

PAC Resources, Inc., SWOT Analysis



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I. INTRODUCTION

PAC Resources is a small manufacturing company located in a mid-sized city in the upper Midwest. PAC manufactures high-quality specialty components for the computer industry. The company was founded in 1994 by current CEO, David Dukakis. PAC employs 835 full-time workers.

The latest downturn in the industry affected the company, especially its sales, that have decreased. At the same time the company goes through the period of employees' dissatisfaction. Considering the created situation, the company is looking for the solutions to overcome the difficulties it is facing, especially to improve its management system.

II. SWOT ANALYSIS

In order to define the overall situation of the company and recommend solutions there is a need to make a SWOT analysis.

The following SWOT analysis captures the key strengths and weaknesses within the company and describes the opportunities and threats facing PAC.

STRENGTHS

1. **Focusing on delivering high-quality products** - The quality of the products is granted by ISO Certificate, that allows the company to maintain its position in the market.
2. **Active wellness program** - that is providing employees with free immunizations and voluntary health-risk assessments. PAC reimburses employees for 50 % of the cost of weight loss and smoking cessation programs. PAC also maintains an employee assistance program.
3. **Training programs and employees' development** - The company is organizing training seminars, in-house training (informing employees about current news, sexual harassment and safety procedures). Tuition reimbursement available for college-level courses that are related to the employee's job. At the same time, the company is organizing trainings for management, in order to ensure improvement of people's skills, consistent implementation of PAC policies across department lines.
4. **Compensation and Benefit Programs:**
 - Offering fully paid health coverage to all full-time employees.
 - Paid time off is available as paid vacation time and sick leave.

WEAKNESSES

1. **Poor management** that caused the movement of the employees within the organization. Poor management was reflected in the inconsistently enforcing policies, lack of communication with employees and little cooperation across functional areas. Some of the employees feel that their work is not supported and appreciated by management and that there is little feedback on progress toward goals.

2. **Unfair practices** - Using unfair practices regarding job changes and lack of encouraging innovation and creativity. HR management has divisive style – unequal attitude towards employees, having favorites, abrasive behavior and unfair attitude.
3. **Merit bonus plan** - Unequal sharing of benefits and compensation. Using merit bonus plan is perceived as an expensive giveaway that creates employee anxiety.

OPPORTUNITIES

1. **Increasing customer base** - The company started being orientated to Canadian and European markets.
2. **Technological advancements** - Continuous dynamics of the high-tech industry that made the company increase the level of education of the employees and starting look for a cost-saving strategy, that required a 10% reduction in labor costs.
3. **Conducting a job-hazards analysis** - in order to develop a cost-saving risk allocation plan.
4. **Implementing trainings** – in order to improve the company's performance management system, ensure the employees' development and enhancing their competences and abilities that can lead to company's profits increase.
5. **Creating a blog in the company's intranet** - where staff could share information about their successes and failures on various projects, in order to increase information exchange with employees working off-site – became a source of ideas and information sharing.
6. **Improving the interview exit process** - Departing employees are encouraged to talk informally about the career at PAC in order to better understand the employee's' ideas, management style, their level of satisfaction etc.

THREATS

1. **Small customer base** - in the United States and Asia. Heavy reliance on one customer – sales of finished products are down for this customer and cutbacks are expected. Over 80% of PAC's sales come from building original specialty components for one manufacturer.
2. **Lack of experience managing layoff process** – layoff of newly hired employees will seriously harm the company's reputation in the community and make recruiting difficult when the economy gets better. Hiring freeze can lead to loss of talent and retaining the knowledge of long-time employees⁴.
3. **Union Organizers** - that can affect company's activity. Union can impose labor regulations and workplace rules making the company lose control over the employees². PAC wants to remain non-union and is willing to listen to employees and address their concerns.
4. **Legal issues** – complaint of one of the ex-employee about sexual harassment, complaint of an employee that was fired in front of the whole shop.

5. **Relationships between management and workers** – lack of communication and little cooperation between areas within the company can affect its overall functioning

III. CONCLUSION AND RECOMMENDATIONS

The company has come to the point where it is experiencing many difficulties, mostly in the Human Resources area. Among them, the most affecting problems are: poor leadership, lack of communication between managers and employees, using unfair practices that lead to employees dissatisfaction, lack of motivation to achieve the company's goals and reduce their performance. All these factors contribute to the company's decline. However, the SWOT Analysis revealed that the company has strong points as a well-established company that provides qualitative products and is able to capitalize easily on the opportunities that it has at the moment, such as increasing customer base, implementing training programs, in order to improve its current situation.

First of all, the company has to deal with the problems mentioned in the e-mail and improve the merit bonus plan that can increase employees' satisfaction and their competitiveness. The company has to cultivate strong leadership, that is the key point in achieving company's goals and its success. Management has to implement organizational justice, distributive and procedural one, in order to ensure the fairness in the workplace that can increase employees' satisfaction and motivation. Employees have to know that they are treated fairly in their jobs and how it influences other work-related variables³.

Overall, the company needs to concentrate on improving its current situation and all the transformations that should take place will ensure the company's long-term success.

IV. REFERENCES

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