

Case Study—Townsend Rock Industries

The company operates quarries, plants, and distribution sites in the southeastern and mid-Atlantic United States and serves commercial, industrial, residential, and governmental construction companies. It owns and operates quarries and distribution centers in Canada, the Bahamas, and Argentina.

Its headquarters are in Jacksonville, Florida, and the company has production and distribution facilities in Florida, Georgia, Virginia, Maryland, Canada, the Bahamas, and Argentina. Currently, it employs twenty-five hundred employees, in positions ranging from executive-level administration to engineers, geologists, and technicians. Within each geographic location, there are employees of different levels (executive team, senior management, middle management, and salaried and hourly employees). The executive team is located in Jacksonville, Florida, and most of the corporate and administrative functions are handled from there as well. However, there are also some production plants and distribution facilities in other parts of Florida and in Virginia, Maryland, and Georgia. These operations are more likely to hire lower-level managers and hourly workers. The facilities in Canada, the Bahamas, and Argentina have both middle management and hourly production workers.

The company is regarded as a leader in the cement industry and is known for its fair and equitable treatment of employees. The company's mission is:

. . . to be an excellent construction materials company providing long-term growth and a superior return on investment. Through employees committed to continuous improvement, we will provide quality materials and superb service for our customers; operate safe, environmentally responsible facilities that are well maintained and cost effective; and develop mutually beneficial relationships with our suppliers and the communities within which we operate.

TRI was started as a family business in the 1930s, and, over the years, it grew by acquiring competitors and other firms in related services. Employees perceive the management team to be fair, and there have been no efforts to introduce a union. The company is publicly traded on the NASDAQ.

The company leadership in the early days focused more on production and servicing customers and less on the efficient organization of its various business functional areas, which has resulted in a number of inconsistencies throughout the operations of the company. Five years ago, the company needed to improve plant and facilities management. So the management adopted a software package that helped it optimize key areas in production processing. This resulted in increased production and improved consistency across shifts and produced a return on investment (ROI) for its shareholders.

Recently, it has implemented an enterprise resource planning (ERP) system to improve coordination of internal business functions (e.g., production, human resources [HR], inventory management, operations, finance, project management, distribution, and supply chain). During the implementation process, however, the company realized that there were a number of inconsistencies, particularly in the HR areas of compensation, benefits, and reward systems, that needed to be corrected going forward. So the company has hired an HR consulting firm to assess this situation. These decisions are critical to the future and continued success of the company since they have an impact on employee and public perceptions as well as in the company's culture.