

Employee Management: Find Them, Train Them, Keep Them

Innovator: T&E Meats



all photos courtesy of Brydie Ragan

We frequently hear from small-scale meat processors that finding, training and keeping good help can be a struggle. Joe Cloud, co-owner and manager of T&E Meats, shared with us his company's approach to employee management: how to find them, train them, keep them, and, when necessary, let them go.

About T&E Meats

T&E Meats is a USDA-inspected slaughter and cut and wrap facility in Harrisonburg, Virginia, that processes cattle, hogs, lambs, and goats for local farmers and ranchers. They are entirely "fee-for-service" and do not retail or wholesale any meats themselves. T&E provided processing services to over 250 customers last year and expects to process about one million lbs. of product this year. They have 18 employees and a 6,500 sq. ft. facility.

Find Them

First, what does Joe look for in a new hire?

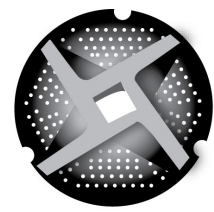
"I look for good team players that don't bring baggage to work, are reliable, and don't mind hard work. We find people with the right attitude and teach them how to cut meat."

Next, where does he look?

The best sources Joe has found are referrals and restaurants:

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

“Referrals are important. Once you have a critical mass of reliable people – 50% or more of your workforce you can really believe in – then you can ask them to refer other potential employees. The good ones know the deadbeats in their peer group.” However, Joe has not had the best of luck when people refer family members: “I try to minimize family working with family... to minimize drama in the workplace.”

Joe has also found that restaurant employees can be valuable members of the T&E workforce. “Restaurants are a place of employment where you don’t have to have a ton of education, although typically kitchen employees have had some exposure to food safety and sanitation issues. The pay is lousy and the hours are worse. They find they can come work for me and they are working Monday – Friday, 7am to 4pm, and can have a life, can go out with their spouse on Saturday night, and raise their family. So, **I’ve had good luck with people from restaurant backgrounds.**”

What about placing help-wanted ads?

“We mostly use Craigslist to advertise for employees. T&E is in an out-of-the-way rural location, so we hire mostly locals. We can't pay enough to attract people interested in relocating, and there are not a lot of people looking for jobs specifically in abattoirs or meat cutting, especially not in rural Virginia. In a more urban area, perhaps I would have a different strategy. But Craigslist works well for us, we have found good people. When we were advertising for the Apprentice Program [see below], we cast a much broader net, using resources such as the Butchers Guild.”

Train Them

What is your approach to training new employees?

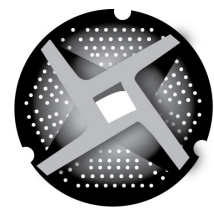
Joe has two primary approaches to training: (1) having experienced employees train new people, especially on the slaughter floor, and (2) the T&E Apprenticeship Program (see below). “Most of the time, you’re going to have to teach new employees the skills they need,” Joe says. “So you **find people with the right attitude and teach them to cut meat.**”

What kind of training resources do you use?

Joe has found several useful training videos on YouTube. “Just play with key words related to what you are looking for, and Bam!, you get more than you have time for. **YouTube is great** for learning specific cuts of meat, like a particular Italian or French cut somebody wants that your butchers don’t know, and there are a ton of sites showing how to cut up deer. We do fork lift training using online sites. Safety and OSHA [Occupational Safety and Health] compliance are very important for small plants. Some on-line HACCP certification courses are probably worth the money as

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

an intro for your employees: they don't cost much and don't require too many hours on-line." University websites are also useful, such as the [University of Nebraska's meat cutting resources](#), funded by Beef Check-off dollars.

"There is no question," Joe says, "that on-line resources are going to be more and more part of training and education in the future." That being said, Joe also made it clear that "you have to have at least one good butcher who knows the basics to train others. Production cutting is different from retail cutting: speed vs. quality, or detail."



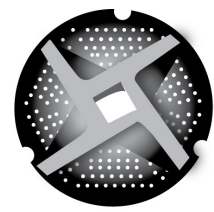
T&E Meats Apprenticeship Program

T & E launched its apprenticeship program in 2013. Their first apprentice was a local Virginia Tech Animal Science grad who started the program, but had to leave after 5 months for personal reasons. Their next apprentice moved out from San Diego specifically for the program and is 9 months into the 3-year program. "He started out just observing, then handling animals in the barn, and since has worked steadily on the kill floor learning all of the positions. He will move on to working on the packing and processing floor this month." T&E also opened up the Apprenticeship Program to all employees. One employee started with the current apprentice and is doing all of the classroom work as well.

The apprentice does 3 to 4 hours of outside learning every week, including a wide range of reading materials (**textbooks, news articles, industry journals, general interest books**) and videos. Joe meets with them weekly to discuss the material,

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

and gives a quiz every 5 or 6 weeks to test what they have learned.

At the end of the 3-year program, the apprentice will earn an official *Journeyman Meat Professional* card issued by the State of Virginia, through the Department of Labor and Industry (DOLI). “We worked with DOLI and the state Community College curriculum staff to design the program, the hours of on-the-job training by area, and the hours and focus areas for the additional classroom curriculum. We need to test to prove to DOLI that the candidates meet learning expectations. At the end of three years, our apprentices should know how to run a kill floor, work with live animals, do a good job of cutting and packing all the red meat species, understand HACCP, understand sanitation, understand cutting/packing/processing supply requirements, understand the entire FSIS inspection process, and **understand the basic business requirements of running a small-scale meat business.**” The official apprenticeship name with the State of Virginia is “Meat Professional.”

The value of the program goes far beyond technical skills. “Right now, at this moment in history,” Joe explains, “**the opportunity for small meat plants is to be a bridge** between farmers (who often know nothing about meat), consumers (who often know nothing about meat or farming), and the meat world (which mostly wants to sell, sell, sell mass-produced meats as efficiently and cheaply as possible, with as little transparency as possible). Small processors ideally need a lot of knowledge and perspective.”

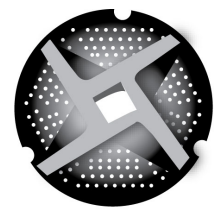
Doing this takes a lot of time and energy, and not just for the apprentice. “When we started the program, I didn’t know how much work it would be. My wife who had spent years in education and training warned me, but I didn’t quite believe her. I do now!” Joe isn’t sure when they will take on the next apprentice and is right now focused on filling out the rest of the curriculum – assignments and exams – for years two and three of their current program. Since there are very few academic training programs for butchers, T&E has had to take on the work of the academic institution, like a community college, to develop the curriculum and also function as the apprenticeship job site.

“We hope to have a program that we might be able to package and sell when it is done. **The basic idea is to create ‘meat professionals,’ not just butchers or line employees.** The on-the-job training gives them exposure to everything we do.” The class work involves a lot of reading about the industry and industry issues, both for the conventional industrial system as well as the emerging alternative, more sustainable system.

“We hope to expose the apprentices to the range of ideas and opportunities, and allow them to decide for themselves what direction to take. Originally, I thought

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

that we would be training our future work force. I have changed my thinking – I believe **the greatest value is probably in making our current workforce better by engaging them in the act of teaching** and on-the-job training.” Joe has also offered a place in the program to any employee who wants to make the three-year commitment to the academic program and the work assignments.

The Apprenticeship Program at T&E Meats has been featured in the [local newspaper](#) and [on PBS](#).



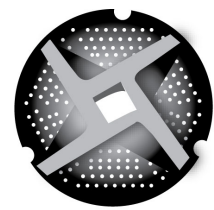
Keep Them

Once you find and train a good employee, how do you keep that person for the long haul? Good pay and benefits matter, but Joe has found additional ways to create a “high quality” workplace that keeps employees motivated and committed not only to showing up but to doing high quality work. T&E staff turnover is quite low; employees do not usually choose to leave but do sometimes have life events like health issues that prevent ongoing employment.

“You’ll get more out of people in the long run by treating them well, and then they’ll treat you well,” Joe advises. “There is absolutely no question in my mind of the value of retaining fully trained employees. The cost of replacing them, and then training the new ones is not inconsequential. I have seen estimates from the corporate world ranging from \$5,000 to \$10,000 per employee. I can’t quantify it for T&E, but I can clearly see the effects on quality and efficiency when I lose a good employee.”

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

Pay and benefits

Typical hourly pay at T&E is between \$12 and \$16/hour, well above average meat plant wages. “My median is above the median for every state. If minimum wage rose to \$15/hr. tomorrow, we’d be fine.”

T&E used to offer health care, but **the federal Affordable Care Act (ACA)**, “**has been awesome for us**,” Joe says. “We eliminated our healthcare plan in March,

which saves me thousands of dollars each month. Most of my workforce is getting better healthcare for cheaper because of the ACA.”



Employees get 6 paid vacation days per year. But Joe is also flexible: “**We work hard to have a family friendly environment**. If you need time off to attend to something, you’re not going to lose your job, like at some other places. My employees are frequently granted time off without pay, at their request. Respect your workforce: if you work hard when you are here, I’ll respect you and work with you.”

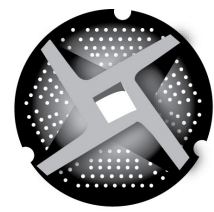
Employees also have opportunities to work extra hours for overtime pay. “We try to group custom-exempt customers together and do that

on a Saturday. I have employees who want the overtime. We don’t make much money on custom-exempt processing, but it is a service to our customers.”

Don’t Miss Opportunities to Reward Employees: Joe talked about the importance of working hard when it is necessary but also not being so focused on getting product out the door that you miss the opportunities to reward your employees where you can. “When you get a chance to give people a break, do it! If the work’s done early, let them out early.”

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

Provide year-round work, even when processing work slows down. At this point, T&E doesn't have much of a slow season and is processing meat year-round. But when they did have a slow season, rather than laying people off or cutting their hours, they did maintenance projects. **"We figured out projects for our staff to do, rather than hiring someone else to come in and do stuff.** We've got enough skills on staff to do painting, deep cleaning, some construction, repairs, and so on."

But being able to do this requires financial planning: "You have to build up a little bit of cash and get a credit line so you can continue to pay people."



Empower your employees: create leaders and treat them with respect

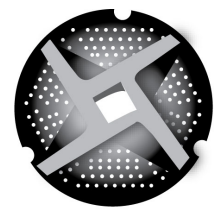
Even though it is small, with fewer than 20 employees, T&E is organized into four departments: kill floor, cutting, packaging, and administration, and **each department has a lead**. T&E hopes to add further processing one day, but hasn't done so yet. The lead butcher, for example, is in charge of the cutting department and is paid more for that extra responsibility. These employees, Joe says, feel a sense of ownership and empowerment: "All of a sudden, they have to act more responsibly. It is nice for me, since I don't have to get together with the whole plant to make decisions or convey information. I can take my leadership team out to dinner and talk collaboratively about changes we want to make. They know their opinions and ideas matter to me. And they will implement the changes."

T&E Bonus Plan: Aligning Employees' Incentives with Management's

T&E created an innovative bonus plan that has improved efficiency, product quality, and employee morale. "Our bonus plan started," Joe explains, "because we noticed

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

that **when we were really busy and really kicking out product, our labor efficiency increased.** We do all our accounting by the pound: packaging cost per pound, labor cost per pound, and so on. Over the year, our labor cost per pound fluctuates greatly: when we were producing more product, the cost was lower. When we produced less product, it was higher.” Compressing work into a given week increased labor efficiency and reduced labor costs.

“We created a bonus plan that makes sense to employees: it’s tied directly to production and the payroll cycle. I look at production volumes over the payroll cycle. We have three levels – 30,000, 40,000 and 50,000 lbs. processed per two-week pay period – and a specific bonus for each level. For example, if they meet the 50,000 lb. goal with no demerits [see below], their hourly wage goes up by nearly \$1/hr.”

Not everyone gets a bonus when a production goal is met: employees are not eligible if they (1) miss three days or more during that pay period, (2) are new hires, still in the 60 day probation period, (3) are on vacation, or (4) are on an employee improvement plan (see *Discipline and Firing*, below).

The bonus plan also includes a demerit system: disincentives for poor performance. Demerits can be for a wide variety of things, and each one costs the team 10% of their bonus. Demerits come from the actions of individuals, but they affect the whole team.

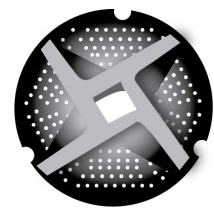
“If we get a non-compliance report [from the FSIS inspector], if there is a big packaging screw up or a labeling screw up, if the bathroom isn’t cleaned up, if boots are lying around on the ground instead of being on the boot rack... those can all lead to demerits,” Joe explains. “I don’t want to nag people. I want them to understand that when this plant hums we all earn more money. That’s not just following the cutting instructions but keeping the place clean and orderly.”

Here is an example of how the bonus system works: “say the plant produced 43,000 pounds of meat for the two week pay period. That means the available bonus pool was \$800 (i.e. at the 40,000 lb level). But there were 2 demerits. That means the actual available bonus pool was \$640, because it was reduced 20% (\$80/demerit). If there were 10 individuals eligible that pay period, the individual bonus was \$64. This is equal to about \$.80/hour, not bad for someone making \$13/hour, so employees take notice.

Employees may not know who committed each infraction, “but you can bet it is widely discussed,” Joe says. “We have a plant meeting every two weeks, at lunchtime a few days before payday, and among other topics I identify each demerit and why it was assigned. No point in assigning them if you don’t make it clear

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

exactly why. Otherwise, there is no learning opportunity, and you just create resentment.” Joe emphasizes that a major point of the demerit system is to **focus attention on problems**. “If specific sanitation problems keep recurring, a series of demerits around sanitation will get employees’ attention!”

The bonus plan is also a good way of increasing pay but in a flexible manner. To date, Joe has not utilized the bonus plan during the first quarter of the year, which is always the most difficult time of year, financially, for the plant. Employees largely understand this system, whereas they would not understand if they received raises individually but then lost them for January, February and March.

All of these employee retention strategies have paid off: **T&E has become a workplace that is hard to leave**. When a really good employee left for a higher paying job in the grocery industry, he told Joe he was very sorry to leave: “He said, ‘This is the first place I’ve ever worked at in my life where I feel bad giving my notice.’ That was a nice compliment.”



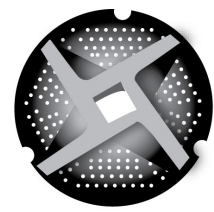
Career Paths

One challenge Joe has yet to solve is career development: people want career paths, to learn and grow in their jobs, rather than be stuck doing one thing, and he can’t always offer that.

“For example, say I have an employee who is really good at running the vacuum packer. But he wants to have a knife in his hand, to be in the cutting room. Whereas, I really want him to keep doing what he is doing. For me, it is best if he stays where he is: he is good at running the vacuum packer and I am not sure

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

he'd be good at cutting meat, plus there is the cost of training. But he wants to learn and try new things. I am willing to rotate people around, but in a small business, it is a little hard to find a career path for people to grow into. There aren't that many positions here. That is something that we struggle with at times."

Discipline and Firing

Not every employee works out, and part of keeping a good workforce is having a good system for discipline and letting people go. While this is always difficult to do, Joe explains, firing employees is a necessary part of running a good processing plant and shared some advice on how to do it right.

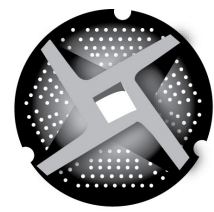
"It took me three to four years to start to get good at evaluating personnel. **You have to go through the process of hiring and, sometimes, firing. If someone isn't working out you need to have a strategy for letting that person go.**" It's not something that Joe likes to do... "understand, I am talking about someone who is not doing their job." At the same time, you'd like to keep your "unemployment insurance claims to a minimum."

To have a fair and understandable system for discipline and firing in place, first, you need a good employee policy handbook. Make sure this handbook is distributed to all employees, with a signature page they can sign to acknowledge that they've read it. Then, when problems arise, e.g., an employee consistently shows up late, you write an employee improvement plan that spells out the exact concerns. Each time there is a problem, write a memo and place it in the employee's file. This way, if the employee doesn't improve, he or she can be let go without the employer having to file an unemployment insurance claim. "I know this sounds harsh," Joe says, "but it is just the way it is."

We thank Joe Cloud and T&E Meats for sharing their experiences and strategies for effective workforce management, and we hope that this information proves helpful for other small processors. The T&E apprenticeship and bonus programs in particular are innovative models for training – not just skills but big picture vision – and incentivizing people.

Innovation in Practice

Successful small-scale processors
solving common challenges.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

Looking for more examples of *Innovation in Practice*? Check out our website for case studies, webinars and research reports highlighting the creative ways small-scale meat processors are solving every day challenges all across the country.

www.nichemeatprocessing.org

Got a topic you want to see us cover? Email Kathryn Quanbeck, NMPAN Program Manager at kathryn.quanbeck@oregonstate.edu.

About NMPAN:

NMPAN is a national network of people and organizations creating and supporting appropriate-scale meat processing infrastructure for niche meat markets. Small and mid-sized plants — when available at all — can lack capacity, equipment, appropriate inspection status, and the human and financial capital to upgrade or expand. To meet this need, NMPAN assists processors, producers, buyers, regulators, and others involved in this growing sector by coordinating, distributing, and developing information and resources to improve access to processing infrastructure and the long-term stability of this sector. Learn more at nichemeatprocessing.org.