

Systems breakdown in recruitment at McCune Contracting

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It was Monday morning of July 28, 2014; a week after Rachel Banning had received her promotion. Banning, the newly titled Recruiting and Marketing Manager at McCune Contracting, a mid-sized oilfield services provider in Lloydminster, Alberta received an e-mail from a site manager chastising her team for sending an employee who was on the “Do Not Hire” list. Of course, the manager had copied eight other people in the e-mail. As much as Banning hated for the team to be dressed down this way, she noticed that the employee in question had been marked “Do Not Hire” for working unsafely at a previous site, an inexcusable infraction by McCune standards.

Banning had recently realized that the current recruitment processes could not keep up with the rapidly growing demand for manpower to work on sites. There were growing concerns about issues such as instable manpower supply, ineffective invoicing, and weak safety performance. They were only a few short weeks away from the upcoming peak “turnaround season” when the team would be expected to recruit and deploy 500 new temporary workers for their clients’ sites. Banning knew that the overall system was broken at certain points and she had to take immediate actions to fix as many of the issues as possible and to eventually set the team up with a more permanent solution.

McCune Contracting

McCune Contracting was founded in the late 1960s and had grown since then to become the industry-leading oilfield services provider in three main operating regions, in which the company had offices including Lloydminster, Stettler, and Fort McMurray, Alberta, Canada.

The heart of the company’s business was to recruit skilled and experienced employees and tradespeople, deploy them into clients’ sites and manage them to support all kinds of maintenance work at the sites. Overall, maintenance works could be categorized into two types: ongoing maintenance and turnaround maintenance. For the former, McCune recruited on an ongoing basis, maintenance employees who would fill relatively full-time permanent positions. The ongoing maintenance could include everything from custodial work to small-scale repairs. McCune supplied the ongoing maintenance work based on recurring contracts with clients.

For the turnaround maintenance, the company recruited temporary employees on a seasonal and project basis. The turnaround maintenance occurred when plants and refineries required more extensive repairs and expansions. Alberta’s standard “turnaround seasons” occurred twice a year, during October and April. While the turnaround maintenance was higher margin work for McCune, it required extensive planning and had to be performed within a narrow window of time, usually a few weeks, to minimize the impact on production. As described by a recruiter:

Turnaround time at McCune is like the ‘Christmas season’ for shopping malls, where everyone has higher workload volumes, and you can feel the escalated sense of urgency. Everyone at McCune is expected to understand how important it is to get turnarounds completed in time for our clients.

For both types of maintenance, McCune supplied employees based on an hourly rate. The company assigned a site manager for each client’s site, it was the site manager’s responsibility to manage the deployed employees to that site and negotiate any new scope of work with the client.



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McCune was structured into a number of divisions and departments that fell into two distinct categories: the operations divisions and the corporate divisions. The former oversaw all the maintenance operations on clients' sites, while the latter supported the company operations and included accounting and sales, human resources, and financial service divisions.

Between 2009 and 2014, the company had witnessed a rapid growth, tripling the total number of its employees to around 2,000 employees, of whom almost 600 were seasonal employees. McCune had built a solid reputation within Alberta for providing superior site leadership and efficient workflow processes, which had been developed over nearly 50 years in the business. As one site manager described:

A pipefitter supplied by McCune would essentially be no different than a pipefitter supplied by one of our competitors, but we provide hassle-free and faster work. Our clients appreciate that, especially during turnaround seasons when their operations stop for maintenance.

Dependability and reliability were also essential elements of the company business. Another site manager explained:

During turnaround sessions, a delay caused, for example, by insufficient staff, or errors in workmanship, could cost the plant owner (our client) hundreds of thousands, if not millions of dollars.

By late 2014, McCune performed nearly 70 percent of all maintenance work for major oil and gas companies operating in Alberta including Cenovus, Devon, Imperial Oil, and Canadian Natural Resources. The company's executive saw an opportunity to continue the growth trajectory by focusing primarily on four strategic areas: business development and sales, employee acquisition and retention, continuous quality improvement focusing on the quality of workmanship and processes, and organizational culture. The executive had also been informed about the rising concerns in manpower supply, ineffective invoicing, and weak safety performance. There was a wide belief that such issues would severely impede the expected growth trajectory for McCune.

Recruitment and orientation

At McCune, the recruitment and orientation function was at the heart of the company's business. Prior to July 2014, the human resource department (HRD) performed the recruitment and orientation function. In addition to the recruitment and orientation functions, the HRD also delivered training and development, performance management, payroll, apprenticeship, benefits, and employee relation services for the company. The HRD, overseen by Becker had expanded several times in the past few years. By late 2014, the HRD had 30 core employees and another five temporary assistants.

The recruitment and orientation team, led by a recruitment coordinator, consisted of 13 employees that filled four key distinct roles: staffing assistant, recruitment assistant, trade recruiter, and corporate recruiter. The team worked out of the McCune's three district offices. The distribution of the team members in the company offices is noted in Exhibit 1.

Staffing assistants were responsible for the processing of new hires, which included delivering orientation videos, administering tests, reviewing the validity of relevant certifications, and entering employees' data into the HR database, which fed into the payroll and benefits list. Recruiting assistants helped answer phones, screen applicants for recruiters, and for each potential hire, schedule drug and alcohol testing. Trades recruiters were responsible for conducting a telephone-screening interview with the candidate, assessing his or her ability to successfully meet the required employment criteria, and then, make the hire or no hire decision for skilled trades, apprentice, and laborer positions. The corporate recruiter looked after all site advisory, administrative, managerial, and executive level positions that required a formal interview including safety specialists and site managers. During peak times, when a high volume of résumés was submitted, additional temporary data entry administrators would be added as needed (see Exhibit 1).

Normally, a site manager sent a recruiting "manpower request" to the recruitment team, detailing specific positions and qualifications required, an hourly pay rate, along with the start and end date of the project. The recruitment team would then screen and select qualified candidates to fill the

open positions through screening processes, which might include an interview, reference check, and health and security confirmations. The successful candidates would then go through a half-day orientation process. Once completed, successful candidates were set up in the payroll system to start working on site under the supervision of an assigned site manager. It was not uncommon for employees to get transferred from one site into another.

To attract qualified applicants, the Marketing and Communication Department promoted McCune's "employment brand" to prospective and returning employees, to make them aware of upcoming job opportunities, and the advantages to working with McCune.

If positions were left open too long, and particularly if the vacancy endangered a critical turnaround schedule, the client would complain furiously to the site manager, their key point of contact. The site manager would then follow up with the orientation and recruitment team. Given the growing concern over the slow performance of the recruitment and orientation team, site managers were expected to follow up for all open positions closely. Tim Carson, the company's Operations Director, had even developed a report of all the unfilled positions, charting his calculations of lost revenue that the openings cost the company and had taken to e-mailing it out to all management on a weekly basis. "Such an embarrassing report for the recruitment and orientation team," Becker commented.

In 2013, as a way to respond to the mounting complaints from site managers, the company hired a consultant to work with Becker, but progress was very slow. Becker's time was consumed by the day-to-day operations of the growing HR team. In April of 2014, the executive decided that a fresh perspective might help move things along. They invited the Marketing and Communications Manager, Rachel Banning, to work with Becker on a new structure. Banning had suggested that all activities up to the point of hiring (including marketing, recruitment, and orientation) would be performed by a newly formed Marketing and Recruitment Department, which would be led by Banning. All activities after the point of hiring, which include benefits, training and development, employee relations, payroll and labor relations would remain in HRD. On July 14, 2014, the new structure was approved, and Banning was appointed to her new role.

The new Marketing, Recruitment and Orientation Department

Banning had been with McCune for three years, and had earned a reputation for delivering on her promises. Prior to McCune, Banning had worked in the Community Relations Department at a local community college, where she had led a primary database system architecture and integration project, which necessitated complementary departmental process rebuilds. Shortly after she completed the project, in late 2011, she had been invited to join McCune as the Marketing and Communication Manager.

Banning, who had just completed the MBA program at the Royal Roads University, realized that there was no quick fix for the recruitment and orientation function at McCune, but remained optimistic despite the general perception held against the recruitment and orientation team. When the promotion was officially announced, some of her peers publically expressed their sympathy, one of her colleagues said; "I hope you're getting a big raise for taking that team."

As a previous Manager of the Marketing and Communications Department, Banning knew that people were responding to McCune hiring ads, and there was a genuine interest in working for McCune, but such interest seemed to get lost somewhere along the way. In fact, a number of potential candidates had complained on the company's Facebook page, saying that they had applied, were qualified, but had not received a call back. When Banning took over the recruitment and orientation function, she explained her perspective thus:

If the recruitment team isn't able to respond to qualified applicants, ads might do more harm than good. If McCune is going to be the employer of choice for skilled tradespeople, I believe they need to treat their prospective employees like customers, something like a "B2E" (business to employee) marketing scenario. Each touch-point all the way to conversion or the point of hire should be tracked while consistently provide supportive experience to attract the in-demand individuals.

With this in mind, Banning referenced the "sales funnel" to map McCune's brand engagement, conversion and hire of new employees.

The recruiters and assistants, located in each of McCune's three district offices, each followed unique processes. Each site manager seemed to have his or her favorite recruiter. Information about these processes, and the sites that each recruiter was responsible for, was stored individually. At the time, McCune was receiving up to 2,000 résumés per week, all of which were collected manually, either by e-mail to a dedicated HR account, by fax to the Lloydminster office, or dropped off in-person at each separate location. Depending on how they were submitted, a scan or electronic copy of each résumé was then saved into a shared drive all of the recruiters could access (see Exhibit 2). A staffing assistant at a Lloydminster office would then enter the data from each résumé into a standalone Applicant Database, thus recruiters could pull reports by skill or trade as needed (see Exhibit 3). Generally, recruiters often went straight to the e-mail mailbox (see Exhibit 4) or the shared drive to comb through the newest résumés, rather than wait for the official report. Banning asked Becker whether he had considered an Applicant Tracking System or a new Human Resource Information System (HRIS) before. "Yeah," he answered, nodding his head vigorously. He then shrugged his shoulders, "I was told no. Too complicated!"

The volume of telephone calls that the office received was another major issue. During turnaround season, the recruitment and orientation team received an average of 400 calls per day from interested applicants, even on weekends. Of these calls, approximately 50 percent might be somewhat qualified, and would require a light telephone interview to determine whether or not the person could be hired. Another 20 percent might not be qualified, but enjoyed the opportunity to chat with the recruiters. Almost two-thirds of the teams' time was consumed responding to calls. Banning also discovered that the recruitment and orientation team was directed to record a consistent voice-mail message, promising that all calls would be returned within a 48-hour period.

The recruitment and orientation team had also several challenges to communicate with the operations team. Normally, site managers contacted the recruiters several times per day to check on progress. During the turnaround season, it was common for the 13 separate site managers, the three regional general managers and the director of operations to each call, e-mail or drop by to talk with the recruitment team several times per day. The recruitment assistants sent weekly reports, copied to each of these individuals, which would result in an additional flurry of calls and e-mails. The general complaint from the site and regional general managers was that the recruiters' reports were most often not correct.

It was not uncommon for the team to work 16 hour long days, and for extensive periods during the turnaround season. Banning learned that one of her new team members had worked for more than 40 days straight in the past April's turnaround – a clear violation of Alberta's labor standards. She was told there was an expectation that the team stayed until their work was done; they were told that "failure is not an option."

After the announcement

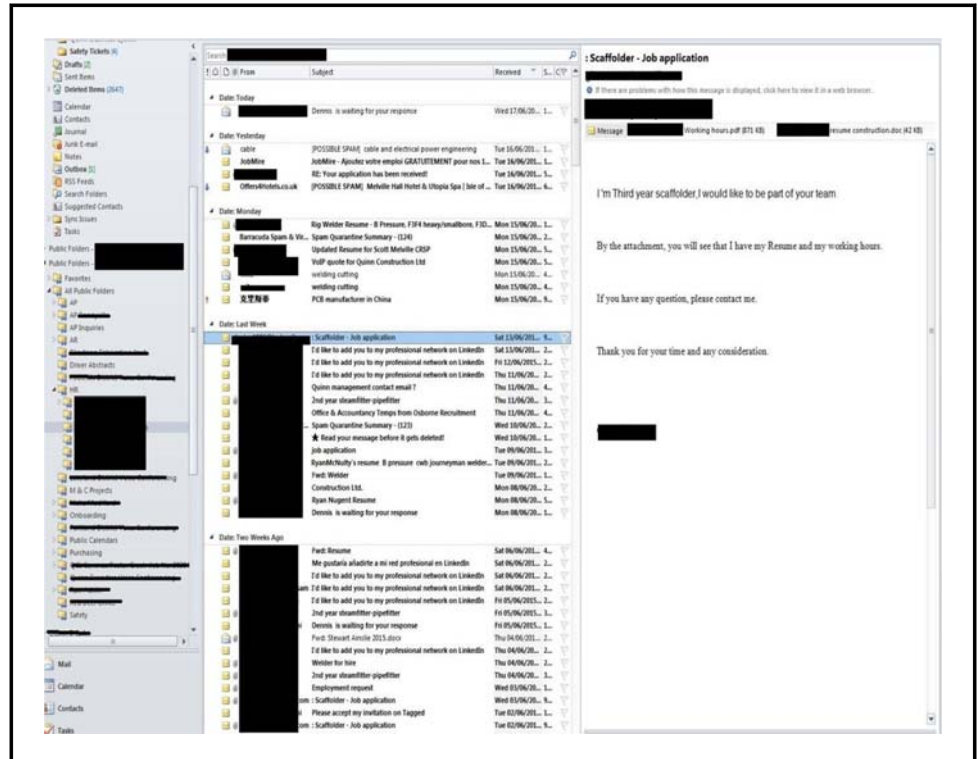
With only two months to go until October's turnaround season, Banning was under significant pressure to fix as many of the issues as possible before the "rubber hit the road." As far as she could see, the recruitment and orientation team had simultaneously used seven different standalone database systems: the e-mail system; the standalone legacy Applicant Database, which did not have the functionality to connect online or to other systems; the legacy HRIS which also would not integrate with other systems; McCune's finance system which handled payroll and expense tracking; a separate performance management program; an employee training system; and another system to collect safety tickets.

Reviewing this, she wondered how reports could be generated. If she wanted to get a full picture of an employee's training, personal information, work history, contact information and safety certifications, were administrators able to compile this from all of the different systems? What processes, information systems, and integration were required to improve the performance of the recruitment and orientation processes at McCune?

Figure A2 Report from the “standalone” Applicant Database by position

Full Name Backward	City	Prov	Competency	Recruiter Notes	Communication Log	Level	Initial Appli	Last Chan
Doe, John1	DARTMOUTH	NS	CERT- CSTS CONSTRUCTION SAFETY	4th year Pipelitter Apprentice.				7/31/2014
Doe, John2	CRANBROOK	BC	COMP- STEAMFITTER/PIPEFITTER			1 YR APPRE	7/23/2014	7/23/2014
Doe, John3	SOUTHPORT	NL	COMP- STEAMFITTER/PIPEFITTER	Resubmitted April 13, 2012			7/23/2014	7/23/2014
Doe, John4	EDMONTON	AB	COMP- STEAMFITTER/PIPEFITTER	resubmitted resume Jan 2014		1 YR APPRE	7/23/2014	7/23/2014
Doe, John5	RED DEER	AB	COMP- STEAMFITTER/PIPEFITTER	Resubmitted resume June 2012		2 YR APPRE	7/23/2014	7/23/2014
Doe, John6	SYDNEY	NS	COMP- STEAMFITTER/PIPEFITTER			4 YR APPRE	7/23/2014	7/23/2014
Doe, John7	CALGARY	AB	COMP- STEAMFITTER/PIPEFITTER			2 YR APPRE	7/23/2014	7/23/2014
Doe, John8	BLACK DIAMOND	AB	COMP- STEAMFITTER/PIPEFITTER			2 YR APPRE	7/23/2014	7/23/2014
Doe, John9		NL	COMP- STEAMFITTER/PIPEFITTER			INTERPROV	7/22/2014	7/22/2014
Doe, John10		NL	COMP- STEAMFITTER/PIPEFITTER			JOURNEYMA	7/22/2014	7/22/2014
Doe, John11	RED DEER	AB	COMP- STEAMFITTER/PIPEFITTER	June 5/09; Resubmitted resume March2013; April 2013		JOURNEYMA	7/15/2010	7/22/2014
Doe, John12	RED DEER	AB	COMP- STEAMFITTER/PIPEFITTER	June 5/09; Resubmitted resume March2013; April 2013		INTERPROV	7/15/2010	7/22/2014
Doe, John13	MAPLE ROGE	BC	COMP- STEAMFITTER/PIPEFITTER			JOURNEYMA	7/22/2014	7/22/2014
Doe, John14	HARDISTY	AB	COMP- STEAMFITTER/PIPEFITTER			JOURNEYMA	7/22/2014	7/22/2014
Doe, John15	HARDISTY	AB	COMP- STEAMFITTER/PIPEFITTER			INTERPROV	7/22/2014	7/22/2014
Doe, John16	EDMONTON	AB	COMP- STEAMFITTER/PIPEFITTER	Joshua was interested in the JM PF position at FM but declined. He refused to get \$2 Million turck i			7/21/2014	7/22/2014
Doe, John17	BENTLEY	AB	COMP- STEAMFITTER/PIPEFITTER			1-3 YRS EXP	7/22/2014	7/22/2014
Doe, John18	LLOYDMINSTER	AB	COMP- STEAMFITTER/PIPEFITTER			3 YR APPRE	7/22/2014	7/22/2014
Doe, John19	LEDUC	AB	COMP- STEAMFITTER/PIPEFITTER			1 YR APPRE	7/22/2014	7/22/2014
Doe, John20	LEDUC	AB	COMP- STEAMFITTER/PIPEFITTER			2 YR APPRE	7/22/2014	7/22/2014
Doe, John21	ARDRIE	AB	COMP- STEAMFITTER/PIPEFITTER			2 YR APPRE	7/22/2014	7/22/2014
Doe, John22	CONDOR	AB	COMP- STEAMFITTER/PIPEFITTER			JOURNEYMA	7/22/2014	7/22/2014
Doe, John23	LACOMBE	AB	COMP- STEAMFITTER/PIPEFITTER	resubmitted resume Nov 2013; JM Sprinklerfitter		3 YR APPRE	7/22/2014	7/22/2014
Doe, John24	STURGEON COUNTY	AB	COMP- STEAMFITTER/PIPEFITTER			INTERPROV	7/22/2014	7/22/2014
Doe, John25	BONNYVILLE	AB	COMP- STEAMFITTER/PIPEFITTER			1 YR APPRE	7/22/2014	7/22/2014
Doe, John26	GRANDE PRAIRIE	AB	COMP- STEAMFITTER/PIPEFITTER			3 YR APPRE	7/22/2014	7/22/2014
Doe, John27	COALDALE	AB	COMP- STEAMFITTER/PIPEFITTER			1 YR APPRE	7/22/2014	7/22/2014
Doe, John28	RED DEER	AB	COMP- STEAMFITTER/PIPEFITTER	4th Power Eng., resubmitted resume Jan 3/12; resubmitted resume Sept 2012; May		JOURNEYMA	3/23/2010	7/22/2014
Doe, John29	KELOWNA	BC	COMP- STEAMFITTER/PIPEFITTER			10+ YRS EXP	7/22/2014	7/22/2014
Doe, John30	DRAYTON VALLEY	AB	COMP- STEAMFITTER/PIPEFITTER			3 YR APPRE	7/21/2014	7/21/2014
Doe, John31	EDMONTON	AB	COMP- STEAMFITTER/PIPEFITTER				7/21/2014	7/21/2014
Doe, John32	CLARENVILLE	NL	COMP- STEAMFITTER/PIPEFITTER			1 YR APPRE	7/21/2014	7/21/2014
Doe, John33	SPRUCE GROVE	AB	COMP- STEAMFITTER/PIPEFITTER			2 YR APPRE	7/21/2014	7/21/2014
Doe, John34	RED DEER	AB	COMP- STEAMFITTER/PIPEFITTER	2,700 hrs towards PF/5F		2 YR APPRE	7/21/2014	7/21/2014
Doe, John35	CALGARY	AB	COMP- STEAMFITTER/PIPEFITTER			1 YR APPRE	2/27/2013	7/21/2014

Figure A3 E-mails submitted to one of several regional mailboxes, accessible by all recruitment team members



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