

# Growing Jobs – Case Studies

## Lowaters Case Study

One of the key principles that seems to apply to getting a high performance workforce is keeping your core team employed throughout the year. One approach that's proved useful to Lowaters' nursery is the idea of annualised hours.



Lowaters specialise in ornamental plants and employ around 25 people – most of them have been with the company for a long time and the company, like many we talked to enjoy a relatively low staff turnover of about 9% per annum.

We asked Maria Fox, Company Secretary to explain some more about Annualised Hours—what is it and why do it?

“It simplifies administration and gives us the flexibility we need to run the business while delivering some real advantages to the employees. They are all effectively on salary with fixed monthly payments. We can flex the hours worked over the year - when we are busy we work longer and when things are quiet, in the winter, they can take time off.”

## How it works

“Everyone other than directors is contracted to work 39 hours on average over 52 weeks of the year. This gives us a total of 2028 hours that are available. In fact, supervisors are contracted to do a hundred more hours to cover planning and paperwork making a total of 2128.”

“This runs over our financial year from 1<sup>st</sup> December. If we were setting it up from scratch I would run it from April to March to coincide with the financial year because then the staff would be ahead of us in the hours worked.”

“We created a simple spreadsheet that is updated from time sheets. It sets out the actual hours worked and compares them with a target distribution of the annualised hours which represents the expected hours to be worked over the year”

So we can see at a glance how someone is doing against target – are they over or under target – are they taking time off as they go so it's not getting unbalanced.

We email them a copy of their sheet at the beginning of the year so they can keep track of their own progress as they go. It also allows us to keep track of how many hours they do.

If at the end of the year they come in +/- 50 hours we simply adjust it up or down for the next year. If there is a bigger discrepancy than that we'll look at the job structure – or some retraining.

Action Points – What do you do well?

What could you improve?

What will you do next?

	28th nov	5th dec	12th dec	19th dec	26th dec	2nd jan	9th jan	16th jan	23rd jan	30th jan	6th feb	13th feb	20th feb	27th feb	6th mar	13th mar	20th mar	27th mar	3rd apr	
1 Example worker																				
2 week beginning																				
3 estimated hours	34.5	34.5	34.5	35	39	34.5	34.5	34.5	34.5	34.5	39	39	39	42	42	45	45	45	45	
4 hours actual worked	39	32.5	36.3	26.5	33.5	20.3	36.8	34.5	35.5	40.8	42	41.5	40.25							
7 week beginning	10th apr	17th apr	24th apr	1st may	8th may	15th may	22nd may	29th may	5th jun	12th jun	19th jun	26th jun	3rd jul	10th jul	17th jul	24th jul	31st jul	7th aug	14th aug	
8 estimated hrs	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	42	42.5	
9 hours actual worked																				
12 week beginning	21st aug	28th aug	4th sept	11th sept	18th sept	25th sept	2nd oct	9th oct	16th oct	23rd oct	30th oct	6th nov	13th nov	20th nov						
13 estimated	42	42	42	42	42	39	39	39	39	39	39	34.5	34.5	34.5						
14 hours actual worked																				
																		total worked annual hours	2128	1669

We can see if someone is struggling to get everything done in the time available. If they can't then as a concerned management we need to recognise what's going on so we can change their job specification if we need to.

Our master sheet lets us see how the hours mount up through the year across the whole team. As you can see, some people work part time and we can accommodate their needs easily

	Wk 49	Wk 50	Wk 51	Wk 52	wk 49-52	Wk 53	Wk 1	Wk 2	Wk 3	Wk 4	wk 53 - 4	Wk 5	Wk 6	Wk 7	Wk 8	wk 5
1 Target Hours -																
2 2009/2010																
3 Hrs Credited																
4 AA	39	32.5	36.25	26.5	134.25	33.5	20.25	36.75	34.5	35.5	127	40.75	42	41.5	40.25	16
5 BB	39	41.5	41	33	154.5	39	43	42	49.5	52.5	187	53.75				53
6 CC	41	39	33	37	150	44	27	38	38	64.5	167.5	40	36.75	42.5	41.5	160
7 DD	27.5	28.5	27.5	29	112.5	32.5	6.75	34.5	32.5	30	103.75	28.5	31	28.5	31	1
8 EE	17	6	18	8.5	49.5	0	15	10	16.5	0	41.5	46	27	35	10	1
9 FF	9	7	8	5	29	3.5	3	8	3.5	7.5	22	5.5	3.5	6	6	
10 GG	32.5	31.5	32.5	30	126.5	32.5	33	28.5	31	32	124.5	32	32.5	34	30	12
11 HH	21	20	14	14	69	14	0	0	23.5	21	44.5	21	22	39	39	1
12 JJ	35.5	35	35.5	30.5	136.5	40.75	39	34.5	33	35.25	141.75	40.25	48	37.25	39.5	1
13 KK	30.75	34.5	32.5	38	135.75	41.5	15.25	34.25	39	43	131.5	36.75	44.75	42.5	41.5	16
14 LL	27.75	33.75	38.25	34.25	134	40.5	24	39.5	36.25	34	133.75	42.5	42.25	45.75	41.25	17
15 MM	34	35.5	36.5	29	135	39	29	35.5	37.75	37.75	140	37.5	45.5	47.5	41	17

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## How it benefits the company.

We end up with more control over our wage budget and can we flex staff up and down according to weather and work load. It simplifies the wage roll because effectively everyone is salaried. We believe it helps lower staff turnover.

It means that we can see at a glance how things are developing and enables us to plan our work schedules far more effectively.

It gives us the flexibility that 21<sup>st</sup> Century Business demands and lets us accommodate people who need to work non regular hours.

## How it benefits the employee

Employees like it because they know what money comes in each month so budgeting for the household is easier.

It helps them manage their tax credits because the money doesn't vary from month to month. They can deal with waiting days for sickness because they have the whole year to make up their hours and they don't lose money for short term illness – or for staying in to wait for the plumber – or for having to look after a sick child.

If some-one needs to take a morning off, they can work an extra hour on the other 4 days of the week so they can catch up without it having any short or long term impact on their money.

## What other things do we do?

Two more of the 6 principles that Lowaters have adopted are good basic HR practice and working to manage peaks effectively.

To manage peaks they work with SCION - a co-operative with its own agency to supply ready trained and approved horticultural staff to carry out the operations needed by peaks in the business.

The company is a long term supporter of industry accreditations. The company originally carried out Investors in People and like other growers found it very beneficial.

IIP involves making sure that training and staff development needs are explicitly recognised and planned for. It also helps management formulate and express its goals clearly so that the rest of the company can see how their work aligns with what needs to be done for the company to meet its marketing and operational targets.

Like other successful companies, Lowaters find that making it easy for the workforce to perform helps the business. The annual appraisal form sets objectives by asking

1. What needs to be done
2. How will it be done
3. How will it be measured?
4. When will it be complete?

Systematic good practice leads to a successful company.

Action Points – What do you do well?

What could you improve?

What will you do next?