



# TEAM CYLINDER

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Motors & More, Inc.  
Human Resources Plan

The basis of this project is to create a successful business located in a small town using a human resource management (HRM) perspective. Motors and More, Inc. is a company that manufactures engines and accessories for home and industrial products. The first phase of the project involves human resource (HR) organization design where we provide new job titles and develop an organizational chart specifically for Motors and More's new HR department. The final phase involves managing an increase in demand for workers and product demand while faced with limited resources and product defects. Within five years Motors and More plans to be a strong contender in a competitive workforce.

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Motors and More, Inc. is a business-to-business sales company that applies a prospector strategy to dominate new markets. They manufacture small engines and accessories for home and industrial products. Headquartered in a small town of 28,000 people, Motors and More faces a low unemployment rate coupled with a high demand for quality staff (McCain, 2007). The new director of HR must work to create a thriving workforce.

By differentiating from other markets as a smaller and more patriotic company while watching possible market rivalries, they stay competitive. Quality staff can be found by reaching out to minority groups and creatively recruiting through job boards and social media. A pool of applicants is reviewed using the Behavioral Description Interview to understand the applicant's goals better.

HR hopes to meet qualified applicants goals through what they offer. Along with compensation and benefits, many companies offer training. New employees, current employees, and management must all be trained consistently to keep a competitive edge.

HR re-organization maximizes the usefulness of the HR Director, Administrator and Training & Development Specialist. Cost benefits analysis helps Motors and More to outsource some positions for maximum efficiency. With the unemployment low, quality workers have the option to shop around for better compensation and benefits, so it is imperative that Motors and more be competitive.

In conclusion, whether it's in training or compensation, Motors and More must be creative in its attempts to use technology, people, and time management to reach its goals. We recommend that Motors and More slowly increase its departments only as new employees are hired on. This hiring should be accompanied by a comprehensive on-boarding and ongoing training for all staff.

## Prospector Strategy

Motors & More, Inc., operates under a prospector business strategy. Organizations implementing a prospector strategy are said to be innovative. The objective of a prospector strategy is to aggressively pursue new market opportunities and not fear taking risks. In many cases most of the revenue from a prospector company comes from new markets or goods. “These businesses maintain an entrepreneurial attitude while exploring emerging trends in their competitive environments with aim of developing new products” (Solymossy, 2003, para. 2).

In a prospector environment, creativity tends to be more important than efficiency. This particular characteristic has proven detrimental for some businesses. For example, “the Miller Brewing Company, which successfully promoted “light” beer and generated aggressive, innovative advertising campaigns, had to close a brand-new brewery when management overestimated market demand” (Solymossy, 2003, para. 3). For a prospector business strategy to thrive in a competitive market, the company must be able to research new products and accurately predict customer demand.

One important aspect of a prospector strategy is that it is decentralized in structure. This will allow the senior management to easily formulate the corporate strategy. One company that uses the prospector strategy is Johnson & Johnson. “Each of the firm’s different businesses is organized into a separate unit, and the managers of these units hold full decision-making responsibility and authority” (Solymossy, 2003 para 4). Johnson & Johnson realized that as each unit develops and new products are formed, sales begin to increase. It is crucial that Motors & More, Inc. leaders implement the prospector strategy by decentralizing units within their company and develop new and ground-breaking products, in hopes of increasing sales and company performance. Regular meetings of leadership contributes to Motors & More, Inc., Inc.’s continued market growth and expansion.

## Competitive Analysis

In comparison, Motors & More, Inc. is significantly smaller than most of its major competition. There is something to be said about lean organizations taking away a percentage of the market share from its larger competitors. Motors & More, Inc. is the

local supplier of many auto part stores and has focused its distribution solely on local relationships. Motors & More, Inc. provides a variety of products for distribution but needs to develop a strategic way of expanding their distribution to other parts of the country or even globally.

Motors & More, Inc.'s strengths are developed out of its ability to build face-to-face relationships with its customers. While this is certainly a competitive advantage over larger organizations that don't have the ability to build close-knit relationships with their customers, it can also be a weakness when trying to expand to other territories outside their local market. Motors & More, Inc. lacks the buying power of its competitors solely on size and cash flow. However, Motors & More, Inc. has proven to be able to maintain annual growth and consistently provide strategic moves to maintain its growth.

Motors & More, Inc. developed a strategy around relationship building and marginal growth. However, if Motors & More, Inc. wants to truly develop into a leader in the motor industry, it will need to expand to other territories and focus on its online distribution opportunities. Currently, online sales are margin for Motors & More, Inc. and by providing a clear strategy of how to compete online by investing in the infrastructure and online marketing, it could start to increase its share in the marketplace. The last instance of strategic success for Motors & More, Inc. is to develop a research and development strategy around electric or hybrid developed motors. If Motors & More, Inc. can develop a strategy around strategically become a major distributor of more efficient motors, then the company could drastically increase their market share in the motor industry.

### Differentiation in the Marketplace

The market that Motors & More, Inc., operates within is very competitive. This market environment requires a keen understanding of products and services that are different than any other supplier of small motors and accessories. There are several specific points where Motors & More, Inc., can set itself apart from the competition to identify with its target market and potential customers. A small southern town will very likely have single family homes with property in need of landscape maintenance. There would be a need for such things as lawn mowers, hedge trimmers and weed cutters. Additionally, a small community could provide an opportunity to provide individualized service before and after a sale of merchandise. Marketing material should highlight the personal approach that this

company can provide their customers. Individualized service may be in great contrast to those larger competitors such as Home Depot or Lowes Home Improvement.

As the president is very patriotic, this may provide an opportunity to reach a target market of individuals who share the same views. Community involvement and being connected in specific ways to potential customers can be very effective in demonstrating a unique customers approach over that of the competition. The company may contribute and sponsor community events related to patriotic holidays where the entire staff can participate. Each of these methods can augment the organization's competitive advantage. Human Resource Management defines competitive advantage as having a superior marketplace position relative to competitors. Sustainable competitive advantage requires a firm to deal effectively with employees, customers, suppliers, and all competitors. (Ivancevich & Konopaske, 2013.)

One point that the case study mentions is that the community has a growing population of Hispanic and Kurdish cultures (McCain, 2007.). Reaching out to this people group in the community with employment offers and for potential sales may be an additional method of differentiation. In terms of employment, the HR department can provide training opportunities, mentoring for career development and expanded opportunities. Some of these programs may help to create an exceptional workplace environment for employees. By doing this the company builds upon a good reputation as a good place to work and build a career for current and potential employees. Having a workplace such as this can differentiate this company in contrast to other employers. A good reputation as a good employer may also translate into increased sales as the company employs happy workers subsequently creating happy customers.

### Analysis with Porter's Five Forces

Authors Ivancevich & Konopaske state that a strategy "indicates what an organization's key executives hope to accomplish in the long run" and "takes the firm into the area of competition in the environment and into alignment with the resources of the firm" (Ivancevich & Konopaske, 2013.). To be on the cutting edge of innovation with a competitive advantage, McCain outlines Motors & More, Inc. as following a prospector strategy. This approach centers around being first to the market, competitive, innovative and creative (McCain, 2007.).

To better analyze the prospector strategy, we will look at Porter's Five Forces as outlined by Karagiannopoulos, Georgopoulos, & Nikolopoulos (2005). These five forces were developed by Michael Porter and published in his first book *Competitive Strategy* in the 1980's. The first force as the degree of rivalry marks an evident pressure on any industry. Similarly, the threat of entry by new industry's into an established economy is a second force. Thirdly, an industry can feel a force from the threat of substitutes entering the market that "satisfy the same basic need" (Karagiannopoulos, Georgopoulos, & Nikolopoulos, 2005.). And lastly, buyer power and supplier power both represent horizontal forces of power on industry. On one end, consumers choose what and how much they will buy while on the other end suppliers can alter prices suddenly.

The prospector strategy has a very pro-active approach to rivalries, focusing on innovating faster and "be first to the market" (McCain, 2007.). This approach acknowledges that competition is steep, and rivalry is a force to be reckoned with. The prospector strategy can also help Motors & More, Inc. be prepared for the effect of new entry into their market by maintaining a flexible organization structure (McCain, 2007.). In contrast, HR may struggle under the prospector strategy to recruit employees externally in an extremely competitive market.

The greatest benefit of the prospector strategy for Motors & More, Inc. is that the greater the focus on innovation, the fewer substitutes entering the market pose a threat. A company such as Motors & More, Inc. is looking for the next big thing isn't nearly as threatened as a single product company. In contrast, the worst consequence of the prospector strategy is that it has no way to buffer from the equally forceful buyer and supplier power effects.

In analyzing the Motors & More, Inc., we find that over all this company will benefit by utilizing a prospector strategy approach. Porter's Five Forces reveal that the prospector strategy will help Motors & More, Inc. be moderately suited to handle the threats of rivalry and new entry through flexibility and innovation. The prospector strategy provides superior protection against the threat of substitutes entering the market as its fast pace of innovation outpaces competitors. And though the prospector strategy does not help with the horizontal forces of buyer and supplier power, the net value as a strategy for Motors & More, Inc. is a positive one.

## Role of Strategy and Company Performance

As mentioned in the above sections, Motors & More, Inc. will be using the prospector strategy to ensure success of their business. The role of this strategy is extremely risky, but the rewards if effectively executed is unlimited. A prospector strategy is mainly focused on growth, innovation and new technologies. Human Resource's strategy within any organization is to also be concerned about "the organization's customers, competition, cost structure, and regulatory environment" (Lee, 2013, para. 1). The reason these elements are an important focus for the Human Resource department is because of job creation and job retention. Jobs equal growth and strong performance.

There are several ways that Motors & More, Inc. can market opportunities for the community they are serving. Due to the size of the town where Motors & More, Inc. is located, recruiting the best employees can be done through local ads and newspapers. Motors & More's human resource department may also extend their reach and utilize the internet and social media to recruit employees. Motors & More, Inc. will also hire a recruitment firm to aid in the search for employees that have certain skills and attributes that will bring optimum performance to the company.

Companies that are using the prospector business strategy are always looking for the best quality individuals to work for their organization. In the small southern town where Motors & More, Inc. is located, there is a 3.1 percent unemployment rate. This suggests that there are more jobs than there are workers. "Employees today might move to another job for better compensation, but they are also looking for growing, successful companies which provide an employee friendly environment where they can participate in the decision-making and be part of the team" (Cunningham, 2002, para. 4).

Motors & More, Inc. has recently been affected by a high turnover. "Today's high-performing employees are looking for more than compensation packages and benefits" (Cunningham, 2002, para. 5). In order to retain employees, Motors & More, Inc. must implement an array of labor organizing activities that promote performance. "We must advocate for all things that support optimal performance (e.g., culture, high standards and expectations, supervisor accountability, diversity and equal opportunity, and the employee value proposition)" (Lee, 2013, para. 1).

The following represents the organizational structure of a typical human resource department. The below example is referencing the McCain study of Motors and More, Inc.. (2007)

#### Job Title: HR Director

Role: Manages the HR department

#### Responsibilities:

- Manages the staff of each HR unit as a cohesive group
- Remains abreast of any external changes that affect HR
- Works with senior management to plan organizational goals
- Works consistently to align HR goals with that of the organization and senior management

#### HR Unit: Organizational Development (OD)

#### Job Title: OD Senior Consultant

Role: Manages the OD Unit and OD specialists

#### Responsibilities:

- Conducts research and analysis to identify problems and solutions
- Fosters a culture of learning and achievement
- Supports performance measures and goals for senior staff
- Administers internal contracts

#### Job Title: OD Specialist

Role: Acts as support staff to the OD Senior Consultant and HR director

#### Responsibilities:

- Produces and administers performance management measures such as surveys and annual evaluations
- Creates goal setting tools to be used throughout the organization

## HR Unit: Staffing

### Job Title: Staffing Manager

Role: Oversees the companies staffing needs and works to fill open positions

#### Responsibilities:

- Advertises job openings with accurate job descriptions and specifications
- Pools together qualified candidates for an open position
- Screens candidates and conducts interviews
- Hires and completes entry paperwork for temporary, part time, flex time and full-time staff.
- Ensures legal compliance to all EEO policies
- Supports diversity initiatives

### Job Title: Staffing Specialist

Role: Supports staff for staffing manager

#### Responsibilities:

- Posts job openings as needed by Staffing Manager
- Provides initial screening for job required background such as a college education
- Provides support for diversity initiatives
- Files and databases new employee records in accordance with regulatory standards

## HR Unit: Human Resources Development (HRD)

### Job Title: Training Coordinator

Role: Oversees the HRD unit's initiatives and staff roles

#### Responsibilities:

- Facilitates learning experiences
- Maintains an HRD agenda
- Facilitates and evaluates learning experiences
- Provides feedback to learners, designers, and developers

## Job Title: Design and Development Specialist

Role: Creates training guides and media used for instruction and assessment

### Responsibilities:

- Performs organizational needs assessment to determine what training is lacking
- Develops media and training guides
- Works with the evaluator to create increasingly useful instruments

## Job Title: Evaluator

Role: Conducts all evaluations and analyzes data

### Responsibilities:

- Develops and implements evaluation plans
- Conducts evaluations of staff and management
- Conducts evaluations of trainings or seminars
- Analyzes results of assessments and reports it to the HRD Training Coordinator

## HR Unit: Compensation

### Benefits Specialist

Role: Determines the benefits that the organization will offer

### Responsibilities:

- Establishes employee benefit packages
- Administers health plans including HMO and PPO
- Administers retirement plans

### Job Title: Salary Specialist

Role: Develops pay for positions and rewards pay in accordance with an overall HRD compensation plan.

### Responsibilities:

- Maintains payroll
- Consults with management and employees on performance goals and pay grades

- Determines pay for new positions
- Conducts analysis of remuneration in relation to job responsibilities
- Works alongside management to determine pay relative to others in a competitive market
- Develops types of reward pay such as bonuses and profit-sharing

## HR Unit: Employee Relations

### Employee Relations Specialist

Role: Creates internal policies, surveys and handbooks

#### Responsibilities

- Supports diversity efforts and maintains EEO policies
- Writes employee handbooks
- Implements discipline
- Provides mediation and counseling
- Designs and upholds ethical guidelines
- Maintains labor relations and laws
- Develops plans to address issues from employee surveys
- Ensures all employee rights are upheld at all times

## HR Unit: Health and Safety

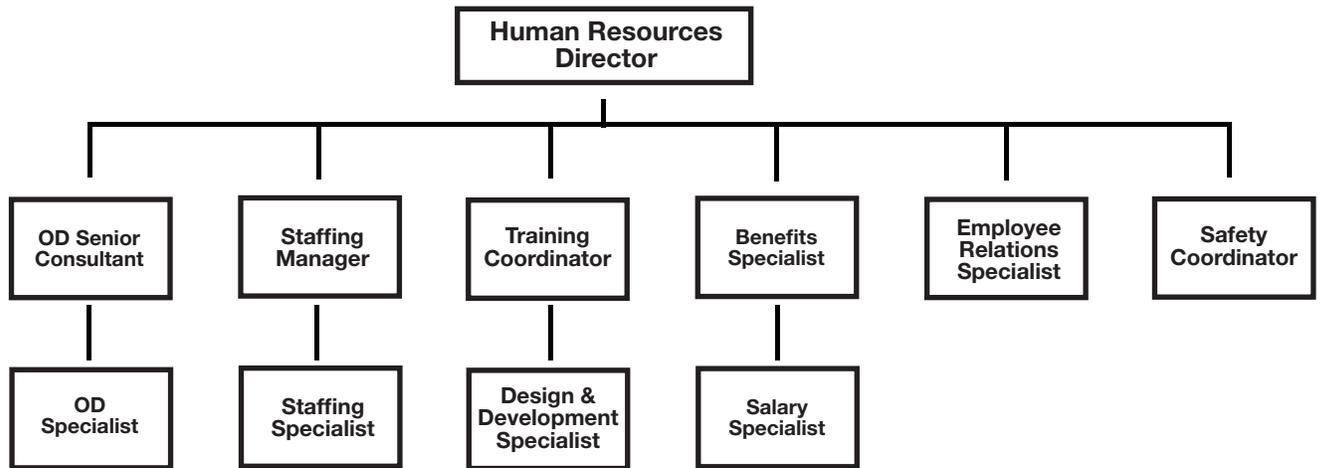
### Job Title: Safety Coordinator

Role: Ensures a safe workplace

#### Responsibilities:

- Conducts inspections to uphold OSHA compliance
- Develops and trains staff on implementing procedures for a safe work environment
- Conducts health and wellness trainings
- Ensures the security of the offices and conducts security trainings
- Files accident reports and maintains files according to OSHA compliance

Typical Human Resource Organizational Chart



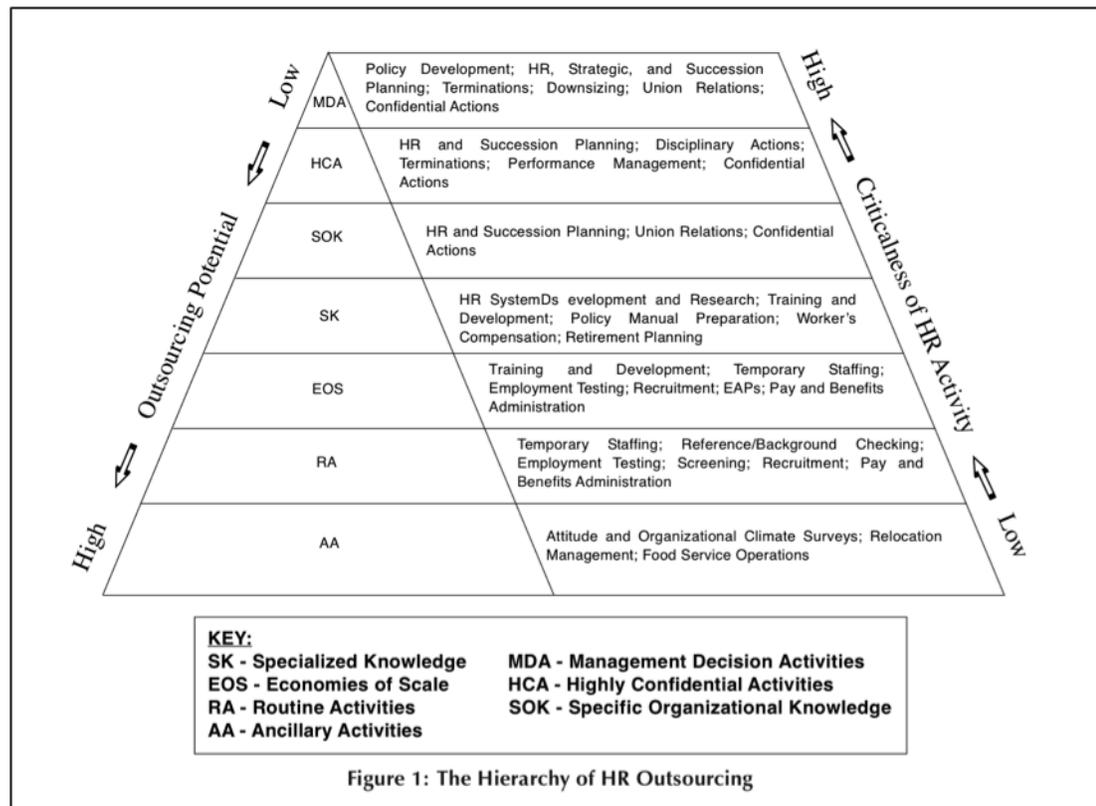
## Typical Human Structure Changes

Motors & More, Inc. has just over 100 employees on staff. Due to this company being a small organization, the need for a full-featured human resources staff are also diminished. Since some of the roles and responsibilities will no longer be performed by these positions, the responsibilities will need to be assumed by other staff members both in the human resources department and potentially in others departments. Some of the more routine and ancillary functions within the human resource department are good candidates for outsourcing to professional service organizations.

Re-ordering the positions within the human resource department requires careful consideration since many services which the HR personnel provide, directly affects each and every employee of the organization. If employees are not certain who to contact with questions regarding job function, benefits, training, or compensation there could be negative effects on morale or general organization. In downsizing the HR positions it was decided to assign the following function of organizational development to the Director. This would eliminate the OD unit comprising OD Senior Consultant and OD Specialist. The HR director would certainly have the interface with senior staff and would be in a position to liaison between HR and upper management on learning, achievement and performance measures. The position of training & development would assume the responsibility of training coordinator, design and development specialist & evaluator. The Admin position would assume the responsibilities of employee relations specialist and safety coordinator. The two positions considered for outsourcing are staffing and benefits administration. Due to the routine and repetitive nature of these human resource functions as well as the general nature of the information it was considered an option for outsourcing.

A prime consideration for the role of outsourcing positions within the human resource functions is that of determining whether the role is routine versus one that is critical, highly confidential in nature, requires specialized knowledge or requires specific management decisions. (Caruth & Caruth, 2013, p. 4) The chart below demonstrates the differences

between positions that have high potential for outsourcing versus low potential and the criticalness of the HR activity. Included in the team's recommendation are the positions for outsourcing of both staffing and benefits. These positions fall in the middle to low levels of the hierarchy chart below. (Caruth & Caruth, 2013, p. 4)



(Caruth & Caruth, 2013, p. 4)

## Human Resource Director

Role: Direct staff by managing and implementing company values and upholding laws and regulations.

### Responsibilities:

- In charge of organizational strategies within the company.
- Be able investigate, analyze, and give recommendations on organizational direction and strategy.
- Manage all outsourced human resource firms for company, such as staffing, training, and recruitment.
- Manage all human resource staff by advising, training, monitoring, clarifying issues, analyzing productivity, and researching customer service approaches.
- Guide in the revision and addition of policies, procedures, and methods.
- Follow all federal, state, and local laws by studying both new and current legislation; while counseling employees and applying requirements.
- Apprise education by reading recent professional publications, enroll in educational opportunities, contribute in conferences and meetings as well as preserve a professional network.
- Enhances the human resource department as well as the company's image by searching for new opportunities that will add value to employee undertakings.

## Training & Development Specialist

Role: In charge of providing the company's employees with job specific trainings to promote high job performance and retain employees.

### Responsibilities:

- Ascertain and measure the educational needs within the company.
- Communicate it HR Director of training needs.
- Administer reviews.
- Conduct job specific trainings for employees
- Create, conduct and assess training programs.
- Develop educational resources.
- Explain skills including business technology, merchandise assembly, laws and

regulations, and planning.

- Conduct presentations on educational content.
- Train both new and existing employees

## Human Resource Administrator

Role: The first point of contact for anyone that contacts the department.

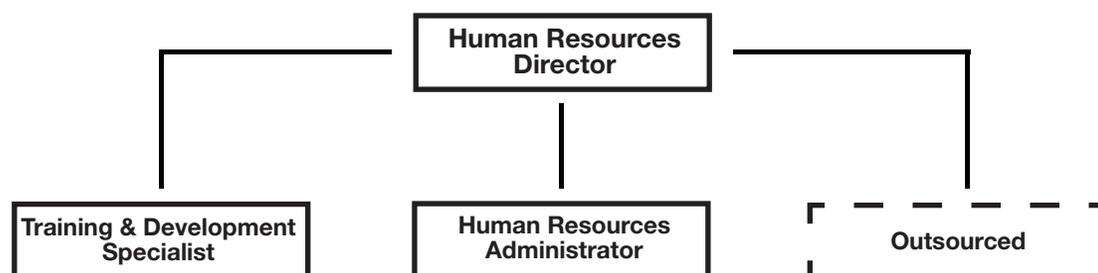
Responsibilities:

- Keep human resource database up-to-date.
- Manage all human resource records and paperwork.
- Comply with state, federal, and local legislation and regulations.
- Assist Human Resource Manager and Benefit Specialist with various HR tasks and processes.
- Set up interviews, meeting and other important communication.

## Outsourcing

Motors and more Incorporated will be outsourcing two human resource areas. These areas include Compensation and Staffing. The organization will utilize lead firms and agencies to recruit and advertise job openings, as well as pool and screen job applicants. Motors and More Incorporated will also hire an agency to complete and specialize in a variety of benefit packages for their employees. As mentioned above, it will be the job of the Human Resource Director and Training and Development Specialist to ensure workplace safety and develop trainings on the subject.

## New Human Resources Organizational Chart



## New Hire Calculation

Based on the revenue projections for Motors & More in 2015, management is projecting the hiring of 11 new employees. According to payscale.com, turnover is calculated by the following formula:

$$\text{Monthly turnover rate} = \frac{\text{Number of separations during the month}}{\text{Average number of employees during the month}} \times 100$$

(How to Calculate Employee Turnover, 2010)

There are a few factors when considering why Motors & More, Inc. has experience their turnover. We've identify three of the following scenarios where turnover has been a factor. First, we've identified an issue with our organization's training policy. Secondly, we've identified issues with our culture as an organization, which has caused individuals to leave our company. Lastly, we've discovered that Motor & More, Inc. employees don't see opportunities for advancement. Many of the new hires have been hired for management positions within the company. This has also caused dissatisfaction among employees and left them looking for new opportunities.

Training is essential to any organization's health. Zig Ziglar once said, "The only thing worse than training an employee and having them leave is not training them and having them stay" (n.d., para. 1). Motors & More, Inc. will develop a training policy that includes all managers to have time each month to train employees. Additionally, we will add opportunities for employees to be cross-trained by offering training sessions throughout the month. Employees may leave their allotted duties with manager approval up to four hours a month to be cross-trained. Employees that learn more skills make them more effective in an organization and can lead them to better future opportunities including promotion.

Company culture should be developed from the top, down. It's not enough to say these are our core principles, you must do. Motors & More, Inc. will develop opportunities for employees to engage outside of their day-to-day task. This includes permitting employees to volunteer in the community, offering team-building events for departments, and developing a new communications policy that makes leadership more available to

employees. By giving employees ownership in their work and the place they work for, they are much more likely to stay and active asset to the business.

By developing a training program, employees will be better equipped to excel in their position and other positions within the organization. This makes these employees better equip to be promoted within the business. Motors & More, Inc. will actively look for opportunities to promote employees from within who demonstrate success and leadership within their department. This should enhance employee moral and add to the benefits of strong company culture. The majority of new hires will be entry-level positions with opportunities of advancement as the organization grows.

### Projected New Hires

#### *Manufacturing – 5 Employees*

Motors & More, Inc. believes the bulk of their new hires will be in the manufacturing department. Production has been actively increasing and therefore requires more hands on deck. We project the promotion of two team leaders to management, and look to hire five entry-level manufacturing employees.

#### *Marketing – 2 Employees*

We've identified a need to hire two new marketing assistances to help with on-going internal communication. One will focus their attention on the management of external communication and design. The other will focus on developing marketing material to enhance company culture. We believe by investing in someone to oversee the development of company culture materials, it will reduce turnover and actually save us money.

#### *Operations – 1 Employee*

Motors & More, Inc. needs to hire a new Manager of Operations to assist the Director of Operations. As production continues to increase and more employees are being added, the Director of Operations needs to delegate tasks to a new manager. The new manager will be an expert in efficiency and training, and therefore be a great resource to train other managers and employees on task efficiency.

### *Customer Service – 2 Employees*

With the increase in production, customer service has had an increase in calls. Motors and More, Inc. looks to hire two new customer service representatives to assist customers with their needs. Additionally, we identified longer wait times than we desire to have and therefore by adding additional resources, we can help customers faster leading to longer customer satisfaction.

### *Finance/Accounting – 1 Employee*

As production and sales have increased, we've noticed more credit card declines, which has pulled accounting resources from their day-to-day tasks. Motors & More, Inc. looks to hire a new accounting employee to assist in efforts of calling customers and letting them know their account needs attention. This individual would serve the ability to be a customer service representative with the training of accounting. This adds to our policy of how important it is to cross-train employees.

## Interviewing Choices

Motor's and More will utilize two sorts of interview methods. A Behavioral Description Interview (BDI) for management (line managers and senior staff) with a structured interview for all other workers.

The BDI is a valuable tool, based on the belief that past success is a reliable predictor of future success (Ivancevich and Konopaske, 2013.). As such, the BDI "ask applicants to relate actual incidents from their past relevant work experience to the job for which they are applying" (Ivancevich and Konopaske, 2013.).

The BDI will be used to interview management to ascertain the best job-fit. Motor's and More must have leaders that are the right people for the job. The BDI is also an excellent choice in light of the Motor's and More prospector strategy. According to Gomez-Mejia, Galkin and Cardy (2001) a prospector strategy focuses on taking advantage of new products and getting into new markets. To get into new markets management positions must be filled with experienced personnel and BDI is the best interviewing strategy to determine experience.

For non-management employees, Motors and More will use a structured interview.

Structured interviews have a particular format and are thought to be “more reliable and valid” (Ivancevich and Konopaske, 2013.). Following a particular line of questioning, everyone will be asked the same questions, in the same way. All questions will be screened to eliminate any inappropriate requests for information.

Structure interviews provide some protection from EEO disputes as well as simplicity in interviewing. Management with minimal interview training is less likely to make errors with simple and routine interviewing questions. Although this won't prevent EEO issues, having the same questions for all interviews will go a long way in proving equal opportunity.

### Recruiting and Selection

Human resources management (HRM) along with the hiring managers in each Motors and More department will work together to develop detailed job descriptions. These job descriptions will be used to clearly identify which of the listed requirements are essential and which are simply the desires of management. Those that are deemed desires may have to be adjusted to meet the realities of “the labor market, government or union restrictions” (Ivancevich and Konopaske, 2013.) as well as policy and practice limitations. Detailed job descriptions can also be used to convey performance expectations to potential hires.

It is important to include HRM in this process because they are aware of any policies or practices that may affect recruiting. A seemingly common practice is that of promotion from within. Motors and More, like many other organizations, will only recruit outside the organization for hiring at the initial level. “They feel this is fair to present loyal employees and assures them of a secure future and a fair chance at promotion” (Ivancevich and Konopaske, 2013.). It is also important that Motors and More be mindful of the image being conveyed to our public. Attracting and retaining employees to an organization with a positive public image is much easier than for one with a negative image.

Once a need for additional or replacement employees has been identified it is imperative to make a decision on how to generate high-quality applicants. Our HR managers may choose to use internal job boards, the human resource information system (HRIS) or

organizational publications to advertise job openings to current employees. They may even choose the use of employee referrals. However, it is important to exercise caution in dealing with employee referrals, “especially if the workforce is already racially or culturally imbalanced” (Ivancevich and Konopaske, 2013, p.196). Motors and More realizes it’s not sensible to rely solely on referrals from employees. Employee referrals will be used in addition to other recruitment efforts.

Members of management at Motors and More have identified several methods for external recruiting that have proven to be significantly effective for similar organizations. These methods include the use of social media and recruitment firms. Social media sites such as Facebook, Twitter and LinkedIn have helped in recruiting applicants. This strategy allows organizations to connect with members of the Millennial or Net generation (born between 1978 and 1997) as well as others who spend significant amounts of time using social media. Motors and More will begin this process by creating accounts on LinkedIn and Twitter. LinkedIn will allow the company to search by keyword, post jobs, send private messages to users about job openings, and manage profiles of job prospects. A Twitter account will also allow for keyword searches and direct communication with candidates, but job postings are posted to the company’s Twitter account in the form of a URL on which interested individuals can click to be taken to the corporate website (Ivancevich and Konopaske, 2013). As stated previously, senior management is also entertaining the idea of using a recruitment firm. Employment agencies are generally used for recruiting members of middle-level management or below. These agencies are usually only paid after they provided new hires. Being that the organization is new and not very well known at this time, senior management may also consider recruiting alternatives like an open house and allowing scheduled visits to the organization. These types of events may also be advertised on our social media sites.

### Retaining Employees

There are several avenues Motors and More Incorporated can take to retain their employees. Management must be trained properly in organizational behavior. Management must understand the motivating factors in which employees want to work for a company. “People do not leave organizations to seek out other opportunities because of communication, leadership, or culture. They leave because of what

communication, leadership, and culture make or do not make in their experience at work” (Sostrin, 2013, Para. 1). It is the human resources department to train managers on effective leadership skills to retain hardworking employees. Management must provide clear and direct paths for their employees as well as give reward for accomplishments and performance. “In today’s world where everyone wants to be noticed and recognized for their work – employees are motivated to achieve to remain relevant. As such, employees are in search of new ways to learn, improve their skills and invest in themselves” (Llopis, 2012, Para. 4).

It is vital that Motors and More Incorporated begins to generate strong career paths for their employees. “A recent survey released by the Society for Human Resource Management (SHRM) and CareerJournal.com revealed that HR professionals and managers are gearing up for a mass exodus of employees they feel is inevitable when the job market begins to improve. When asked why they would look elsewhere for work, employees cited three main reasons: over 50% said they were looking for better compensation and benefits, 35% admitted they were dissatisfied with their current career path, and 32% said they needed a new experience with new challenges” (Palmer, 2012, para.1). Employees at Mores and More Incorporated need to understand that not only is there several ways to advance at the company but management and executives are working together to make sure advancements do happen for their valued personnel. Motors and More must create an atmosphere where employees have the opportunity to make changes and feel their input is valued.

Due to the demand of workers in the town that homes Motors and More Incorporated, it is essential that the organization offers the most competitive salaries, retirement, and benefits packages. This will discourage any employees to look at other organizations if they feel there are not receiving a fair pay for their efforts. “Everyone wants a stable future, but you never know when time will pass you by. That’s why we are all in a race against time and thus motivated to achieve faster than ever before. We have all learned from the 2008 economic collapse that we can all quickly become victims of unexpected change without preparation” (Llopis, 2012, Para. 10).

Although, a company cannot completely hinder turnover within their organization, it is important for Motors and More Incorporated to conduct exit interviews for all employees

planning to depart from the company. “In exit interviews -- those final conversations between an employee who is leaving an organization and the human resources department -- a new level of truth telling often occurs” (Sostrin, 2013, Para. 7). This research will allow Motors and More Incorporated to make further adjustments so that employees can remain satisfied with their careers at the company.

There are many benefits to retaining employees. “Retaining a positive and motivated staff is vital to an organization’s success. High employee turnover increases expenses and also has a negative effect on company morale” (Scott, 2015, para.1). The benefits of retention are listed below:

- Controls Organization Turnover
- Cost Effective
- Manages Productivity and Performance
- Generates Recruitment
- Creates Team Morale
- Gain Expertise
- Increases Quality

### Measuring Effectiveness of Recruiting Efforts

I believe the best method to assess the effectiveness of any corporate effort is in the quality of the results. For the human resource professional there is no crystal ball to validate that a newly hired candidate will become the next long-time employee. Although that might be an added beneficial skill for HR personnel, a fully functional HRIS system should have the capability to track an individual from skills & experience match to initial contact, through the multi-interview process, to onboarding. With all of this information assembled together the system may show the percentage of initial contacted candidates who were actually hired and retained for specific periods of time as an employee thus showing successful efforts. These different views of mining the data would be advantageous in displaying if the recruiting efforts are finding the right match for the organization.

One method that may be leveraged is the example of what is known as big data.

This is information being mined in the social and online world for candidates to find a match by creating a candidate profile with data found online. A Forbes article entitled, 2014: The year social HR matters, elaborates on this approach (Meister, 2014). Some recruiting firms analyze not just a resume or LinkedIn page, they peruse additional sites such as Twitter, Facebook, professional sites and community forums. This in turn gives these companies a detailed profile of potential candidate's professional affiliations, social contacts, interests and overall profile on which to match as opening. By performing online data mining in this way, candidates are evaluated by potential employers even before they know they are looking for a new position (Meister, 2014). In terms of recruiting efforts, these firms know the candidates not just professionally, but also personally albeit on a limited basis, through observed social interactions. Effectiveness in recruiting may be best described as finding the perfect match for an open position. If these firms are successful with this approach it would seem to prove a successful assessment of their efforts.

The Motors & More, Inc. case study elaborates on multiple ways to measure and assess recruitment efforts. One such method is to calculate the costs associated with hiring a candidate. The costs-per-hire figure is calculated by adding total recruiting costs and dividing by the number of candidates hired. A simple example would be to add the costs of recruiting ten individuals (\$1,000), if two are hired then the calculation will be  $1,000 / 2$  equals \$500. This final number would decrease if all ten individuals were hired, such as  $\$1,000 / 10$ , or \$100 per hired candidate. The successful hire of the most candidates recruited decreases the overall costs (McCain, 2007).

Another method is the yield ratio. This ratio is based upon the comparison of the number of candidates at one stage in the recruiting process to the number of candidates at another stage. Additionally, the HR personnel can reflect on the quality of specific sources such universities or local schools (Mathis & Jackson, 2006, as cited in McCain, 2007). This source may provide candidates with very specific and targeted qualifications.

## Compensation Comparison

Motors and More, Incorporated has several competitor organizations near their office that offer very competitive compensation and benefits plans. For example, Honda Motors offers a large variety of plans and services including, “Base Pay: Merit Payment (annual lump sum performance award to eligible exempt associates), Base Pay: Honda of America Mfg., Inc. Earnings Payment (to eligible non-exempt associates), Bonus Sharing, Overtime Pay (to eligible associates), Pre-tax Spending Accounts, Survivor Medical Insurance, Group Legal Services, Auto / Homeowners Insurance, Company Service-Based Contribution – Ranges from 2-8% of base pay with new hires starting at 2%, Honda Company Match will be 100% of the first 6% contributed by the associate, Retiree Medical, Honda Loyalty Card, Retiree Lump Sum (based on years of consecutive service, Dependent care, Education Reimbursement Program, Associate development courses, and Paid Time Off (2 weeks +), paid holidays (average of 17)”(Honda Motors, 2015, para.1 ). Motors and Mores competition are meeting more needs of their employees which will attract potential staff.

Motors and More, Incorporated offers their employees” minimum wages and statutory benefits” (McCain, 2007, pg. 2). It is imperative that the organization meets the local market in compensation and benefits. The unemployment rate in the area which homes Motors and More, Incorporated is low. This means potential workers have the luxury to shop around for the best company that meets their needs. The organization will not want to lead the market in their compensation package until the budget can allow it. Although matching the local competitors with a comparable compensation and benefits package will attract employees. The company will want to design their compensation package carefully to serve their employees at an affordable cost. Shopping around for cost saving from different benefits companies would enable Motors and More, Inc. to be able to match or meet its competitors in compensation and benefits.

## Alternative Pay Methods

There are a number of alternative pay methods to reward employees. The Motors & More, Inc. case study mentions those including merit pay, incentives and bonuses,

commissions, on-the-spot awards, gain sharing, and profit-sharing. (McCain, 2007) Though these pay methods are very similar they do vary in the way that they are earned or paid and how they affect the employee's annual base salary.

Merit pay rewards employees for work already done. (McCain, 2007) The objectives to pursue the employee are not very specific in this type of rewards incentive. The employee does the work over the year and is rewarded for the annual time period. Since this reward adjusts the annual base salary, it will also increase the total compensation package such as benefits and retirement contribution amounts. The advantages for the employee are that the base pay increases along with other compensation items, however since there is no specific goal this may do little as an incentive for reaching a target goal.

Incentives and Bonuses consist of a reward to the employee just like merit pay although it is tied specifically to performance and production. It does not however increase the base salary and benefits included in the total compensation package. The case study mentions that due to the fact that this reward is a performance-based award, it may cause competition, which at times can become negative if handled in a wrong way. Unhealthy competition could be a disadvantage if taken to the extreme in this model. (McCain, 2007)

Pay based on commission can include a base pay or be earned by itself. The employee may also be paid a draw that is returned back to the employer after commission income is earned. In this way, the employee has some income for living expenses while earning the commission only money. The commission structure of pay is linked entirely to performance such as in the example of automobile sales. A commission would be earned based on the percentage or dollar amount of the sales price. One point that the case study mentions in this alternative pay method is that it may cause employees to behave unethically in order to make the sale. (McCain, 2007)

On-the-spot awards instantly reward employees for good performance or behavior. (McCain, 2007) Some companies may use manager recognition system or customer feedback as the prompt for this reward. The employee would not know when someone may nominate him/her for this instant award so it may be an incentive always to provide a high level of production or customer service. In this way, the employee would strive to perform at the highest. One downside to this reward is the perception of others who

think they should have received the award for their own good work. They may feel as though they were also performing at the same high level but not recognized.

Profit sharing and gain sharing are very similar in that the employee benefit from the overall success of the company. Gain sharing can be easily associated with a local municipal government where there is no specific profit. However, the city employees could receive additional pay benefits from cost reduction of annual budget expenses. Profit sharing as the name implies a benefit to the employee when a company earns an overall profit from operations and shares that profit with the employees, usually at the end of the operating year. The case study mentions that in both of these benefits options, the employee may not see a link between individual performance and profits so this benefit would not be a specific incentive for improved productivity or performance. (McCain, 2007)

### Available Benefits

Motors and More will offer a wholesome compensation package in order to remain a viable competitor in recruiting and retaining top employees. Internal research revealed that many current employees felt that being provided better benefits would aid in increasing employee satisfaction, productivity, and performance. The compensation specialist within the human resources department at Motors and More will be responsible for the oversight and management of employee benefits.

Carefully designing an affordable and comparable compensation package is extremely important for Motors and More. Setting objectives and developing a strategy for benefits is imperative as not to overextend the finances of the company. Being that this is a growth period for Motors and More, the organization has chosen to utilize a minimum benefits strategy. This means offering “mandatory benefits and those that are most desired and least costly” (Ivancevich and Konopaske, 2013, p.379). Law requires employers offer three mandated benefits programs. These mandated programs include unemployment insurance, social security, and workers’ compensation. Motors and More believes this strategy will be most effective because its employees are more concerned with higher pay and less with benefits.

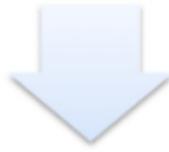
In addition to the mandated benefits Motors and More will also offer the following voluntary benefits: paid holidays, personal time off, sick leave, family leave, maternity and parental leave, employer purchased health insurance and flexible spending accounts. Full –time employees are currently provided eight paid holidays. The holidays are New Year’s Day, Martin Luther King, Jr. Day, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas. Employees may also receive paid personal time off. Personal time off may be used to attend funerals, medical appointments, for family sickness, religious observances, marriage, personal choice holidays, and birthdays. This time may be accrued, but anytime in excess of 240 hours that has not used at the end of the year will be forfeited. Motors and More will pay for twelve (12) sick days per year. Full pay for this time will be received.

Accrual of sick time is also permitted, however; pay for any unused sick leave will not be provided upon separation of employment. Employees must have been employed for a full 12 months to become eligible for Family and Medical Leave Act (FMLA) use. FMLA allows employees to balance workplace demands with that of their families. “Employers with 50 or more employees must provide up to 12 weeks of unpaid leave to eligible employees during any 12-month period” (Ivancevich and Konopaske, 2013, p.369). Maternity leave and benefits up to six weeks without pay will be provided as outlined in the Pregnancy and Discrimination Act of 1978. Motors and More will offer one lower-cost health care plan known as the consumer-directed health plan (CDHP). This is a “high deductible policy combined with a health savings account” (Ivancevich and Konopaske, 2013, p.371).

Employees will pay more for this plan but will have the flexibility in deciding whether to use this to pay for medical expenses and prescriptions. However, it is important to note that the employee’s pretax dollar contribution is limited to \$2,500 per year. Organizations with at least half of their employees enrolled in a CDHP have seen a two-year cost savings of up to 26 percent. This type of health insurance plan will cost an employee approximately \$1500 annually to insure themselves alone. Double this amount will be required to insure a family. A family is defined as the employee, their spouse, and up to two children or dependents ([www.cigna.com](http://www.cigna.com)).

## Management Training - Step 1

- The HR Director and HR staff provide training to managers and top executives in a group meeting to provide them with the tools to answer questions regarding the changes in compensation or benefits. Management should also be informed and trained immediately regarding any unexpected changes to compensation or benefits.
  - Timing: One month before open enrollment or immediately after the news of an unexpected change in compensation or benefits.
  - Frequency: Yearly and as needed



## Annual Employment Benefits Training - Step 2

- Annual employment benefits training should be a group meeting requiring the attendance of all employees. This training explains changes in compensation or benefits. Annual employment benefits training's should be facilitated by management and HR.
  - Timing: One week before open enrollment or one week to one month before changes in compensation take place, depending on the extremity of the change.
  - Frequency: Yearly and as needed



## Follow Up - Step 3

- HR staff should have an open office policy to answer any questions throughout the year regarding compensation or benefits.
  - Timing: At hiring, annual employee benefits training and ongoing
  - Frequency: Ongoing
- Web sites should be available to use as an additional source of information. All sources should be introduced to new hires and at the annual employee benefits trainings.
  - Timing: Introduced as a new hire and Ongoing
  - Frequency: Ongoing

## New Employee Training

After a new employee has completed new hire orientation, the next phase of training is extremely important in determining how successful they will be within the organization. Proper training of new employees has a direct correlation to the success and longevity of Motors and More. It is imperative to identify what the organizational goals of training will be. Managers and those tasked with carrying out training (departmental leadership) will determine what the needs of each department are and set attainable objectives to meet these needs.

Management of new employee training at Motors and More will require monitoring and continuous process improvement. Important goals for this training include training validity, transfer validity and intraorganizational validity. Measuring the accomplishment of these goals involve open communication between management and those conducting new employee training. Management will be able to answer the following questions:

“Did the trainees learn skills or acquire knowledge or abilities during the training?

Did the knowledge, skills or abilities learned in training lead to improved performance on the job?

Is the job performance of a new group of trainees comparable to the job performance of the original training group (s)” (Ivancevich and Konopaske, 2013, p.396)?

It is important to apply learning principles into job training. Effective training at Motors and More must demonstrate the reinforcement of learning. First, trainees will be allowed to practice the material being taught. Next, the material being presented will be meaningful and communicated effectively. And last the material that is taught will be able to transfer to the job. Proper training of new employees will rely solely on effective communication of departmental need.

## Needs Assessment

Motors and More, Incorporated will conduct needs assessments for each individual employee, each job unit, and at a company level. This will give a good assessment of the needs of each level in order to track performance and training needs. It is important

that the training goal corresponds to Motors and More, Incorporated's business objectives.

Motors and More, Incorporated will conduct assessment for each individual staff. Motors and More must identify the current level that their employees are performing versus the desired performance rate for the company. Supervision and observation may be the best way to conduct a needs assessment of employee's performance.

Job assessments will also be conducted for Motors and More, Incorporated. A job analysis is defined as "the identification of task, knowledge, skill and behaviors that should be included in a training program" (Ivancevich & Konopaske, 2013, pg. 395). Motors and More, Incorporated, needs to recognize what is needed to have high performance and the KSAs that are necessary for the task.

Company assessments or organizational analysis must be conducted for Motors and More as well. The organization must "examine the firm's mission, resources and goals to determine if training can be used to improve the company's success, growth, and strategy" (Ivancevich & Konopaske, 2013, pg. 395). It is important to highlight that the company must examine both current needs and the future training needs of Motors and More.

Methods for conducting company needs assessments for Motors and More, Incorporated include:

- Reviewing the organizations human resource records: "HR records can include: accident and safety reports; attendance records; grievance filings; exit interviews; performance evaluations; and other company records such as production, sales, and cost records" (Society of Human Resource Management, 2013, Para. 3).
- Individual interviews: Top executives, managers and recruiters should be considered for interviewing on training needs.
- Focus Groups: These groups should be a number of different individuals working within the company.
- Group test: Test should identify areas of training that need improvement.
- Surveys and questionnaires: These can be given by mail or directly

- Sample for use: Similar to surveys, but to a smaller control group of employees
- Observations: “Sources for observation include on-the-job performance, simulations of work settings, or written work samples” (Society of Human Resource Management, 2013, Para. 3).

### Developing & obtaining training content

The case study of Motors & More indicates that the company has no formal training program and promotions have been based on seniority. This could be due to both size and profitability since a larger company may have the resources to invest in formalized training to prepare for high business standards as well as industry standard succession planning and development of mentees to maintain the highest quality of business and employee management.

One method toward a more formalized training approach could be that of using the most qualified or experienced employee referred to as a subject matter expert (SME). In this way the company capitalizes on the experience and institutional knowledge gained by this employee over his/her career. This would include the experience working in a business-to-business sales company, the manufacturing of small motors and accessories and the direct knowledge of industrial and home products as the case overview states. (McCain, 2007) The subject matter expert may also possess specific technical training or certification which may make the in-house training all the more valuable as the SME would have knowledge of a technical/certificate training path for those employees. One issue that may need to be considered is that not every employee that can perform an exceptional job will also possess the skills needed for training others. After a few training sessions, the management would need to evaluate if the SME is capable of relating his/her experience as effective knowledge transfer.

An outside trainer is also a consideration for Motors & More since as mentioned earlier this could include a technical certification that could be presented on-site and lead to a cost savings as the training could be directed at a group of employees instead of just one. One drawback to using an outside trainer and an off-the-shelf product, that the case study mentions, is that the training may not include the customization to the

specific organization that Motors & More may need to be truly beneficial. (McCain, 2007)

An article entitled, Good Training strikes balance between in and outside sources by William Atkinson relates that there are pros and cons to outside trainers versus training entirely in-house. For very specific training related directly to the business of a company, experienced professionals and technicians can offer skills transfer and institutional knowledge. However internal corporate training departments don't typically stay "abreast of the profession enough to know where it is going, what the latest trends are, why one practice or strategy is more effective than another, and so on." (Atkinson, 2001) Additionally, there are instances when we will bring someone in from the outside to deliver training; these are people who can offer broader perspective that are relevant to what we are doing. (Atkinson, 2001) One drawback mentioned, that few of the outside programs available will relate to a specific industry. While it's not always a detriment, the generic nature of some programs may be less than desirable. (Atkinson, 2001)

Personal mentoring by a management level executive or director should be a serious consideration. Just as employees may benefit from a subject matter expert on technical training or policies and procedures, a higher-level manager may personally guide the employee in the aspect of people management. The mentoring from a director would not only provide training on company-specific processes but also could serve to impart the corporate mission and vision directly from one who was involved in creating the strategy. This in turn would be valuable from a management perspective to communicate and create an exceptional corporate culture that is so important to building a successful and profitable enterprise.

### New Employee Orientation Training

All new employees will be required to attend a one day orientation within the first week of hire. Orientation, according to Ivancevich & Konopaske, "introduces new employees to the organization and to his or her new tasks, managers, and workgroups" (2013, p.393). Orientations will be scheduled and run like a classroom, instructed by HR personnel with snacks and beverages available. Each person will receive an employee

handbook and be encouraged to ask questions. It is essential that new employees of Motor's and More begin with a realistic understanding of the safety protocols and quality standards that they are expected to live up to.

Motor's and More wants to create a comfortable time that is set aside to discuss some of the finer points of job expectations, protocols, compensation, benefits and workplace culture. They will be given an employee handbook at the beginning of this formal training and get their questions answered. After training, they will meet their immediate supervisor who will go over the specifics of their job and workspace informally. Ivancevich & Konopaske emphasize that employees need a good amount of time to become comfortable in their positions before being given too many responsibilities (2013).

All warehouse personnel will also be required to shadow an experienced worker for two weeks before using any of the equipment independently. This shadowing is considered an extension of their new employee orientation.

Many positions at Motor's and More can be very dangerous. It is crucial that employees are adequately trained to work equipment properly. The time invested in such trainings is worth it to keep employees safe.

### Current Employee Training

Motors and More will use blended training to teach current employees. Part of the training will be on-the-job with a direct supervisor, and part will be a self-study. When new protocols come to the supervisor's attention, they should teach line managers to explain the processes one on one or in small employee groups. In addition, self-study materials should be provided to employees quarterly.

Since on-the-job training is used up to 60% of the time in the workplace; it is an excellent tool (Ivancevich & Konopaske, 2013). On the job training should be supplemented with self-study material. By utilizing both a hands on approach and self-study materials, many different learning styles are being addressed.

## Manager and Supervisor Training

Management training should be done at a three-day conference once a year. HR staff will host these events, with food and supplemental reading material provided. Question and answer sessions will offer real-world practical advice for concrete and relatable problems.

Managers will have the opportunity during a three-day conference to network with other supervisors. Training will exhaustively cover management details, protocols and laws in effect that affect the organization. Managers are often very busy, so it is essential to carve out this intentional time for them to get needed training.

### Strategy 1: Using non-traditional recruiting techniques.

When competition for good employees is so high, it's up to the employer to become imaginative with recruiting techniques. One such strategy is for a company to adopt a school (Wiley, 1992). Money and volunteers help tremendously in the school, and top job candidates like a company that is a benefit to society. Author Carolyn Wiley highlights that recruitment targeting minorities should show positive images of minorities in the workplace (1992). Also, recruitment of dual career families should emphasize benefits and sick leave policies.

Motors and More will set up a job hotline, which makes it accessible for people to listen to a comprehensive list of employment opportunities. They will also advertise on social media networks.

### Strategy 2: Using technology to compensate for a lack of labor.

Motors and More technology are being used in the workplace as there is an increase in work that requires technology. Authors Paul & Siegel have observed that there is a "cyclical tendency to reduce unskilled labor, due to changes in trade and technology factors" (2001, p.256). As technology becomes more prevalent in the workplace, unskilled workers are less necessary but as business booms and the labor market pool increases, unskilled workers are needed at a higher rate. Motors and More will use more technology to supplement for a small labor market pool in the next three years.

### Strategy 3: Outsourcing

A meaningful value of the Motors and More owner is to be an all-American company, so all outsourcing will be within the USA. Motors and More will use local cleaning, IT, and maintenance workers to ease the workload on its employees. Such ancillary and routine activities have high outsourcing potential and little critical effect on HR and the company (Fernandez, 2007). Quotes will also be from surrounding areas for any large projects such as building reconstruction.

It is critical to Motors and More that no customer service or sales positions are

outsourced. The lifeblood of its business is their customer service and sales team. All outsourcing will be arranged to make it easier for Motors and More workers to focus explicitly on their positions.

#### Strategy 4: Build Strong Business Relationships

As with any other product, production defects will also continue to increase over time. The aforementioned seems virtually inevitable. “One of the most important factors of a successfully managed production line is careful attention to the bill of materials (BOM) ([www.solarindustrymag.com](http://www.solarindustrymag.com)). It is also important to be in constant communication with any suppliers. After establishing a solid business relationship, most companies tend to use the same supplier for years. The supplier should be willing to openly discuss and disclose information related to any changes they make in producing supplies. For example, if the Motors and More supplier moves to a new factory, Motors and More should be made aware. This is imperative especially if such a change could possibly have an effect on Motors and More production. Issues such as changes in humidity in the factory or machinery used by the supplier should be addressed.

#### Strategy 5: Experience is Key Internal production defects are also possible.

High employee turnover, poor training, and low productivity could all lead to production defects. Therefore, the importance of having experienced managers working with experienced workers on the production line cannot be understated. Even as factories become more automated and technologically advanced, including human interaction in the process cannot be overlooked. “Every point of human interaction is an opportunity for a knowledgeable person to make the process better or catch problems before they become catastrophes” (Puttre, n.d., para. 4)

Over time, the demand for Motors and More products will continue to increase. The fact that these products are “home grown” and creating job opportunities for locals will add significantly to interest in said products. Motors and More works to build a lasting reputation of only dispensing quality products. Having such a reliable reputation will speak for itself.

### Strategy 6: Production Teamwork

Managing to balance the demand for Motors and More products with issues of production defects will require teamwork and collaboration organization-wide. Human resources will have to be in constant communication with internal staff who work directly in production of Motor and More products as the internal staff remains in constant communication with those with external influence i.e. suppliers. Establishing internal and external open and honest lines of communication will allow adequate time to manage any production defect issues should they arise.

### Strategy 7: Diversify the Workplace

As previously mentioned, Motors and More Incorporated is operating in a town that has a demand for workers. It is imperative that Motors and More hire employees that will aid in cultivating a more diverse work place. Motors and More managers will need to train and develop a work environment that is encouraging diversity. Motors and More will need to understand that the new employees will have different needs when learning their new roles within the company. The training specialist will need to develop an instructional program that is for individuals where English is a second language. The training specialist and HR director will offer a mandatory training class for all employees titled: Cultural Diversity in the Workplace. These trainings will focus on the value of diversity and how to work with and manage cultural differences. It will be essential that management takes on more of coaching role and each department will work in a team to unify employees.

### Strategy 8: Examine Leadership and Titles

Motors and More must examine job titles regarding managers. Currently, Motors and More Incorporated has only one female manager working at their office. The Human Resource Director will conduct a task analysis to determine if pay and title are justified. As the company expands, it will be important that a job re-evaluating is conducted. When the organization begins job evaluations, it will important for Motors and More's workforce will become more diverse as the company hires more Hispanics, Kurds and

person from alternative workforces. Motors and More must implement the following strategies over a three year period. Motors and More to “consider the costs associated with each method, the ability of the organization to access all the information required for the method, and the value derived from a simple versus a complex system”(HR Council, 2015, para.5).

### Strategy 9: Performance over Seniority

Currently, Motors and More Incorporated is using the rule of seniority to promote employees into new positions within the organization. It will be essential that the company use a new philosophy when hiring staff into new positions. Managers will begin to hire based on a performance and skills assessment. In other words, instead of hiring by longevity in the job, Motors and More will hire who is best for the job. Merit-based promotions “can provide motivation leading to increased productivity. Workers who recognize that the best performers are the ones who get ahead may put forth the extra effort they believe it takes to receive promotions” (Joseph, 2015, para. 7).

### Strategy 10: Daily Operations Requires Experience

Having an exit strategy and succession planning are two very essential aspects of any executive role within a small or large organization. As part of the succession plan, the president will need to determine the timeframe of which he’s looking to exit his role. Motors and More will need to determine whether there are available internal candidates or if a search outside the organization would need to be conducted. If there are candidates available internally then the president and perhaps a selection committee would need to conduct interviews. If a candidate is selected, then the strategy would need to focus on training and allotment of responsibilities of the course of the timeframe until the newly selected president feels comfortable enough to exit the role.

If a candidate were not available internally, then Motors and More would need to conduct a search outside the organization. A recruiter that specializes in executive searches would most likely need to be hired as a consultant to filter the many applicants Motors and More would most likely receive.

In addition to having the management/executive experience needed to be successful in this role, the new president should understand the culture and bring ideas to the table that doesn't completely change the cultural but enhances it. Any major executive transition can be challenging for an organization, and therefore you want to make it as smooth as possible.

### Strategy 11: Product Expansion by Review and Planning

A portion of the three year projection for Motors & More is based on the decision to develop an additional product to broaden the portfolio with the exception that there is no existing capacity for the product, nor do the existing production lines meet the manufacturing requirement for the new product. This may be a difficult decision to carry out, however with some careful consideration and overview of the company it may be opportunity to raise the company to a new level of success and productivity.

A review of the company includes taking into account that there are known production defects which, as forecast, will continue to increase. Leadership and HR will want to grow and maintain a diverse workforce. One additional issue, I believe with potential negative psychological effects on some employees, is that the president and owner will leave to start a new venture. With all of these known facts, one of the most positive points of future outlook is that demand for Motors & More products will continue to increase.

At this point in time if there is a company forecast to be made it should be supported by a structured review and evaluation of what the company does well and where it may need assistance. I believe the executive management should perform a SWOT analysis to determine strengths, weaknesses, opportunities and threats. This review of strategy will assist the leadership of Motors & More in understanding their past business and make them aware of their future goals and near term objectives. Strategy thinking is a learning experience that helps you better understand who you are, where you want to go, and how you will get there. It forces you to identify short and long-term priorities. (Ceasar, 2014)

A general overview through the SWOT process might include the finding that the strengths of Motors & More are a strong demand for the core products. Additionally, a stated plan for training at the technical level and succession planning Motors and More will decide to develop an additional product to broaden its portfolio. There is no existing capacity for the product, nor do the existing production lines meet the manufacturing requirements for the new product would build on the strength of the organization. An opportunity might be the fact that the president and owner is stepping away and new leadership may bring valuable new insight into the business and future of Motors & More. It may be an opportunity for the new leadership, possibly with a more varied background in additional products, to determine what this new product should be and the path for expansion into new areas.

The expansion into new areas may generate interest from investors thereby creating an opportunity to raise new capital. One of the seemingly biggest threats stated in the assignment is quality of current production and subsequent quality of the end product. This may severely impact sales and erode customer confidence in the product and the company. It could seriously threaten the future of Motors & More if not discovered and corrected at the earliest opportunity. With careful review and strategic planning Motors & More should be able to capitalize on their strengths and minimize their weaknesses to become more successful in the coming three years.

In conclusion Motors & More, Inc. has a strong and detailed HR plan for the future. This plan not only elaborates goals and objectives but also provides a comprehensive outlook encompassing organizational design, compensation, training & development and forecast business planning. With these perspectives the Human Resource department becomes more than just a personnel department and acts as a strategic business partner working along side the executive management.

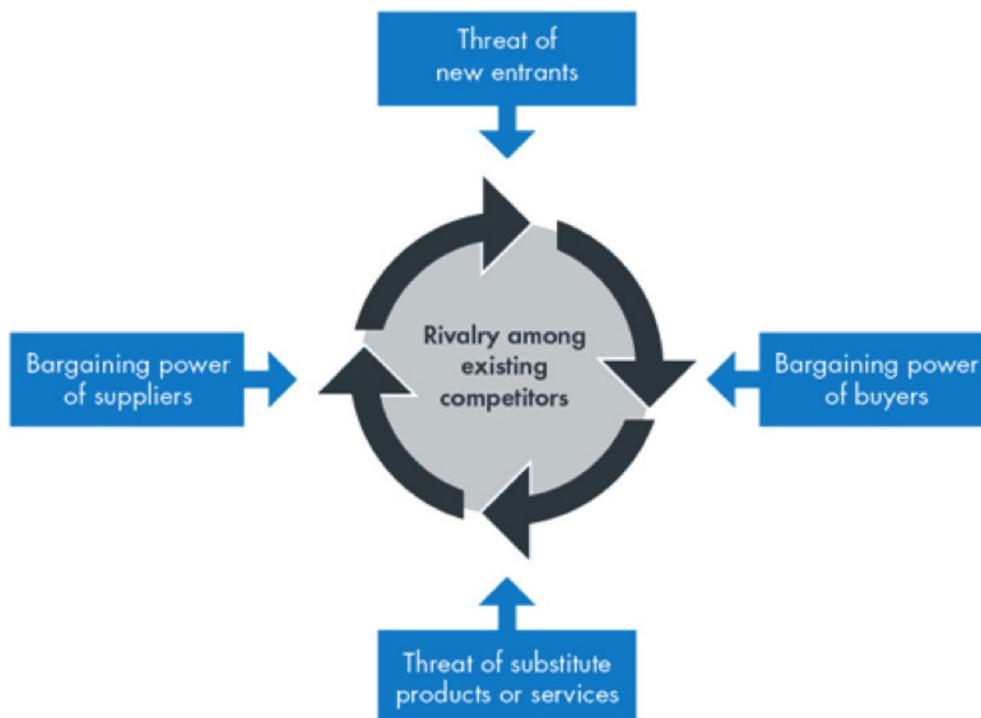
The organizational design provides the company with a lean and effective team with each member contributing at the right level of the organization and with the appropriate skill sets in support of the business objectives. Motors & More has a good combination of seasoned professionals and diverse workforce and valuable relationship with local customers. The company also has a core product which has sustained the business and positioned it for continued success and growth. The study of Motors & More has revealed effective methods for recruiting and retention of personnel as well the appropriate salary & benefits packages to stay competitive with industry standards.

In keeping with current technologies, company HR personnel are using social media to connect with potential candidates so as not to miss the opportunity to connect with all of those who may be interested and available. Career path planning is also considered for engaging and retaining of all valuable employees. A positive corporate culture, as directed by management personnel, provides for an attractive workplace environment and a highly professional and consistently engaged team.

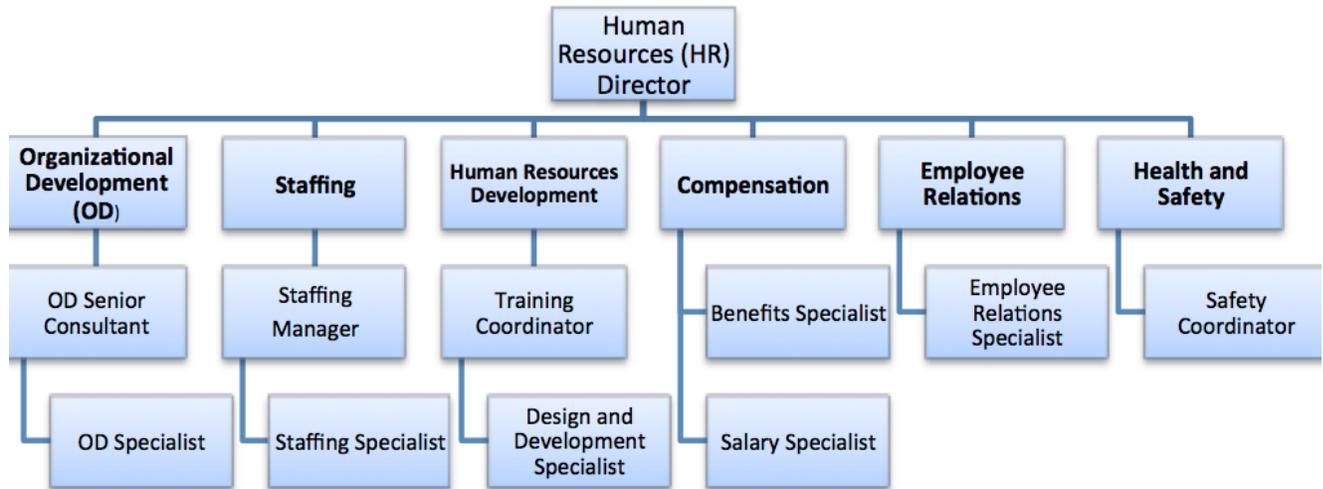
## Appendix A Competitive Analysis

Company	<u>Motors &amp; More, Inc</u>	<u>Honda Motors</u>	<u>Delphi Corp</u>	<u>Spartan Motors Inc</u>	<u>Cumming INC</u>
<b>Location</b>	Middlefield, OH	Minato, Tokyo, Japan	Troy, MI	Charlotte, MI	Columbus, IN
<b>Employee Size</b>	116 Employees	198,561 Employees	146,000 Employees	1,700 Employees	46,000 Employees
<b>Annual Revenue</b>		\$119 Billion	\$16 Million	\$500 Million	\$13 Million

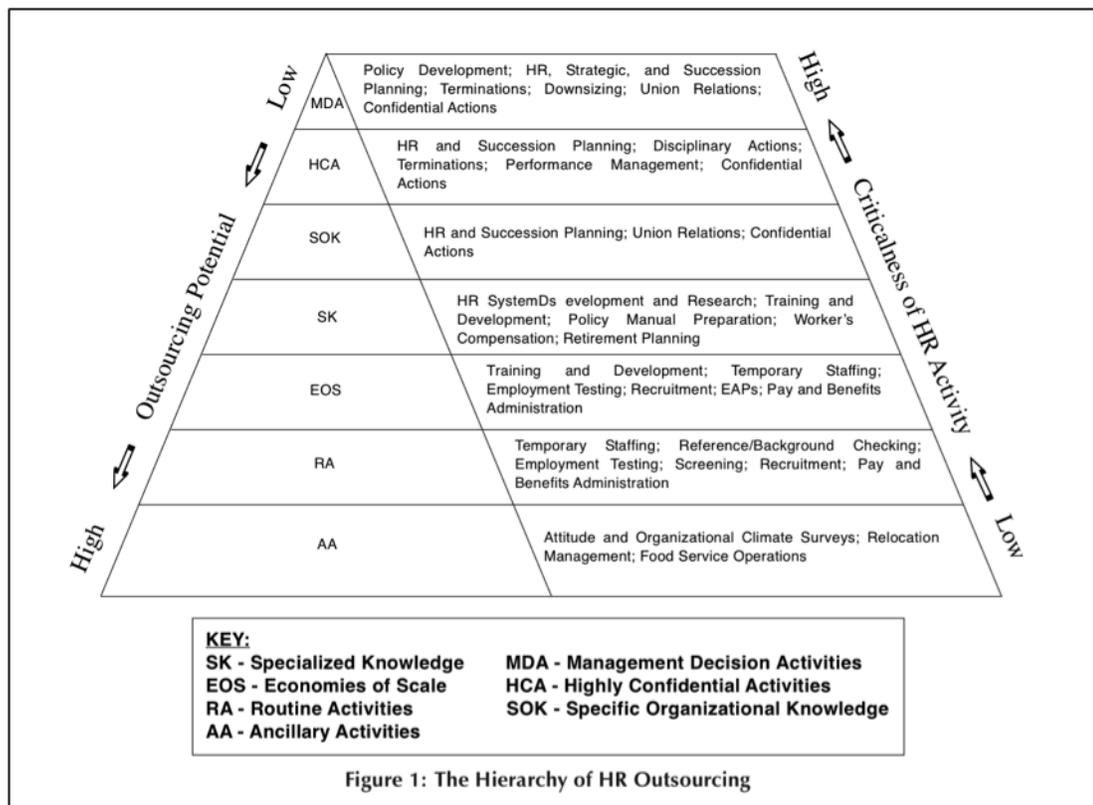
## Appendix B Porter's Five Forces



### Appendix C Typical HR Structure



### Appendix D Outsourcing Design



## Appendix E Calculating Employee Turnover

$$\text{Monthly turnover rate} = \frac{\text{Number of separations during the month}}{\text{Average number of employees during the month}} \times 100$$

## Appendix F Compensation Plan

### Management Training - Step 1

- The HR Director and HR staff provide training to managers and top executives in a group meeting to provide them with the tools to answer questions regarding the changes in compensation or benefits. Management should also be informed and trained immediately regarding any unexpected changes to compensation or benefits.
- Timing: One month before open enrollment or immediately after the news of an unexpected change in compensation or benefits.
- Frequency: Yearly and as needed



### Annual Employment Benefits Training - Step 2

- Annual employment benefits training should be a group meeting requiring the attendance of all employees. This training explains changes in compensation or benefits. Annual employment benefits training's should be facilitated by management and HR.
- Timing: One week before open enrollment or one week to one month before changes in compensation take place, depending on the extremity of the change.
- Frequency: Yearly and as needed



### Follow Up - Step 3

- HR staff should have an open office policy to answer any questions throughout the year regarding compensation or benefits.
  - Timing: At hiring, annual employee benefits training and ongoing
  - Frequency: Ongoing
- Web sites should be available to use as an additional source of information. All sources should be introduced to new hires and at the annual employee benefits trainings.
  - Timing: Introduced as a new hire and Ongoing
  - Frequency: Ongoing

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III. HR Organization Design	<i>Ken Koehler</i>	<i>All members contributed equally in the module</i>
IV. Recruiting and Retention Plan	<i>Christen Lancaster</i>	<i>All members contributed equally in the module</i>
V. Compensation Plan	<i>Chris Laney</i>	<i>All members contributed equally in the module</i>
VI. Training and Development Plan	<i>Tatyana Mallory</i>	<i>All members contributed equally in the module</i>
VII. HR Forecast Plan	<i>Brittney Kempink</i>	<i>All members contributed equally in the module</i>