



# All Things Baking People – The Most Challenging Ingredient in Your Bakery

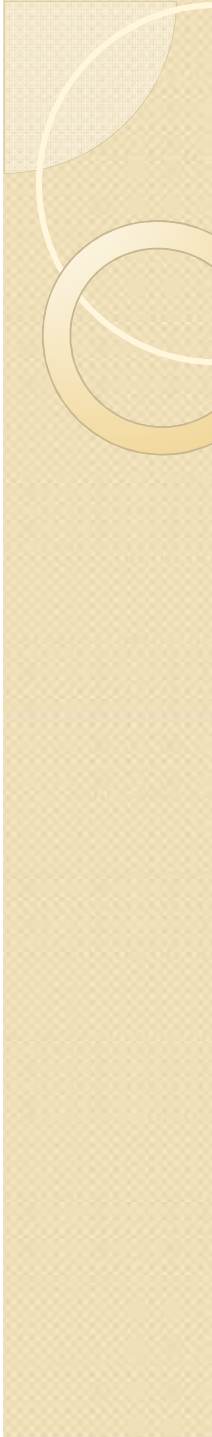


# What caused you to start your bakery?

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- Passion for pastries
- Best brownies
- Delectable desserts

What is your single most important asset?



“You can destroy my factories and offices, but give me my people and I will build the business right back up again.” – Henry Ford

“There is only one thing that keeps your company alive, that is: the people you work with. All the rest is secondary. You have to motivate people, and attract the best, Every single employee can make a difference...” – Richard Branson

# The 4 M's

- Money
- Machine
- Material
- Man

# Man(power)

- Human Resource Management (HRM) is the formal systems devised for the management of people within an organization
- Four major areas:
  - Staffing
  - Employee compensation
  - Defining/designing work
  - Employee development and training

# Man(power)

- Goal: Short-Term
  - Increase employee productivity
- Goal: Long-Term
  - Employee attitude → customer satisfaction and loyalty → long-term performance
  - Increasing Employee Satisfaction → Reducing Turnover
  - Employee turnover

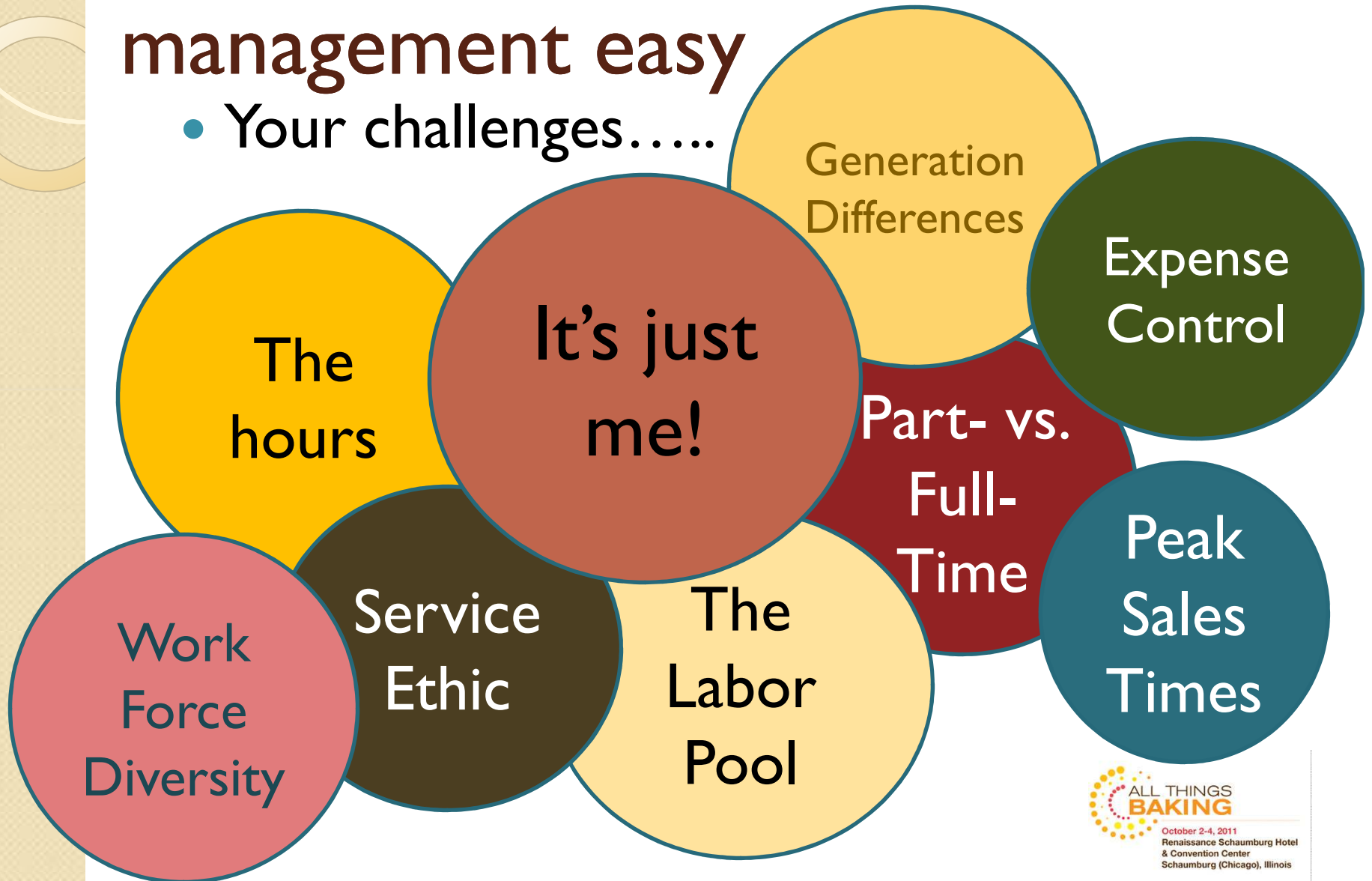
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$$\frac{\text{\# of employees leaving their job during the year}}{\text{\# of positions}}$$

# Doesn't make people management easy

- Your challenges.....

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- Your challenges.....



# But Worth the Work

- Labor costs account for a significant percentage of your total expenses
- The customer experiences are determined by the activities of employees (selecting merchandise, providing information and assistance, etc.)
- These potential advantages are difficult for competitors to duplicate

# Staffing

- Adding another employee
  - Are current employees being utilized appropriately?
  - Can I change my baking production?
  - Could I use a part-time employees?
  - Am I spending my time most appropriately?

# Staffing

- Matching talents
  - Have I defined the job description?
  - Am I prepared to spend time on this issue?
- Manage talent
  - Document and implement HR policies
  - Policies help guide action – recruitment, selection, compensation, employee benefits, training , promotions, terminations, discipline, etc.

# Staffing

- Training and Development
  - Skill training – baking
  - Other skills
  - Development
- Productive Working Atmosphere
  - Fair treatment
  - Fun
  - Clear communication
  - Feedback



Rebecca Sheperd, owner of Wild Oats Bakery,  
Brunswick, Maine

*"We make friendly, helpful customer service the number one priority; we offer a safe and respectful work environment, where we promote open communication and reasonable accommodations for our staff; we provide the necessary tools and ingredients to consistently produce the creative and delicious products we sell; we stay aware of the needs of our staff and our community; we make donations of time and product to help other organizations succeed, and make the Mid Coast area a better place to live and work."*

# Employee Compensation

- The whole package
  - Salary
  - Benefits
  - Services



# Employee Compensation - Benefits

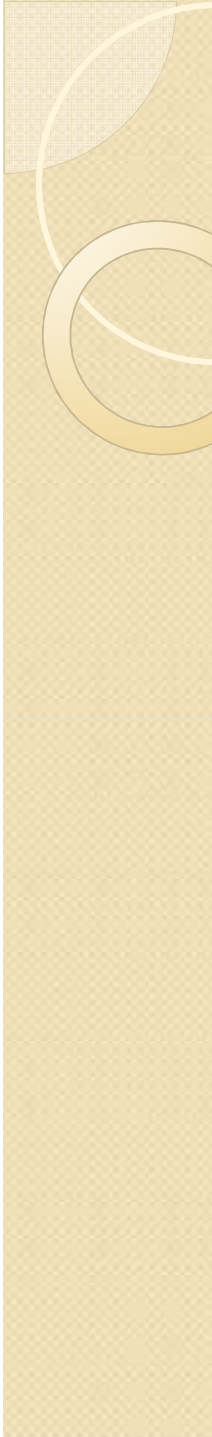
- **Mandated Benefits**
  - Unemployment insurance
  - Social Security
  - Workers' Compensation
- **Voluntary Benefits**
  - Time off/PTO
  - Paid holidays
  - Paid vacations
  - Sick leave
  - Family leave (Family and Medical Leave Act 1993)
  - Insurance (health, life, disability)

# Employee Compensation - Services

- Education programs
- Child care
- Financial services (savings plans/matching)
- Social and recreational programs

# Designing Compensation

- Set objectives and strategy for benefits
  - Pacesetter, comparable, minimum benefits
- Involve participants and unions
- Communicate benefits
- Monitor costs closely



“At Dawn, we follow the principle of what we call the Circle of Excellence, and our people are at the top of that circle,” states Tim Harmon

Challenge - when Dawn opted to pursue a rapid upgrade of “team member” benefits giving them just three months to accomplish what normally would be a nine-month process of examining options and implementing a switch to a new medical benefits plan

Dawn accelerated communications with its thousands of U.S. employees, sending out 24 different types of messages— including emails, newsletters, benefits meetings and paycheck stuffers

# Designing Compensation

- Monitor costs closely
  1. Total costs of benefits
  2. Cost per employee/year - #1/number of employee hours worked
  3. Percentage of payroll - #1/annual payroll
  4. Cost per employee per hour - #2/employee hours worked

# Reward Systems

- Mechanism to provide their workers with rewards for past achievements and incentives for high performance in the future
- Also the mechanism by which organizations address problems within their work force, through institution of disciplinary measures



# Defining/Designing Work

- Apprentice Baker
- Chocolatier
- Assistant Pastry Chef
- Pastry Chef
- Baker
- Patisserie
- Cake Decorator
- Research and Development
- Cashier
- Sales Clerk
- Merchandiser/Windows
- Administration
- Operations
- IT
- Marketing/Web

# Your Job

- Strategic Management
  - Retail strategy
  - Pricing strategy
  - Organizational structure
- Inventory Control
- Bakery Store Management (scheduling, feedback, customer complaints)
- Financial Control
- Marketing
- HR Management

# Defining/Designing Work

- Competencies
  - Job-related Competencies
  - Other
- Communication
- Critical Thinking/Problem Solving
- Effective Citizenship
- Global/Multicultural Perspectives
- Information/Technology
- Lifelong Learning



## **What key competencies are important to Lotus Bakeries?**

- Can you think out-of-the-box?
- Do you have a vision for your work?
- Do you have ownership?
- Do you dare accept challenges?

These core competencies and values form the basis of our culture.

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# Employee Development & Training

- After getting the right talent into the organization, the second challenge is to align the workforce with the business—to constantly build the capacity of the workforce to execute the business plan
- Through performance appraisals, training, and other activities

# Employee Development - Appraisals and Feedback

- Practice of assessing employee job performance and providing feedback to those employees about both positive and negative aspects of their performance
- Very important both for the organization and the individual, appraisals provide the primary data used in determining salary increases, promotions, and dismissal

# Employee Development - Appraisals

- Devise uniform appraisal standards
- Develop review techniques
- Administer/train to give appraisals
- Evaluate and follow up on the effectiveness of performance reviews
- Tie the appraisal process into compensation and incentive strategies, and work to ensure that federal regulations are observed

# Employee Development & Training

- *Human Resources Management*, "the quality of employees and their development through training and education are major factors in determining long-term profitability of a small business.... Research has shown specific benefits that a small business receives from training and developing its workers, including: increased productivity; reduced employee turnover; increased efficiency resulting in financial gains; [and] decreased need for supervision."

# Development & Training

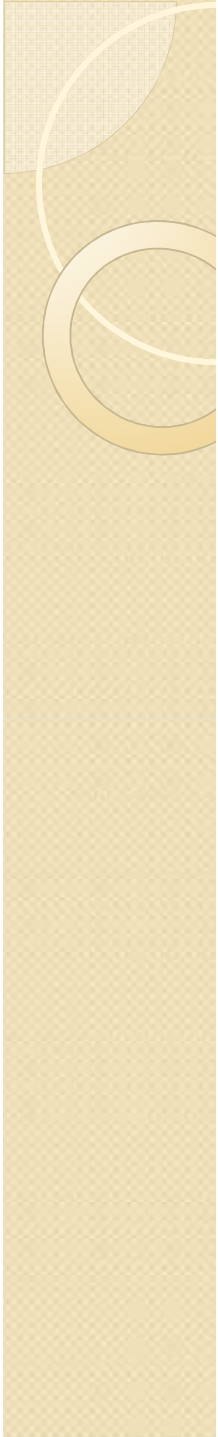
- Determination, design, execution, and analysis of educational programs
- Touches on the fundamentals of learning and motivation
- Monitor training and development programs to benefit the overall organization as well as the individual

# Other Issues

- ADA
- OSHA
- Sexual Harassment
- Workforce Diversity
- Generational Differences
- Talent War

# Americans with Disabilities Act of 1990 [ADA]

- Recognizes and protects the civil rights of people with disabilities
- Modeled after earlier laws prohibiting discrimination on the basis of race and gender
- Covers a wide range of disability, from physical conditions affecting mobility, stamina, sight, hearing, and speech to conditions such as emotional illness and learning disorders.



The Wild Oats Bakery & Café has significant experience employing workers with a disability. Owner, Becky Shepard, said that having employees with disabilities tends to bring people together and reinforces community. *"Our employees give each other rides home and provide each other with social support," she said. "People are reminded that they need to treat all people equally, and that everybody has a right to contribute and does contribute to our productivity."*

# Safety and Health

- Hygiene and sanitation are the foremost considerations in setting-up and managing a bakery
- Protection from contamination
- Occupational Safety and Health Act [1970]
- Enforced federally or through partnerships with states

# OSHA

- Occupational Safety and Health Administration has cited Bimbo Bakeries USA in San Antonio for 10 serious violations following a safety and health inspection at the company's work site in San Antonio after investigators found workers exposed to numerous workplace hazards, including the danger of amputations
- Proposed penalties total \$55,000

# Sexual Harassment

- A form of sex discrimination that violates Title VII of the Civil Rights Act of 1964
- Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature

# Sexual Harassment

- Constitutes sexual harassment when submission to or rejection of this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.
- The victim as well as the harasser may be a woman or a man; the victim does not have to be of the opposite sex

# Sexual Harassment

- There are two forms of sexual harassment.
  - Quid pro quo – where an employer or a supervisor makes unwanted sexual advances or requires a person to exchange sexual favors for some job benefit (for example, being promoted or hired) or to prevent a negative job-related action (for example, being fired or getting a bad evaluation).

# Sexual Harassment

- There are two forms of sexual harassment.
  - A hostile environment - when unwanted sexual conduct creates an offensive, uncomfortable, or discriminatory work environment
  - To prove a hostile environment, harassing behavior must be:
    - Sexual in nature or directed at only one sex
    - Frequent or repeated and unwelcome.
  - Discrimination based on a person's sex may also be considered sexual harassment even if the discrimination is non-sexual in nature

# Sexual Harassment Policies

- All employers should have a sexual harassment policy that they disclose to all employees
- What to include in the policy
  1. Statement that sexual harassment is illegal
  2. A copy of the sexual harassment legal description
  3. Definitions and descriptions of what is prohibited
  4. Disciplinary action
  5. A complaint procedure for the victim

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2. A copy of the sexual harassment legal description
3. Definitions and descriptions of what is prohibited
4. Disciplinary action
5. A complaint procedure for the victim
- 6. An assurance all complaints will be investigated promptly**
- 7. An assurance that there will be no retaliation for the person who files a complaint.**
- 8. Statement of confidentiality - all information on a need-to-know basis only**
- 9. Contact information for government agencies that handle sexual harassment**

# Sexual Harassment Policies

- Communicate your policy
  1. Review your policy with all employees on a regular basis and discuss the policy with all new employees
  2. Communicate your policy to suppliers and customers
  3. Post a copy of your policy in a visible place.
  4. Include the policy in employee handbooks or policy manuals.
  5. Supply all employees with a written copy of your policy
  6. Inform employees to whom they should talk if they have questions about the policy

# Sexual Harassment Policies

- Employees should:
  1. Treat others in a respectful and professional manner.
  2. Let co-workers know when you think their conduct is offensive or inappropriate, even if it's not directed at you.
  3. State your expectations clearly and demand that harassing behavior stop
  4. Read the company's policy and procedures on sexual harassment

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4. Read the company's policy and procedures on sexual harassment
5. Hold open discussions about sexual harassment with co-workers and explore the differences between inappropriate and appropriate behavior.
6. Don't assume that what one person sees as funny is necessarily funny to another.
7. Don't be pressured into joining "the gang" in unacceptable behavior
8. Give support to harassed employees. Remind them that they are not to blame

# Workforce Diversity

- Workforce employing more minorities, handicapped people, and the elderly

# Workforce Diversity - Minorities

- Women - Their share of the labor force grew from 30 percent in 1950 to almost 47 percent in 2000, or 66 million; growth will continue, with the number of working women expected to reach 92 million in 2050, or about 48 percent of the work force

# Workforce Diversity - Minorities

- Between 2000 and 2050, Hispanic Americans are expected to more than double their share of the labor force, from 11 percent in 2000 to 24 percent in 2050

# Workforce Diversity - Minorities

- African Americans also are expected to increase their share, from 12 percent in 2000 to 14 percent in 2050.
- Asian Americans, the fastest-growing group in the labor force, are projected to increase their share from 5 percent to 11 percent between 2000 and 2050

# Workforce Diversity - Age

- Older workers - the 55-and-older age group, which made up 13 percent of the labor force in 2000, is projected to increase to 20 percent by 2020; by 2050, the group will make up 19 percent of the labor force
- Older workers are more reliable than younger workers
- Cost effective as training and recruitment costs are low

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# Generational Differences

- 57 percent of respondents to the Human Resource Institute's The Changing Work force survey "either disagreed or strongly disagreed with the assertion that different generations blend as they work together—that age is not a major factor at work."

# Generational Differences

- Preference for different communication styles also does not vary by generations
- Across all generations, having a sense of pride in one's work is the most important motivator
- Working for an organization that provides opportunities to develop one's knowledge and skills is also considered very important

# Generational Differences

- Among the different ‘motivators’ examined, financial reward is considered less important than having a feeling of being appreciated and recognized for doing good work

# Talent War

- Employers will be engaged in a “war” with their competitors for talent – for effective employees and managers – who can effectively deal with the complexities of retail jobs
- Develop programs to attract, develop, motivate, and keep talent

# Attracting Talent – Employment Marketing

Marketing programs that attract “best and brightest” potential employees

- Starbucks – “Love What You Do”
- Southwest – “Free to Actually Enjoy What You Are Doing”



October 2-4, 2011  
Renaissance Schaumburg Hotel  
& Convention Center  
Schaumburg (Chicago), Illinois

# What You Control...

- Organization Culture
  - The set of values, traditions, and customs of a firm that guides employee behavior
  - Behavior enforced by social pressure
- Examples
  - Nordstrom – Service Stores
  - Ritz-Carlton – “Wow story” reading
  - Whole Foods – Working in teams and using its employees in the hiring process
  - Wal-Mart – Saturday Morning Meeting



**What then are the Lotus TOP values ? What is particularly important for us?**

**Team Spirit:** Working together to build the company on the basis of mutual trust, respect and consultation.

**Open Dialogue:** Listening with an open mind, proactive communication and respectful feedback to promote personal development.

**Passion:** Drive and enthusiasm give you energy as an employee, pride and involvement enable you to give the best of yourself every day. Our employees are our ambassadors.

# What You Control...

- Symbols
- Your Leadership
  - Aligning goals
  - Day-to-day decisions
  - Policies, procedures

# Leadership – Aligning Goals

- Policies and Supervision
  - Indicate what employees should do
  - Behavior enforced by managers
- Incentives
  - Bonus, Commission, Profit-sharing

# Leadership – Decisions

- The design of the organization structure for assigning responsibility, and authority for tasks to people and business units
- The approaches utilized coordinate the activities of the employees, while motivating employees to work toward achieving company goals
- The programs used to build employee commitment, and retain valuable human resources

# Seven People-Centered Practices in Successful Companies

- Job security to eliminate fear of losing a job)
- Careful hiring (emphasizing a good fit the company culture
- Power to the people (via decentralization and self-managed teams)
- Generous pay for performance
- Lots of training
- Less emphasis on status (to build a “we” feeling)
- Trust building (through sharing of critical information)

# Questions

- In what way does the management of human resources play a vital role in your bakery's performance?
- What are your options for building a sustainable competitive advantage by developing and managing their human resources?
- What are the appropriate human resource management activities for building a committed workforce?
- How do bakeries manage diversity among their employees?

# One More Idea To Go

Hot

New

Fresh

Creative

Innovative

inspirational



**Thank you!**

**Questions?**

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# Resources

- Society of Human Resource Management (many free resources) at <http://www.shrm.org/>
- Submit questions to Evil HR Lady Blog at <http://www.evilhrlady.org/2007/04/carnival-of-human-resources-5.html>
- Top 50 Human Resources Blogs at <http://mastersinhumanresources.org/top-50-human-resources-blogs.html>

# Resources – Salary Data

- Food Preparation and Serving Related Occupations (US Bureau of Labor Statistics) at [http://www.bls.gov/oes/current/oes\\_nat.htm#35-0000](http://www.bls.gov/oes/current/oes_nat.htm#35-0000)
- Career Bliss: Salary information is submitted from employees, refine your search by company, job title, or geographic location at [www.careerbliss.com](http://www.careerbliss.com)
- Salary.com at <http://www.salary.com>
- Other sources: Local colleges/community colleges