

Case Study - Canuck Consulting Inc. (CCI)

Based in southern Ontario, Canuck Consulting Inc. (CCI) is a medium sized consulting firm that provides engineering services throughout diverse northern Canadian regions. CCI employs over 3,000 people across 16 different occupational groups and has employees working on-site at projects that cross the Canadian Shield. There are four main business divisions that provide services as follows:

Mining: CCI employs engineers with significant technical and management experience in mining from around the world. These engineers have worked in everything from tunnels to open pits, mining such materials as diamonds, coal, uranium, bauxite, iron, copper, lithium, and even rare earth metals. They possess expertise in mine safety, structural integrity, ventilation and water systems, and new mine construction.

Construction: The bulk of the revenues (80%) in the construction division are generated from consulting services sold to large scale projects, including factories, apartment complexes, and commercial office towers. Most of the remaining services are billed to property developers building new subdivisions of single-family homes or townhouses, and CCI occasionally picks up restoration projects for unique historical buildings.

Utilities: CCI provides consulting services to electrical power plants and companies distributing electricity via their electrical transmission grids. CCI has increased its market share of 'smart grids,' where a high degree of grid computerization and wireless smart meters impact the global market. CCI also has clients in oil and gas distribution, pipelines, waterworks, and sewage treatment.

Civic –This division provides services to support civic infrastructure of municipalities and cities. New subdivisions, parks, roads, highways, bridges, and other city projects require CCI's services for continuous development. Renovation projects, maintenance, repairs, conversions, and replacements of civic infrastructure account for a large percentage of the services provided in this division.

CCI has always maintained its headquarters in Toronto, Ontario. Most of CCI's clients have headquarters in the Greater Toronto Area, so the proximity and access help maintain close and cordial relations, even though the cost of maintaining a head office in Toronto is high. CCI's headquarters is a multi-purpose complex, consisting of office space for corporate support (HR, IT, accounting, etc), state-of-the-art engineering design space (computer stations, drafting tables, large meeting spaces), and stock yards, warehousing, and loading docks for the procurement, inventory, and movement of supplies and materials. Although the headquarters and most of CCI's clients are located in Toronto, the vast majority of projects require many engineers and other employees to work off site at remote project locations. Many of the construction, mining and utilities projects require CCI employees to travel throughout the northern regions of the Canadian Shield, across the provinces of Manitoba to Quebec.

History

CCI was founded in 1955 by Bill Simmons who was the father of the current Chief Executive Officer (CEO), Jesse Simmons. Bill was a 30-year-old construction engineer in the Canadian Armed Forces serving in Europe after the Second World War, and upon returning home, founded this company providing engineering consulting services to Canadian municipalities seeking to build new suburbs for the growing middle class. As Bill's new company received contract after contract for civil engineering in Ontario, he began hiring more former soldiers to work for him as engineers, labourers, drafters, and trades people. Bill believed in loyalty and long-service but did not believe in over-inflated salaries and excessive compensation packages. This set the tone for the company's culture up until today, as evidenced in the resistance to large-scale pay increases that could bloat the company's cost structure.

In the mid 1990's the company hit some economic difficulties. CCI contemplated the prospect of layoffs but decided against it in favour of company-wide wage rollbacks, a hiring freeze, expense account belt tightening, and asked senior employees to consider early retirement. Once all of these measures were complete, Bill formally stepped down as CEO

at the age of 70, blaming himself for what had to be done to survive, even if most employees wanted him to stay on. Jesse formally stepped in as his father's successor, since he worked for the company since he was 20, studied to become an electrical engineer at 24, worked in every division at CCI after graduation, and was known, liked, and respected by virtually everyone at the company. Bill retained full ownership of the company until his death in 2005, and then passed it on in three equal shares to his three children. Jesse's sisters, Lenore and Doreen, are also well educated and wealthy, and do not involve themselves in the company. They typically use their share of the profits to donate to charity or provide scholarships to students in southern Ontario.

Once Jesse became CEO, CCI learned to computerize and streamline their operations. They became one of the first companies in their industry to re-engineer business processes using technology and created a very lean and efficient overhead. As the company started to focus on the tech sector, CCI took full advantage by hiring IT professionals and joining them to engineering teams and providing corporate support at head office. CCI's revenue growth through the late 1990's was extensive and provided the company with significant cash reserves to invest in employees, technology, marketing, and research. In 2001, however, the post-September 11th economic crash hit CCI's profits hard and virtually exhausted the company's cash reserves. However, the leadership of the company was very proud that not a single layoff had to occur at the time.

Unfortunately, when a global recession began in 2008 and carried into 2011, it proved to be the straw that broke the camel's back. The company simply could not continue their 'no layoff' culture and was forced to initiate a series of layoffs for the first time in the company's history. The 'layoff years' came with considerable pain for the company. While many older employees volunteered to retire early to allow younger employees with families to stay on, their experience and knowledge were the very lifeblood of the company and could not be lost. The layoff processes were poorly managed since the company and the HR department had never done it before. Jobs associated with 'overhead' were eliminated. The unfortunate consequence of this was that the office and central service supports were targeted with cuts resulting in significant reduction of services to the business divisions. Clients became upset by bad service, shoddy invoicing and accounting, and the lack of access to service communications. Paystatements were issued with errors and pay was deposited into wrong accounts for employees who had been at the company for over 25 years and had never seen a mistake in their pay previously. Employee morale and engagement plummeted.

Survivor syndrome and a cloud of pessimism began to infect the company's employees. Co-workers who had become friends were suddenly separated by layoffs and surviving workers started to turn on each other. The many stages of layoffs and poor execution had everyone on edge and wondering if they were next. The entire company began to hate the HR department for the pay errors and for constantly communicating expectations of no further cuts, only to turn around and issue another wave of layoffs. The CEO, leaders and managers who had previously walked the halls of headquarters or among the project staff on site at client locations became less visible and more disconnected from the workforce as a whole.

Financials

The past five years have seen a positive turnaround in financial stability and growth. CCI has earned a gross revenue of over \$500 million Canadian for 2023. This was the first profitable year since an all-time high in the early 2000's. Productivity and processes are improving, but the negative cultural stains remain embedded in the fabric of the organization.

Employee compensation does not seem to be much higher than the midpoint of the labour market for most occupational groups at CCI. In the past, this generated higher turnover rates, and the executives did not approve higher pay scales as it would affect the cost base and the price expectations of current and prospective clients. To compensate for restricted wages, CCI has tried out a number of options over time that have now become part of the 'accepted culture' and have historically not been questioned by employees or management.

Working Conditions

CCI employees who work in engineering consulting teams are sent to projects in remote locations as needed. The mining and utilities projects require teams to travel throughout the Canadian Shield, across the provinces from Manitoba to Quebec. Typically, the consulting teams fly to remote locations on Sunday night or Monday morning and return to Toronto on Thursdays. Some projects require them to stay for long lengths of time at these distant project sites. The culture of the company does not want people to stay away for longer than 3 weeks, but these long stays happen more often as project demands increase. Other CCI consulting team members are on the road Monday to Thursday at client sites in Southern Ontario. Once the consulting team member returns home on Thursday, they are not required to come into the office on Fridays unless they are needed for in-person meetings or special operational demands. These consulting teams call themselves the 'road warriors'. They are typically made up of project managers, engineers, engineering technicians, trades, and drafters. Expenses that the road warriors spend on hotels, flights, food, and client entertainment are generous and flexible to provide a point of 'differentiation' in employment with CCI. However, even with generous expense accounts, consulting employees (road warriors) complain about burnout and low morale. CCI has had to constantly battle turnover and employee disengagement time and again, particularly as many of the consultants working in cold, remote locations in the Canadian north would repeatedly request not to be assigned to projects in those locations again.

In 2015, for example, a mining project was completed in northern Quebec. There were 8 engineers who were assigned as the consulting team to this project which lasted for more than six weeks. Each team member requested that their next project be closer to their homes in the greater Toronto area. Their manager reviewed these requests and then assigned all of them to Timmins, Ontario for their next project, because they could fly out of the Toronto airport. This prompted all 8 engineers to tender their resignations immediately. While this happened almost ten years ago, this incident has now become part of CCI's negative corporate mythology.

For employees working at headquarters, the standard model of a 9 to 5, 40-hour work week still applied up until 2013. At this point, pay rates began to fall significantly behind the labour market and an exodus of professional corporate and support staff took place looking for better pay and perks elsewhere. Again, senior leadership stalled on HR's request to improve pay rates. Instead, they provided an alternate solution in the form of the 10-month work schedule for headquarters employees only.

The 10-month work schedule has proven to be effective for many of the office professionals looking to work less in their mid to later years and has also proven attractive to employees in their 30's and 40's raising children. To ensure fairness, CCI allows employees working at the headquarters to structure their entire work hours around 10 months of work per year if they are scheduled to work 40 hours per week. Employees at headquarters can work longer work weeks for 10 months of the year or they flex their 40-hour work week into fewer days, such as working Monday to Thursday, 7am to 5pm. Parents enjoy taking 1 to 2 months off in July and August while their children are on vacation. Others flex their entire year around slightly longer hours per week during the year so they can take a couple of extra weeks off in addition to accrued vacation.

The introduction of this new policy, however, divided the company's employees into two groups that resented each other. The road warrior consultants, who were in constant travel to remote locations, considered the headquarters staff as 'lazy commuters' who were able to work less hours and take long periods of 'time-off' in the summer months. The headquarters staff saw themselves as 'innovative and efficient,' since their reduced time in the office was associated with lower pay than consultants received, yet the reduced hours gave them an incentive to change business processes in order to complete their work quicker and faster. Headquarters staff see the consultants ('road warriors') as bossy, bitter, and overpaid, even though the consultants are the revenue generators for the entire company. Organizational leaders were largely unaware of this stark divide, and when they did hear about it, dismissed it merely as a few disgruntled employees loudly voicing some perceived inequities. Now, however, this issue has also entrenched itself as part of CCI's negative corporate mythology.

CCI is also struggling with its image as a male-dominated, paternalistic culture that is falling behind in its efforts to promote and support women into traditional consulting roles, management positions and senior leadership positions. Again, organizational leaders have dismissed these concerns as rumours and continue to see CCI as a family oriented, 'everyone is treated equally', kind of workplace.

The Ticking Time Bomb

On top of the company's culture and morale problems, the Chief Human Resources Officer recently sounded a few alarms that could potentially devastate the company's health.

A recent Human Resources Management post-graduate student from the School of Business at Georgian College started to pull payroll data and turnover (churn) data from CCI's HRIS system into excel worksheets. Historical data is available from 2010 to date and current payroll data is also available. A preliminary analysis suggested that there were significant turnover problems and other systemic, problematic patterns in the current workforce. The HR department needs more research and data analysis to identify the issues. The CEO and the rest of the executive team are in support of receiving further analysis that HR can provide on the health of company's workforce. They have submitted a list of things they would like more information on as follows:

Info Requested	Concerns
Retirement Impacts, by occupation and years of service - excluding senior leadership levels (C-level and VP level)	What are the historic patterns for early retirement and 'regular' retirement (by occupation, age, years of service) by fiscal years? When looking at data from the current payroll file, what is the potential for future retirements by age and service years in critical occupations?
Turnover Analysis, by occupation and by termination reason and by termination type – excluding regular and early retirement information	What types of turnover patterns are evident, by occupation and fiscal years? What do the historic patterns indicate as potential problem areas for the future?
Leadership and succession planning	What is the level of urgency needed for the development of a leadership succession plan? What impact will a leadership succession plan have on future success? Include and identify role, age, years of service for each member of the senior leadership team (C-level) and the VP level in your succession planning analysis.
Salary analysis by occupation, and hierarchical level of function. Occupation needs to include and Identify which positions belong to road warriors, lazy commuters, and executive level functions.	What is the evidence that would support (or not support) the 'road warriors' vs. 'lazy commuter' compensation and cultural rift in the organization? Show results including and excluding executive level salaries in your analysis.
Leaves of Absence Analysis	What are the patterns in leaves of absence? Are there particular divisions and/or occupations that have higher rates of leaves? Where are the potential problem areas that will impact the workforce?
Occupation by gender analysis	Is there evidence of gender imbalance in the existing workforce? What is the pattern that has developed when reviewing service years and data by occupation, within the organizational hierarchy and gender? You must Include the executive level in your analysis.

Your task

You will prepare and submit a comprehensive report using the information in this case study and working with the data from “CCI Payroll Data Summer 2024” and “CCI Churn Data Summer 2024”. You must select **4** of the 6 information requests; provide an analysis (data and written) in response for each one of the four requests; and make relevant HR recommendations based on your analysis and findings.

Using the HR Storytelling model as a guide, your report must include the following:

- Cover page with student name and ID.

INTRODUCE: Executive summary

- Provide a one paragraph summary of the company’s profile, identify the four items for analysis and provide HR rationale for your selection

DEFINE: Provide a written explanation that defines your preliminary analysis as follows:

- Scope: Identify the population and time frame for analysis
- Problem: Provide a brief description of the problem in each of the four items for analysis
- Terminology: Explain key terminology
- Measurement: Identify what will be measured to understand the current situation
- Desired outcome: Identify the desired outcome (this may be a hypothesis)

ANALYZE: Detailed responses to each of the four information requests you selected are required as follows:

- Review and analyze the data by using pivot table(s), lists, graphs, or charts using excel formats or spreadsheet manipulation that have been reviewed in class.
- Each response in the written report must include visual charts or graphs converted from the corresponding pivot tables found within your excel documents. Do not insert pivot tables into the report.
- Provide a brief written analysis for each of the four information requests that respond to the concerns that have been identified. You must link your written response to the data analysis that you have completed for each information request. You must show clear evidence how the data supports your written analysis and response to the concerns.
- Each written analysis for each information request must be a minimum of three to four paragraphs in length.

RECOMMEND:

- Provide Human Resources recommendations for organizational success that will address each of the four identified information requests and link to the rationale you provided in the introductory executive summary. Identify what decisions must be made, identify timelines for action and identify how these link to the desired outcome you provided in the “Define” section of your report.

CLOSE THE LOOP:

- Close with a concluding summary statement that encapsulates the concerns and puts closure to the report as a whole.

Format:

- All five sections as noted above must be included in your final report. You may combine the analysis and recommendations for each information request for ease of formatting.
- Any data (pivot tables, charts, etc) that you use for the report must be saved in individual work sheet format using Excel. You must submit your two completed Excel databases as well as a written report.
- Report must be in written format – professionally produced, typed, and formatted.
- You must insert (cut and paste) charts or graphs from each pivot table for reference into the written report for each information request. Do **not** cut and paste pivot tables into the written report.

- Save your written report into PDF format.
- Your data worksheets must be saved in Excel and must be identified with your name and student ID. Two Excel workbooks must be provided.
 - Report and two Excel documents are to be submitted electronically via the link in Module 13

Additional Notes:

- Expect to spend a minimum of 12 to 16 hours to complete this assignment.
- Class time (Modules 11 & 12) is set aside for you to assist with the time required for analysis and preparation.
- You may collaborate with your colleagues to compare data manipulation & analysis results.
- Your final submission must be your own work, in your own words. This is an individual assignment.
- The final product must be professional in appearance, format, and content.
- Late submissions will not be accepted and will result in a forfeit of marks (Zero).
- Use of AI or submission of plagiarized work will result in a forfeit of marks (zero) for the assignment and a zero for the course, in accordance with Georgian College's Academic Integrity policies.

Deadline for submission: Thursday, August 15, 2024, at 4pm via the link in Module 13