

## Human Resource Management: Fall 2008

### Final Project Information

#### Build – It – Yourself Furniture Production and Sales Company

The home-owner build-it-yourself industry is very lucrative and BIY Co., based in Charlotte, North Carolina, is a growing company with two production and distribution facilities nationwide. Currently the company is experiencing a large growth in demand for build it yourself furniture. This explosive growth has created a need for a number of new positions and a revised operational plan.

Expansion at these regional facilities has necessitated that recruitment and retention become a high priority, also a priority are employee health and safety issues and goals, and employee productivity improvement. There are many positions that need to be filled in the next year. Currently, all positions are full-time employees, and they run two production shifts, 7 am – 3 pm and 3 pm – 11 pm. Current compensation and benefits are listed on Chart 1.

As these positions are added, the organization's structure will change, therefore making it necessary to update the company's organizational chart. Also an operation and strategic plan will need to be formalized for the HR department.

The positions at each facility are listed below:

**General Manager:** Each facility has one general manager that oversees all operations at each production facility. Each is responsible for supervising all employees at their facility. There are no current plans to replace either general manager.

**Financial Analyst:** This is a new position to the organization and is an entry-level position responsible for evaluating the financial performance of the facility. These employees will prepare forecasts and analyze trends in sales and expenses. This position is important with the current business strategies of increasing production, decreasing defects, and improving scrap and waste costs. They will be providing the financial information to the general managers and will report directly to the general manager of each facility.

**Regional Sales Manager:** This is a new position for the organization and there will two located at each facility. They will supervise the field sales representatives. Field Sales Representatives were previously supervised by the general manager at their facility, but with the number of new employees to be hired, these positions are needed to oversee the field sales representatives. Each sales manager will oversee either 7 or 8 field representatives based on their sales territory.

**Field Sales Representatives:** There are currently 10 field sales reps allocated to each facility. Due to the demand for build it yourself furniture; the company has decided to hire five more for each facility. They report directly a regional sales manager based on the area they will be servicing.

**HR Manager:** Each facility has an HR manager that reports directly to the general manager. Their responsibilities include overseeing all HR functions for their facility and developing and writing HR plans.

**Copywriter:** This is an entry-level marketing position. There is a copywriter located at each facility presently. The larger facility will be gaining the new position.

**Shift supervisors:** There are two supervisors, one for each shift. Currently each oversees 75 production workers, including employee scheduling, and production scheduling. They are responsible for implementing the introduction of 10 new products to their production schedule.

**General Production Employees:** These are manufacturing positions in the organization. Each facility has 150 production employees. Due to the introduction of 10 new products, each facility will need 20 new manufacturing employees.

Since retention is also an issue it will be necessary to review compensation rates, promotions, raises, bonuses, and evaluation process. The current form that is used for employees is included as Chart 2.

Currently all files are kept in paper format. Please evaluation HRIS options and make a recommendation.

**Current HR workforce plan activities and information:**

1. Scan the environment: in next two months for current trends in the wood manufacturing industry.
  - a. External – salaries, benefits, turnover at other institutions and industry-wide.
  - b. Internal – supply, promotions, skills future and present, workforce mix (full time vs. contingent).
  
2. Business Strategies –
  - a. Increase field sales reps by 50% - from 20 to 30
  - b. Increase gross sales by 8% - \$20 million
  - c. Create four regional sales managers
  - d. Marketing plans for 10 new products
  - e. Train FSR on features/benefits
  - f. 50% increase in copywriter position – 2-3.
  - g. Increase production by 5%
  - h. Decrease product defects by 10%
  - i. Add 20 manufacturing employees to each facility – 40 total – normal turnover for these positions is 25%.
  - j. Increase profits by 3%
  - k. Add two financial analyst positions – one for each plant
  - l. Team to identify scrap and waste and to cut costs
  - m. Review and revise job descriptions, compensation, and evaluation for the existing management positions (general manager, shift supervisors, and HR manager). Make recommendations as necessary.
  - n. Outline job analysis procedure
  
3. Goals:
  - a. Sales –
    - i. Hire/recruit 10 field sales reps – identify target hire date(s) – all at once or over time.
    - ii. Identify supply – natural attrition for department
    - iii. Job analysis position for Regional Sales managers – job description, recruitment, selection, training, compensation, evaluation form – middle management positions – any promotions, hire at lower level. – update organizational chart. Create a succession plan.
    - iv. Promotions/raises – budget
    - v. Revise organizational chart to indicate new positions
  
  - b. Marketing –
    - i. Help create/develop/evaluate training for FSR

- ii. Review job description for copywriter position, recruit, select, train, compensation, evaluation – set target date for hire
  - c. Operations –
    - i. Productivity improvement programs to help increase production and reduce defects
    - ii. Develop a plan to conduct a job analysis on manufacturing employees using observations and following current procedure
    - iii. Hire 40 production employees – demand vs. supply target date – levels, all at once or staggered, pay, benefits, training, selection tools
    - iv. Address Health and safety issues– devise plan to track injury rates – develop a bonus system for days without injury.
  - d. Finance –
    - i. Job analysis for new position – Financial Analyst – write job description, recruitment and selection methods, training, compensation, evaluation, targeted hire date – promotions
    - ii. Increase profits by working to reduce turnover – using environmental scanning data.
    - iii. Formulate Team to address scrap and waste costs and suggest productivity improvement program.
  - e. HR – your job to fill in this section
4. Develop Budget figures to meet above needs –
  5. Address retention plan – based on environmental scanning information.

**Chart 1**

**Compensation Rates by position for current salaried employees:**

	<b>Current salary</b>
General Manager	\$140,000
Shift Supervisor	\$ 55,000
Human Resource Manager	\$ 75,000
Field Sales Representative	\$ 65,000
Copywriter	\$ 35,000

**Compensations rates for hourly employees:**

<b>Labor Grade</b>	<b>Pay Range</b>	<b>Average</b>
LG 8	\$8.10 – 12.25	10.16
LG 9	\$10.20-14.36	12.42
LG 10	\$12.15-16.30	14.61
LG 11	\$11.08-18.90	15.56
LG 12	\$15.30-25.68	19.16
LG 13	\$17.87-28.02	21.13

**Employee benefits:**

BIY Co current health insurance plan is a traditional health insurance plan (Blue Cross-Blue Shield). All employees have one plan which makes no effort to control the health care services provided. Employees select their own physicians and the insurance company pays reimbursement for whatever services are provided at whatever price the particular provider charges. The current cost for the indemnity policy is \$5,316 per year. Employees contribute 33% of this cost. The company pays for the remainder.

For retirement, the organization uses a defined contribution plan, the company pays 5% of the employees' salary; the employee can elect to contribute up to an additional 5% on their own.

**Chart 2 Build – It – Yourself Performance Appraisal** process: Employees are evaluated by their supervisor on a periodic basis. All employees are required to be evaluated at the end of a 90-day period (probationary period) and on a yearly basis after that. Supervisors are required to complete this form at the appropriate time, discuss with employee, ask employee to sign form at end of meeting, and return completed form to HR.

NAME \_\_\_\_\_ SOCIAL SECURITY NUMBER \_\_\_\_\_

TITLE \_\_\_\_\_ DEPARTMENT \_\_\_\_\_

DATE \_\_\_\_\_ APPRAISAL PERIOD FROM – TO \_\_\_\_\_

**PART 1 PERFORMANCE RATING**  
(All employees)

	1	2	3	4	5
Ability					
Attendance (absences and tardiness)					
Appearance					
Responsibility (willing to accept responsibility for work tasks)					
Initiative (independent and self-directed)					
Work with group (cooperates with and is respected by co-workers)					
Promotability					
Quality of work (free from flaws)					
Quantity of work (total amount of acceptable work)					
Overall Performance Level					

REMARKS

PREPARED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMMENTS MADE BY EMPLOYEE:

Employee's signature \_\_\_\_\_

Date: \_\_\_\_\_

(Employee signature does not indicate agreement, merely acknowledgement of evaluation)

1 – Unsatisfactory      2 – Below Average      3 – Satisfactory      4 – Good      5 - Excellent

**Assignment:**

You are the Human Resource Manager. Use these business strategies to develop an operational plan at the HR department level and to formulate a long-term plan, along with a list of actions and deadlines. You will need to identify at least five major, measurable goals and the actions needed to take to achieve these objectives. In order to ensure that you are on target with your plan, you will need to scan the environment (and do additional research). Use the Five Forces analysis to help you with this analysis to create your objectives.

Be sure to outline the activities in all three phases of the employment cycle, pre, during, and post (use your text book to do this). Be sure to address raises, promotions, turnover, dates of hire for new hires (all at once or staggered, all full time employees (workforce mix)), new positions, selection methods, salaries for new hires, and workforce supply (current staff). Also be sure to develop a training plan and costs for existing staff and for new employees.

You will also need to develop a budget to meet the costs of recruitment and selection, salaries, job analysis, promotions, raises, training costs, productivity improvement programs, and health and safety issues. Be sure to use a spreadsheet to make this easy to read.

As part of your proposal, you will need to make recommendations for changes as necessary (i.e. new job description(s), new compensation rates, new positions (staffing plan), new benefits, new software, new evaluation form, selection and recruitment methods, productivity improvement program, and safety and health plans). Be sure these tie back into your budget.

You will also need to create an organizational chart (using Visio software) and succession plan that includes any new positions. Use handout to help you with this.

If you are suggesting adding new policies or procedures, use Visio to outline the new policy.

Since your recommendations are based on actual research, you need to be sure to document all resources used in setting compensation rates, job descriptions, i.e. environmental information.

Once you have completed this, you need to put it in a completed research paper format that you will then present to the General Manager and Board of Directors. You need to assume that you have been working on this plan for at least six months and have most of the above activities already completed, and you are updating them on your progress to date and will share all examples of work already created. (A Progress Report).