

# Case Study: Food manufacturing



## Unilever Norwich Factory

### Executive summary

*The arrival of a new managing director brought about significant changes to the working shift patterns at Colman's of Norwich - the household name in mustard, sauces and condiments. The established working culture and practice at the manufacturer was one in which employees worked at less than capacity to generate maximum overtime.*

*The new managing director investigated the concept of annual hours as the vehicle to implement changes and encourage employees to get the job done as quickly and efficiently as possible, while sustaining high productivity. Working with the experts at Working Time Solutions, Colman's of Norwich improved the manufacturing efficiency from 55% to 85%, while reducing administration time and boosting staff morale across the board.*

### Key Challenges

- Old fashioned clocking in and out system
- Work force that 'worked to rule' simply with little pride in their output
- Over-reliance on costly over time
- Difficult for the workforce to plan holidays
- Cumbersome administration of shifts and rosters

### Key Outcomes

- Improved manufacturing efficiency from 55% to 85%
- 25% reduced administration time
- Cost savings from reduced overtime
- Abolishment of clocking on/off procedure
- Motivated workforce who takes pride in their work - employee absence was halved
- High level of trust and self-motivation across the board

### Key Learnings

- Consult with all key stakeholders from the beginning - set-up a working group
- Run a pilot to iron-out any teething problems and demonstrate first-hand how it will work
- Be patient and don't expect everyone to be on-board
- Offer an incentive to motivate the work force

## **Background**

Colman's of Norwich is a long-established, well-respected manufacturer of mustard, sauces and condiments. Since the early nineties, a range of working-time measures have been introduced to move the company away from a traditional high overtime working environment.

## **The State of the Nation**

The organisation faced a number of challenges by the historic nature of the way its shifts were organised and run. For instance, the business was over-reliant on overtime from its employees, which was both costly and inefficient while the traditional 'clocking in and out' system left the work force unmotivated.

To turn the tide and bring about positive changes in the plant, the management turned to Working Time Solutions who are experts in working time management issues. Together the team devised a plan to pin-point the key challenges and tackle these one by one.

## **Tackling the issues head on**

The first step was to identify key challenges while getting key stakeholders in the business on-board. Liaising with the union and representatives from the workforce, the management set-up a working group.

Implementation began with a pilot, with the relevant workforce consulted at all stages and preferences identified. Closed negotiations took place with workers and unions regarding the setting of a new, higher pay scale and a 5% performance-related bonus package.

On paper the increased pay scale presented a cost disadvantage for the company, however the bonus element was based on teams meeting set objectives and were rooted in broader company measures related to safety and quality. In practical terms, this meant that the cost was balanced off by the work force improving the overall productivity and hygiene standards and using the correct clothing.



### Results and Benefits

Shift patterns were set annually, and time off was 'rostered in' rather than holidays being conventionally taken on a first-come, first-served basis. The annual roster offered 1900 contracted hours, using 1732 hours as actual rostered time and leaving 168 hours in reserve to be used if required, such as at times of increased demand or labour shortage. All contracted hours were to be paid in order to encourage job completion without having to use reserve hours, thereby removing the need for overtime.

As a result, the company now demonstrates real employee commitment, flexibility and a cohesive team environment. The clocking on/off procedure was abolished, and employee absence was halved. The time spent administering payroll and overtime was no longer necessary, and management realised a time saving of 25% in the day-to-day organisation of labour. Manufacturing efficiency rose by more than a third, from 55% to 85%, and production waste reduced by half.

Teams now set their own roster patterns, organise their own reserve hours and liaise directly with Planning. There is flexibility over start and finishing times so long as the weekly plan, and all other duties, have been completed to the correct quality standards. Workers are highly focused on line improvement to ensure increased performance efficiencies since they value their time away from work rather than the overtime they had previously been motivated towards in hourly pay conditions.

Peer pressure also operates to control and enhance performance, and greater autonomy has improved team spirit and created a greater sense of commitment to the production unit, the team, and the workplace. Because motivation is high, machinery is maintained more effectively, and runs more smoothly. Desire to be included in project planning and improvements means that people often come in voluntarily during their time off.



The introduction of an Annual Hours working-time system has carried this organisation through an enormous amount of change in both culture and performance. Because of the high level of skill and care used to implement, the workforce now shows a high level of trust and self-motivation, and anticipates the introduction of future changes with a positive and interested attitude.