

CASE OVERVIEW

You are hired as the HR director for the fictitious Motors and More, Inc. Motors and More, a business-to-business sales company, manufactures small motors and accessories for industrial and home products. The industry is highly competitive, and the company follows a prospector strategy.

A prospector strategy takes advantage of new markets and products (Gomez-Mejia, Galkin and Cardy, 2001). Organizational emphasis is on growth, innovation and new product development. A prospector wants to be first to market. To respond to competitive and rapidly changing markets, prospectors have flexible, flat and more decentralized organizational structures.

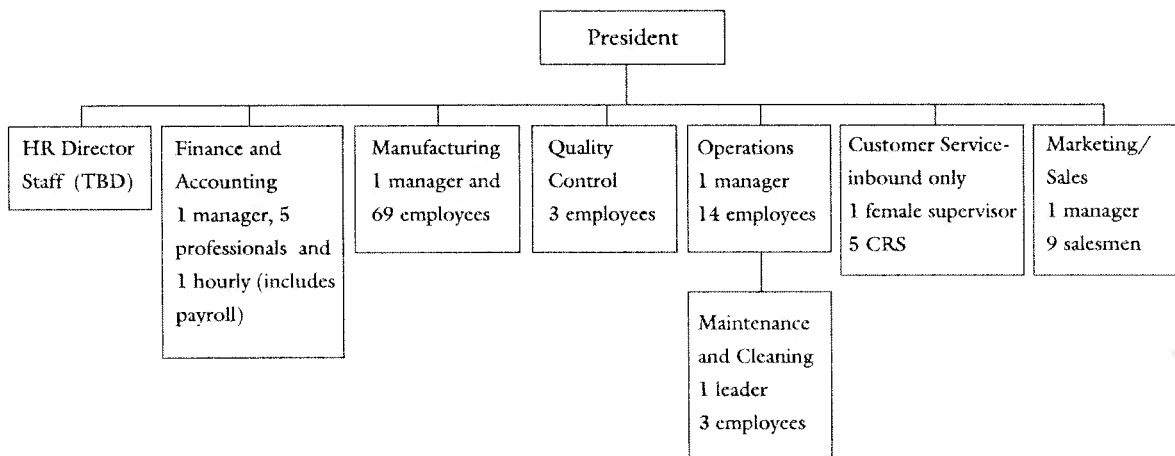
Motors and More is headquartered in a small southern town of 28,000 people, with a low unemployment rate of 3.1 percent. This means that demand for workers exceeds the labor supply. There is a technical school and a community college within 50 miles of Motors and More. Motors and More's president is former military and is highly patriotic. He is committed to staying in the community. Recently, several other local companies have experienced labor organizing activities.

Motors and More employs 116 people. Until you were hired, there was no HR department. Recently, the organization's employee turnover rate has been higher than normal. The marketing and sales department continues to sell products to an expanding market. Because of this increased product demand, output must be increased by 96 percent.

Eighty-eight percent of Motors and More employees are Caucasian. With the exception of one female supervisor in the customer service department, the president and all other managers are Caucasian men. Management promotions have been based on seniority. The local labor market population is approximately 48 percent minority. There is a growing Hispanic and Kurdish population that have not been accepted into the community.

All the employees in manufacturing (including quality control), customer service and operations (responsible for shipping and receiving; distribution of raw materials, components parts and finished goods inventory; and maintenance and cleaning) have at least a high school degree or GED. The organization provides some skills training courses. Please refer to the organizational chart in Figure 1 for more details.

Figure 1: Motors and More Organization Chart



IV. Total Rewards Strategy (Week 4)

[Describe the strategy for total rewards for the company. Along with specific ideas for what benefits and compensation structure will exist, provide support for your rationale and decisions using current scholarly theory in the field.

- Review the company strategy to lead, meet, or lag the market for total rewards and key positions.
- Review the decision to base wage on internal structural equity or external market equity.
- Review the decision mix between base wage and incentive wage.
- Develop a mix of employee benefits that differentiates in the market.
- Linkages to performance management or motivation theories.] Sections to include:

Meet, Lead, or Lag?

Equity Strategy

Wage Incentives Method

Linkage to Performance Management

Benefits – other rewards