintenance for all equipment in the plant
- ✓ Performing corrective and preventive maintenance routine
- ✓ Troubleshooting and repair of system problems
- ✓ Programming documentation updates where required
- ✓ Respect of plant policy (Safety, Environment, HACCP, etc.)
- ✓ Other duties as required

INDUSTRIAL MECHANIC

- ✓ Perform corrective and preventative maintenance on industrial equipment in a production environment
- ✓ Work as part of a team to troubleshoot and repair equipment, including disassembling and reassembling machinery, overhauling gearboxes and replacing bearings, etc.
- ✓ Maintain a preventative maintenance program for plant equipment
- ✓ Perform work in a manner consistent with plant safety, housekeeping standards, and quality checks
- ✓ Be part of an effective work planning process that utilizes work orders, planners and part staging