

RED HAT ARGENTINA



RANKED #1 AS BEST EMPLOYER

In a year marked by uncertainty and change, which companies stand out for their Human Resources policies? The latest trends in this area.

CATEGORY: LESS THAN 200 EMPLOYEES

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COUNTRY MANAGER,
RED HAT ARGENTINA

BEST EMPLOYERS. ELECTION 2015.

RED HAT - Freedom and projects: The open software company encourages its employees to come up with and develop ideas. “If that’s what they want to do, then so be it” suggests flexibility, the other premise.

By Andrés Engler

The Argentine economy has become redder than Red Hat’s red, a company that these months is painting its business a quiet shade of blue, one of the alternative hues included in its trademark guidelines.

But not everything is calm inside the house: in 2014, the headcount went up 30% and its 80+ employees are packing their last bags to move to a new - and 50% bigger - office in early 2016.

“Our head office gave the go-ahead for the expansion. We’ve got more budget than what we had planned. There is investment because they see development,” said Sebastián Biagini, local country manager for the company engaged in the provision of open source software products.

The open source culture embodies a maxim: freedom. “Everybody puts ideas forward, conceives projects and comes up with alternatives that every so often come through,” said Biagini. Having employees with the best ideas in the market putting their innovation at the service of somebody else has its perks: the major ones range from a pension plan, daily meal vouchers in the amount of ARS 100, to life insurance covered 100% by the employer, among others. Apart from these enticements, at Red Hat they boast of something far more valuable: “Those who join the company do so because they are more engaged with projects. They have a degree of ownership lacked by a developer in a typical corporation with a more limited range of movement.” In order to talk their team, at the company they have decided to erase a verb tense that only exists in books and memoirs which they disapprove of: the conditional perfect. “We eradicated the ‘would have’. We tell them that if they want to do something, they should do it and develop it,” said Biagini.

Once the Argentine directive translated the local situation into English, at headquarters they noticed that granting certain concessions would help avoid the loss of talent. “We never tire of explaining to them that we must increase salaries by 30% every year,” argued Biagini, breathing a sigh of relief: “They got the picture.” Since last year, the compensation adjustment was affected in two instances - in June and November - and in 2016, the increase in salaries is expected to be around the 2015 percentage. “The collaborative project is outstanding, but if we fail to earn our due...,” he added. He knows that technology giants - which on many occasions are only knowledgeable about computer codes - are wearing detective hats to go headhunting. “Since our presence has become more manifest in the market, other companies want to strip us from our resources,” he said. Being data experts, he and his team are well aware that in certain sectors they have reached out to all of their employees, one by one. “Especially the younger ones,” he said.

Although the paycheck is not above the market average, the entire staff gets a bonus between 5 and 25% of the annual salary depending on the position; in turn, the Sales staff earns commissions. In addition to the traditional one, the company applies a discount to withholdings. All these measures



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MARÍA PAULA VERONELLI,
HUMAN RESOURCES MANAGER,
RED HAT ARGENTINA

caused the average years of service in its almost 10 years of operation in Argentina (since 2006) to exceed 5 years in an industry where staff turnover often moves faster than the technology provided. Its average annual staff turnover rate is 5%, though the trend in recent quarters has decreased to half. “It is dropping,” said Maria Paula Veronelli, Human Resources manager with Red Hat Argentina.

The hallways are teeming with sub-30-years-olds light years away from sporting a suit, who take for granted that the casual attire is not limited to Fridays alone. The country manager leads the way: “Every now and then I wear a tie, but increasingly less.” Veronelli goes back to formality: “Our employees average 30 years old.” The Renewals department - which was conceived in Argentina and replicated worldwide, where salesmen who are rarely over 25 seek to extend product subscriptions, epitomizes the company’s freshness. “We renovate ourselves quite a bit because we must represent the new generations. With them, the hardest challenge deals with flexibility. This is the culture that we have, the ‘openness’ culture,” she said. “Flexible working hours and, in general, two days of home office are guidelines not put on paper that the younger ones appreciate. We try to set and agree on goals, and achieve them. Each person sets its own agenda with his/her superior,” said Biagini.

At the company they sustain that the requests made by employees to cross local borders are infrequent. However, there are constant dealings with other subsidiaries: nearly 40% of the team is engaged in the provision of services to offices in other countries. In Argentina there is a support center for Spanish-speaking countries. “In the last three years, the number of people working at the center has doubled,” said the person responsible for the local operation, who added: “We toyed with the idea of a regional service delivery center for selling services to, at least, Red Hat in Latin America. We will see what happens next year. One of the variables is the cost of labor in Argentina.”

“Access to any organization within the corporation is very easy and is not unseemly,” said Biagini. Freedom of movement in any position sooner rather than later translates into easier access to more relevant responsibilities. “Vertically, each position has seven levels depending on the role,” said Veronelli before mentioning that the average window to switch rooms goes from 18 to 24 months. After observing the transfer market, the Country Manager acknowledges that they hire whoever helps the company accelerate the time-to-market.

The projects appeal to seasoned professionals. Months ago, at management level, a historical figure with over 20 years of experience in a competing multinational chose to join the red company. But Red Hat also pays attention to the inexperienced ones: the company offers an internship program in different work areas. “At first, we hire them on temporary contracts. Those employees who have joined the company this way have become payroll employees,” said Veronelli. After joining the company, any employee wishing to further his/her education has USD 2000 available per year to take courses or undertake postgraduate education that may enhance his/her career prospects within the company.

Changes are not only generational but gender-related. At present, the percentage of women in the team nears 35% and the company expects to increase this percentage to 45 in 2016. There are more projects in Veronelli’s agenda to be carried out in the coming months. “We are planning a corporate SUBE (Unified Electronic Ticket System),” she said. “Aware of the current inflationary context, we want the salary to be used for personal reasons, and for traveling not to be an issue.” For the time being, anyone visiting the offices located on Alicia Moreau de Justo can leave the car in a free-of-charge parking lot.



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Other than being reflected with phrases written all over the walls - all of them in English in the style of "Together we can do it easier and better" - the collaborative culture is printed on payment certificates. Not only does the company keep an eye on the Net Promoter Score (a tool that gauges the loyalty to a company based on recommendations), but it also ups the bet by giving USD 1,000 to any employee who speaks highly of Red Hat to another person eventually joining the company. Payment is made after 90 days in pesos at the official exchange rate, provided the recommended candidate has stayed with the company over a month.

Clearly excited, Biagini leaves finger marks all over the blueprint of the next office. "Today's company has nothing to do with the company two years ago," he said, and added that the idea is to have Red Hat 3.0 version not circumscribed to architecture alone (this will be the third change of office): "I want to see lots of people swarming the place. We wish to convey outside what we are capable of offering."

HOW IT WAS DONE

Argentina's Best Employers survey published by APERTURA magazine was conducted based on a questionnaire of 70 questions sent to the Human Resources directors of the companies. The survey was divided into five thematic areas: Professional Career, Remuneration, Working Environment, Work Schedule and Qualifications and Training. In each area, the surveyor inquired about aspects such as, inter alia, career planning, the remuneration policy and services provided in the workplace.

Independent questions were also asked to the employee with the greatest seniority and to the newest hire, both duly identified. Directors also answered which companies have the best HR management in their opinion. The companies mentioned by them received a bonus. Over 200 organizations participated in the survey, of which only those exceeding 400 points were published.

ABOUT RED HAT

Red Hat is the world's leading provider of open source solutions, using a community-powered approach to provide reliable and high-performing cloud, virtualization, storage, Linux, and middleware technologies.

Red Hat also offers award-winning support, training, and consulting services. Red Hat is an S&P company with more than 80 offices spanning the globe, empowering its customers' businesses.



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