

CASE STUDY: CMAC INDUSTRIES

WORKPLACE CHARACTERISTICS

Size:	35 Employees	Established:	45 years ago
Products:	Fabricated Sheet Metal Products	Privately owned:	Employee share ownership scheme in process to transfer ownership from current owner Robert McMaster to employees.
Location:	Giraween, Sydney		
Annual revenue:	\$5 million		

MANAGEMENT PRACTICES

A technical knowledge test is conducted to assess the potential of new apprentices, while interviews are used to measure prospective employees' attitude, organisational fit and willingness to learn. Age diversity is sought when hiring to have a broader range of experience and for mature-aged employees to mentor younger employees. Employees are rotated through different manufacturing areas to become multi-skilled and are provided with ongoing on-the-job training to use new design and process technology as it is introduced. Upskilling and internal career progression are favoured. Employees are encouraged to suggest additional training that they would like, while trades employees with leadership potential are encouraged to pursue tertiary business qualifications so they can become managers with both technical experience and business knowledge. Employee study is supported by providing flexible working and paying fees for some relevant courses.

KNOWLEDGE,
SKILLS &
ABILITIES

Informal recognition is primarily used to motivate employees. This will be supplemented by formalised practices that are being implemented. Individual employee achievements (both in work and study) are recognised in team meetings and through one-on-one feedback from managers. In particular, employees are encouraged to speak to the manufacturing manager about their role and work processes to better understand the nature of the business. Performance reviews are conducted to give employees the opportunity to reflect on their strengths, areas for improvement and additional training required. \$50 fuel vouchers are awarded at the manager's discretion to recognise innovative ideas and extra effort from individual employees. There is also a social club that organises activities outside of work, such as a recent cruise, to develop friendships among the team.

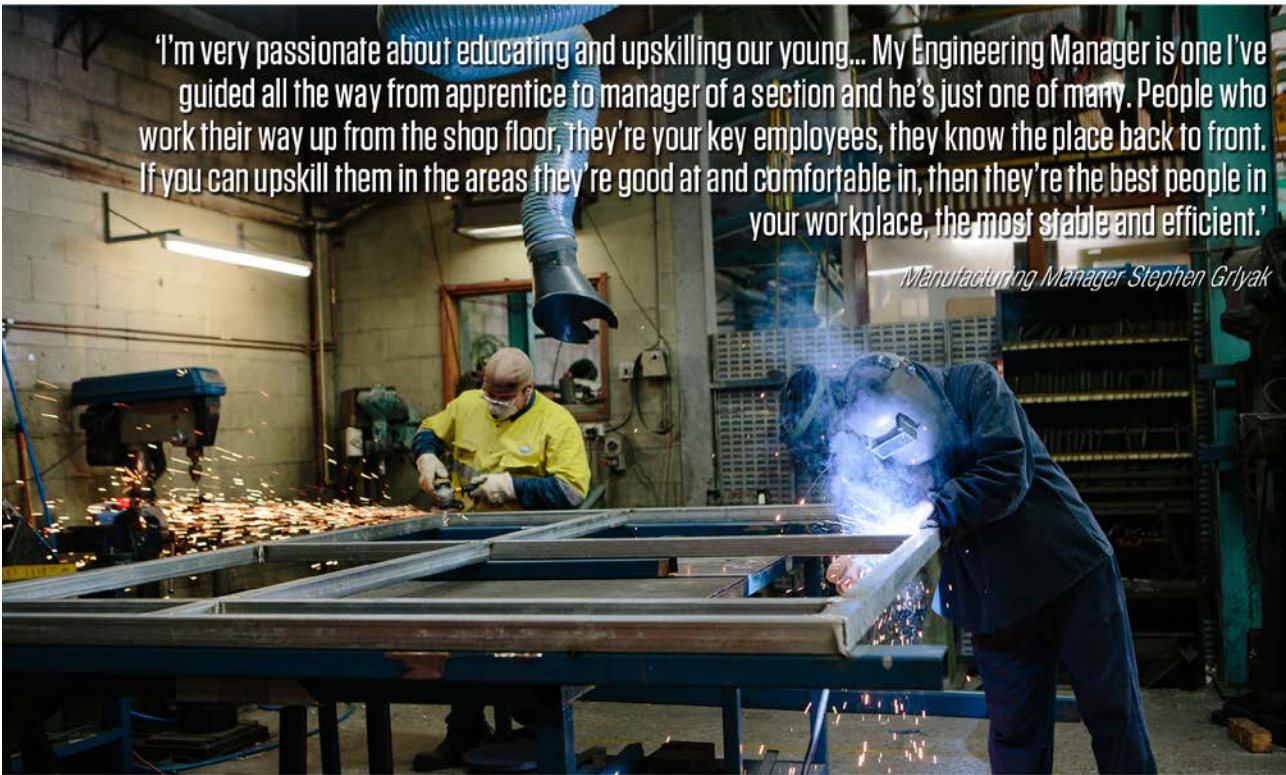
MOTIVATION
& EFFORT

As skilled tradespeople, employees are given a certain degree of autonomy to decide how their work is done, within the constraints of time and budget demands that are driven by client needs. Informal systems are particularly emphasised to capture employee feedback and ideas, supported by formal structures. Employees are encouraged to speak in toolbox meetings and there is an open door policy that means all employees are able to go to their direct manager with any ideas or issues. This is supported by formal schemes, including a grievance procedure to address individual issues and an employee committee with elected representatives.

OPPORTUNITIES
TO CONTRIBUTE

"Managers here are always happy to hear what you've got to say...the fact that we know what's going on and what we have to do, it gets you motivated... it makes you feel like you're not just working for the company, you're actually part of the company."

Third Year Apprentice Chris Dolman



'I'm very passionate about educating and upskilling our young... My Engineering Manager is one I've guided all the way from apprentice to manager of a section and he's just one of many. People who work their way up from the shop floor, they're your key employees, they know the place back to front. If you can upskill them in the areas they're good at and comfortable in, then they're the best people in your workplace, the most stable and efficient.'

Manufacturing Manager Stephen Grylak

IMPLEMENTATION

In the past five years owner Robert McMaster's involvement in the business has been winding down in preparation for his impending retirement so there has been an increasing focus on developing employees' skills and increasing their involvement so they can run the business themselves. Manufacturing manager, Stephen Grylak has taken over the people management aspect – questioning whether existing approaches are working, adopting new practices through trial and error, and speaking directly to employees to get their input on what could be done better. Given constraints on profitability, they have found it difficult to fully implement and consistently use all of their practices, but they are still in the process of developing their approach. They were also assisted by a government grant six years ago to help develop the employee share ownership transition which is still in process.



BENEFITS

While these practices were not conceptualised by CMac as a system, benefits from each have fed into each other. Developing their employees has enabled C-Mac to retain employees, be adaptable to client needs through multi-skilling and cope with demand fluctuations. Employees are more motivated to contribute those suggestions and expend higher discretionary effort as they feel part of the company, through their opportunities for career progression and open relationship with managers. Providing more opportunities for employees to contribute has led to work process and product improvements through employee suggestions, which has in turn, improved safety, reduced costs, improved productivity and efficiency. CMac's success has also been developed through its client service focus, increasing their emphasis on marketing and online sales.



Knowledge that works.