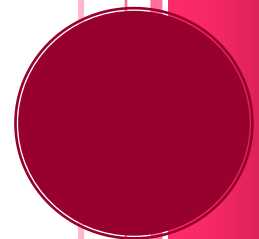


WHO SHOULD MANAGE LABOR COSTS?

Department Head versus Controller

Peter J. Dehlinger

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At a recent HFTP sponsored event I was engaged by the Controller and HR Manager of a prestigious private South Florida club on their challenge with department heads to use their recently installed time & attendance system. As a web based system, Managers could access the data base at anytime and from remote locations if they chose, providing them the ability to manage their employee time data at their discretion. Sounded like a good system, however, systems and software are only as good and productive as the people that ultimately use them.

So let's review the management team that makes it all happen at a club. The F & B Director has overall responsibility for delivering excellent service to the members in the dining room, grill room or other outlets. The Superintendent has to maintain the fairways and greens in optimum playing condition at all times. The Director of Golf organizes events, runs a retail outlet, manages a fleet of carts, and delivers professional services. The Executive Chef oversees the selection, pricing and preparation of menus for regular and special events. There could also be a Spa Director, Tennis Pro and others depending on the amenities offered. The bottom line is all these Managers direct the staff that perform the tasks to make all the above areas of operation function over a wide area, and in most instances seven days a week and not limited to banking hours!

“Since we know that the largest single operating expense of a club is payroll, then effectively managing labor cost at the departmental level is critical to meeting or beating budgets.”

As examples here are just 18 different instances involving situations on a daily basis where the department head is best suited to manage and account for an employee's time, instead of having the Controller/HR manager do this.

Front Nine-the Employee:

- 1) Was absent
- 2) Arrived late

- 3) Forgot to clock in
- 4) Was scheduled and did not show
- 5) Was called in to cover for someone else
- 6) Called in sick
- 7) Clocked into the wrong department
- 8) Was not scheduled but clocked in for work
- 9) Started on the weekend when HR was closed

Back Nine-the Employee:

- 10) Left before his scheduled time for personal reasons
- 11) Was borrowed to work in another department
- 12) Earned a bonus or tip
- 13) Had a worker's comp accident
- 14) Worked through a meal hour
- 15) Forgot to clock out
- 16) Had to work unscheduled overtime
- 17) Was sent home for disciplinary reasons
- 18) Clocked out for another employee

Since we know that the largest single operating expense of a club is payroll, then effectively managing labor cost at the departmental level is critical to meeting or beating budgets. Pushing this responsibility away from the immediate manager is a formula for inefficiency; increases the opportunity for errors and oversight; and reduces the ability to effectively control labor costs.

Best practices would dictate that rules to ensure compliance with state and federal wage and hour regulations are implemented at the accounting / HR level, and incorporated with the labor management and time keeping system. Likewise personnel exceptions that happen at the operational level are best

resolved by the immediate, authorized supervisor, and not by a department manager that is removed by time and distance from when an event happened.

If this sounds logical, then why do clubs handle this differently? From our experience with installations at clubs nationally, we find resistance to delegating these tasks to department heads comes from multiple sources.

- Club legacy practices that time & attendance is an accounting / HR responsibility
- Department heads that promote their member related services as primary and push back on employee time management
- Controllers and HR managers that resist letting go of control of elements of the process involved with payroll generation

The bottom line is that the cultural change and implementation of best practices has to originate from the top of the organizational chart. This process begins with an inclusive job description that defines not only the service aspects of the department head position, but also the administrative functions, including budgeting, reporting, and accountability results including labor cost management. When the club makes the investment in a modern labor management system including secure biometric time terminals, a manager has access to the tools to positively impact his department's bottom line. They should be held accountable accordingly, and any good manager would want the responsibility for managing the employee time related data that drives his department cost, and ultimately his performance based income.

About the Author

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