



Poultry Processing Company Improves Labor Management and Achieves Operational Transparency

George's Inc., a leading poultry processing company, eliminated manual time keeping calculations, improved control of employee punching, put an end to manually rekeying information into payroll, and improved the precision of reporting and compliance with industry, state, and federal requirements.



Food processors are under increased pressure to deliver quality products efficiently while rigorously complying with USDA mandates for food safety and still satisfying customer demand for quality and availability. Attendance Enterprise, a comprehensive time and attendance tool, helped transform George's once arduous labor management and payroll process into a model for operational efficiencies, updated regulatory compliance and reporting, and information transparency.

About George's Inc.

George's Inc. is a fully integrated poultry processing company with operations in Arkansas, Missouri, and Virginia. Established in the late 1920's, George's is a fourth generation, family-owned business with worldwide sales. Its mission is to satisfy customers with consistent quality poultry products and service by providing an optimum product mix, efficient production, humane animal treatment, and employee development in a safe and supportive work environment. George's employs over 5,000 workers in seven locations, running three shifts.

Paper Time Cards and Highlighters

Like many manufacturers, George's used electronic time clocks and paper time cards. Employees selected their time card from a rack and punched at the clock. The commonly used practice in the late 1990s and early 2000s was to print the employee name and Social Security Number on the time card. With greater sensitivity to identity theft, this practice needed to change.

Each employee punched several times a day for breaks and lunch. There was no way to prevent employees from punching in early for a shift, forgetting to punch in or out for breaks, or from "losing" their time card if they arrived late. Buddy punching, where one employee knowingly punches the time card of another, also meant that employee worked time could be misrepresented. Late employees had to find the Human Resources (HR) representative to report their punch time and then it was communicated back to the supervisor.

The large number of employees punching at shift change created bottlenecks. Clocks were located in the break rooms, hallways, and by the doors. Employees punched in and then donned their uniform or safety gear before getting to their work area. At the end of the shift the process was repeated in reverse. There were no standards or time limits for donning and doffing uniforms or walk time so employees punch time varied greatly and needed to be verified by the supervisors.

"Clocking in and out was chaos," said Tom Ashby, Further Processing Supervisor. "We needed better visibility of information, including how much time it actually took to change and get to the work area before starting the job."

Schedules and Tracking Paid Time Off

Employee schedules were printed and posted on the wall. Attendance bonuses were paid based on an employee working his or her schedule. Employees punched in and out when they worked their schedule but the payroll clerk used the line leader's time card as the master card for the employee's punches.

Prior to today's regulatory requirements, the master card process was popular in food manufacturing where production can switch from one product line to another during a shift. Rather than each employee stopping and punching separately, the line leader's punch served as the punch time for all the employees on a production line. The payroll clerk adjusted the employee time cards to match the line leader's punches and paid to that time. However, if an employee punched out before the line leader, the time card was highlighted and the employee would not receive an attendance bonus if one was applicable.

Sanitation department employees had schedules which guaranteed 8 hours daily or 40 hour per week as long as their work was approved by their Supervisor and USDA. Food safety regulations require standards for cleanliness. If these standards are not met, production stops. Every minute that production is down, costs rise and losses add up quickly. The payroll clerk had to know what was going on operationally and how to pay the Sanitation departments accordingly. This was challenging.

Leave time was also tracked on paper. A leave was requested by filling out a form and turning it into the HR department. HR would notify the supervisor so schedule adjustments could be made and workers found to fill in. Leave had to be taken in full day increments. Leave time was then manually entered into the payroll system.

Reporting

Understanding the true cost of labor is important to manufacturers, especially in trying economic times. Lean manufacturing means doing more with less. It requires an understanding of equipment, supplies and labor.

George's management was challenged by their old, manual methods. Their access to departmental costs was limited. If an employee transferred from one department or line to another, the transfer was handwritten on the time card so that the appropriate department could be changed with the labor costs.

“We needed to find a way to pay our employees more accurately using automation rather than humans calculating the time,” said Glen Balch, Vice President Corporate HR. “Labor costs were touched by many departments and we just didn’t have a clear picture of our true costs.”

The information needed to comply with governmental reporting requirements was pulled out of the payroll system. Worker’s compensation reports required a greater level of precision than provided by the system. This meant more manual calculations and rework.

Management was also frustrated with their inability to tie labor costs to production and minimize costly overtime. They needed tools for using piece rates that corresponded to actual labor dollars.

Processing Payroll

The payroll clerk at each of George’s locations compiled each of the time cards every day, manually applying the company’s pay rules to the calculations. It took three to four hours each day to tabulate hours and flag any issues with the time cards. Payroll clerks used colored highlighters on the time cards to indicate different issues that then needed follow up with the supervisor or the employee.

Every Monday, the payroll clerks keyed in the time card data and tabulated employee hours into the payroll system. This cumbersome and error-prone process took about four hours each week, per location. Time cards for each pay period were kept onsite for a month so that if any inaccuracies were reported, they could be readily verified, adjustments made and manual checks cut. The time cards were then moved to offsite storage.

A Better Way

George’s knew that to remain competitive and comply with changing food processing regulations, its time tracking and labor management practices needed to change. Increased regulation meant more strenuous protection of employee personal information and greater precision in reporting. It also meant the obsolescence of long-used practices such as the master card for production line scheduling.

The company recognized that many of its processes were sound but in other areas, new procedures, resources, and practices were needed. George’s performed a time study and needs analysis identifying areas for improvements. They then

turned to the experts at Gorrie-Regan & Associates (Birmingham, AL), a premier provider of the time and attendance and labor management product, Attendance Enterprise from InfoTronics Inc.

Attendance Enterprise provides advanced features for managing labor data—calculating pay rules, scheduling employees, budgeting labor, automating benefit accruals, tracking attendance-based merit points and more. George's appreciated the ease of installation and rapid implementation of Attendance Enterprise.

Overall Improvements

The skilled staff at Gorrie-Regan & Associates worked with George's management, HR, and payroll team to design a solution that would streamline their time keeping processes and integrate seamlessly with their payroll system.

New I.T. 2100 and I.T. 3100 time clocks were installed in the facilities. Employee ID badges with pictures are now used to either swipe at the clock or wave in the proximity of the clock. Social Security Numbers are no longer used, thus protecting employee privacy. Buddy punching has been reduced since employees must now use their photo ID badges. There are no more lost paper time cards.

Attendance Enterprise automatically calculates the employee's time cards. Exceptions to schedules like tardies or leaving early are easily identified. The system uses punch restrictions so that employee's cannot punch in more than 5 minutes before their shift. This restriction varies by department. It also incorporates the standard time needed for donning and doffing and walk time as identified by George's time study and required by regulation. The master card system is no longer used for matching line leader schedules.

If an employee forgets to punch, the supervisors can correct missed punches in seconds and add a reason code for the missed punch. Time cards are updated automatically without any manual calculations. Payroll clerks no longer spend hours every day adding up time cards and accuracy has improved with pay rules being enforced universally across all locations.

"The reallocation of the resources from payroll and HR processing to other critical tasks has been a huge improvement," said Balch.

George's uses the Incidents and Points module of Attendance Enterprise to assist with employee performance management. The old system of giving attendance bonuses is gone. In its place, employees earn merit points for desirable attendance habits and receive demerits for things like unexcused absences or long lunches. If

too many negative points are accrued, warning letters are automatically generated by Attendance Enterprise documenting these infractions.

Attendance Enterprise integrates seamlessly with the payroll system. Once all time cards are approved, payroll is processed with a click of a button. Archived time cards for past pay periods are always available should information be needed for a wage and hour inquiry. What was once a tedious manual process that took several payroll clerks hours to complete has been reduced significantly allowing these resources to focus on other business-related activities.

Regulatory requirements are being met and Department of Labor and worker compensation reports are easy to generate. Information is exported to Crystal Report Writer allowing the data to be sorted and formatted to the required standard. Tracking attendance data to the minute allows George's to report with greater precision and confidence. Employee leave time is tracked in Attendance Enterprise so that reporting benefit balances is fast and easy. In addition, management now has the labor and production reports it needs to understand costs and operate efficiently and transparently across the organization.

An Improved Bottom Line

All told, George's Inc. has reduced the administrative cost of tracking employee time and attendance by automating its employee attendance tracking and scheduling with Attendance Enterprise. George's has eliminated error-prone manual processes, reduced overtime and improved labor reporting and analysis. Reducing labor costs, often the most significant part of a company's expenses, has allowed George's Inc. to improve its processes and profitability.

About Gorrie-Regan

For over 50 years, Gorrie-Regan & Associates has been at the forefront of technology in time and attendance, payroll, parking control, and business security systems. Known throughout Alabama and the South, Gorrie-Regan & Associates has served the needs of over 5,000 customers. Customer support, service, and respect are guiding principles that drive their business and relationship with customers and vendors. Gorrie-Regan & Associates is consistently recognized for sales and service excellence by the manufacturers it represents. InfoTronics Inc., creator of Attendance Enterprise has recognized Gorrie-Regan as the #1 organization in its distribution network for eight straight years. Every day, customers turn to Gorrie-Regan & Associates for solutions to their workforce management concerns. www.gorriereg.com

About InfoTronics

InfoTronics, Inc. is a technology company with over 30 years of expertise in developing employee time and attendance solutions that provide businesses of all sizes a cost-effective, easily deployed workforce management system. Attendance Enterprise is the flagship product and provides advanced features for managing labor data—calculating pay rules, scheduling employees, budgeting labor, automating benefit accruals, tracking attendance-based merit points—while meeting the scalability, reliability and security requirements of large organizations. An extensive North American dealer network has helped more than 20,000 organizations use InfoTronics products to reduce labor expenses and improve decision making. www.infotronics.com