

CASE STUDY: A NEW DEVELOPMENT AT MINOTECH

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Abstract:

The story of the case A NEW DEVELOPMENT AT MINOTECH takes place in a medium sized company located in the Canadian province of Quebec having the main activity in the field of manufacture and repair of commercial and industrial equipment for the mining sector. Thus, the company Minotech decided to develop a new department of research and development in order to provide a "turnkey" service to their clients. This structural change, considered very good for the profitability of the company, arrived with a lot of discontent on the part of employees. Because of the existence of change flaws both in the design and implementation, some employees decided to leave the company to return later, and others didn't stop to ask questions about the change impacts on themselves and the organization.

Key words: mining sector, research and development, human resources management, change management

JEL classification: M12 Personnel Management

The context of the case

Minotech is a mid-cap private company based in Abitibi-Témiscamingue, operating in the mining field. Its mission is to produce or repair commercial and industrial use material. Recently, it has been starting to offer a « turnkey » service to the miners, that is to say that the device is specifically built for the client and tailor-made. This novelty has been beneficial since, during the last year, this company registered an increase of 45% of its profits.

A lot of pressure from the external environment hangs over the company. From the point of view of the economic challenges, it is certain that the sale of products depends to a great extent on the mining cycles as well as the natural resources in general. From the technological point of view, they must preserve their leader position in order to keep their markets. This is one of the reasons why they have recently opened an engineering department within the company which has as a purpose the carrying out of research and development activities as well as the provision of a “turnkey” service to their clients.

In November 2010, Minotech inaugurated an engineering department within its company. This modification was highly significant as it helped the company diversify its range of products and hire new employees. As a matter of fact, this new department created a demand for engineers, machinists, technicians, draftsmen as well as designers to work on the creation of new pumps. An engineer who has been working for some time in the company was transferred to this new department and, step by step, a team was assigned to him. This new team will carry out various projects, by going to the mines, by meeting the clients, by dealing with tenders and by elaborating plans and projects. As a matter of fact, a research and development subdivision of this department was created, which allows the company to innovate while designing its products.

The idea of change occurred when the company management realized which the demands of its clients really were. As a matter of fact, the latter received new proposals regarding its products and the related services. The clients wanted that the engineers were able to develop new concepts, adapted to their respective needs. In fact, the company found out that its clients, especially the mines, were highly interested in Minotech carrying out for them special projects. An organizational process modification was therefore

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considered necessary to Minotech, which turned the new needs of its clients into a business opportunity allowing it to acquire an advance from the point of view of the competition.

As a Human Resources responsible, Mrs. Tremblay had to play a role in the design and organization of the new department. First of all, she had to deal with the responsibility of hiring new employees, who were necessary for the engineering department, against the background of a lack of skilled workforce. She also had to deal with the transfer of certain employees who have been already working within the company, so that they can start working in this new department. At last, Mrs. Tremblay had to evaluate the needs created following the opening of this department, to conceive the new related job descriptions and to update the company organizational chart.

Every single employee of Minotech, in his own specific way, has been influenced by the creation of the new department. However, some of them felt major repercussions in their work environment. As a consequence, we asked two employees which were their versions of the encountered repercussions.

Meeting with Paul, the machinist

Sometime before the change operated by Minotech, Paul seemed to be frustrated about his daily tasks. He first talked about his problem to the manager, who reassured him that some changes were going to be made and that they would talk about it later. Disappointed by this meeting, Paul decided to resign and left the company. Several weeks later, the management contacted him to offer him a new job within the company. So Paul, who was working with the production team, was affected by the change process carried out within Minotech, mainly because he was transferred to the new department. After accepting this job and starting working within this new work team, he realized that this change was not good for him since his daily work routine was going to become a real trouble due to the several new challenges and problems. He is even wondering how he will be able to recover his old solid work habits. He often inquires himself on the usefulness of this new department, how can it help the company to better serve its clients? According to Paul, it was all about changing some people's places in the office, nothing more than this. Was the management thinking of something when transferring him like this?

Meeting with William, a salesman

William works in the Montréal branch. The company owns several branches in Québec and a few in Canada, which are managed by the headquarters in Rouyn-Noranda. The employees who work within these branches are mainly salesmen, who make the connection with the clients who are located far away from the headquarters. This distance makes the communication with the headquarters more difficult. Since the company is presently trying to develop new types of pumps within its engineering department, the salesmen must regularly update their information on the subject, so that they can provide counselling to the clients and accomplish sales. So, this change brings them to show interest in the new designs of the company so that they can gather the latest information on the new procedures and technologies. This was a subject of concern for many of them as they were not sure if this task would be assigned to them.

When he was informed on the implementation of a new engineering department within the company, William immediately started to ask himself whether the new engineer would be responsible for his files: "am I going to lose my clients? Would the tasks that I am fulfilling in this moment be reduced to only assisting the sale and being in charge with the after-sale service, in case a problem may occur?"

QUESTIONS

- 1) Which is the organizational change that happened to Minotech?
- 2) Which person(s) act(s) as:
 - a) Change agent?
 - b) Decision – maker?
 - c) Recipients of the change?
 - i) Direct recipients?
 - ii) Indirect recipients?
- 3) Which are the stages of concern that Paul, the machinist goes through?
- 4) Has Minotech done a good job by offering this job to Paul? Which will be the impact of such a decision on the work climate within the company?
- 5) How did William, the salesman perform the change? Which are the stages of concern through which he goes?

References

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¹ The authors can provide the model of Colletette *et al.* (2013) on demand.