

Growing People: taking your workforce to the next level

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Introduction

The night before Thanksgiving in 2003, I attended an Oklahoma State University basketball game and learned a very valuable lesson in human resource management. Well into the second half, the Cowboys had a solid lead and someone called timeout. As the players ran to the sidelines they broke themselves into two or three mini-huddles to get instructions from the coaches. That was when I looked at the bench and saw head coach Eddie Sutton sitting there with one of his grandsons.

Rabid OSU basketball fans said many times throughout last year that we had four head coaches on our bench (Eddie Sutton; Sean Sutton—Eddie’s official successor; James Dickey—former head coach at Texas Tech; and Glenn Cyprien who has since left OSU to take a head coaching position elsewhere.) At no point in the season was that point more evident.

Eddie had a well-trained staff that knew what they were supposed to do. He trusted them to do it. He could monitor the scoreboard and know that they were doing it. Why shouldn’t he clap along with the band and spend some time with his grandson?

The players weren’t complaining—they were getting the instruction that was allowing them to increase their score and their skills. The assistant coaches weren’t complaining—they were the masters of their own huddles, each one intently focused on what they had to do during that twenty second timeout. And, most importantly, the fans weren’t complaining—we were wearing orange and screaming our heads off even though we didn’t yet know that we were on our way to the Final Four.

It's a tired cliché but a true one that successful businesses are very much like winning teams. As agricultural businesses grow and expand, owners and operators may find themselves on the bench more and more—delegating tasks and trusting your assistants. In this session we will examine the steps a manager should take to create a team that's capable of taking your business to the next level.

The Evolution of the “Family” Farm

Sometimes business and workforce growth can come via a growth in our families— younger generations join the business, brothers or sisters come back to the farm. But in many cases, non-family labor will always play a vital role in the operation.

As you grow your people, it is important to begin first with the core workforce, and in most agricultural operations that will be the family.

One of the major principles people within a family workforce should understand is that there are multiple roles these individuals must play. At minimum, there are three “hats” a person may have to wear from time to time.

The “Business” role will be the job the person performs within the scope of the operation (manager, accountant, mechanic). The “Family” role will be the job that person provides to the family (wife, father, daughter). And finally it's important to remember that everyone has the right to a “Personal” role as well—those things that may not benefit the business or the family and yet help to keep us all sane (basketball fan, deer hunter, pianist).

In this and many other respects, it is important for family businesses to model their non-family counterparts.

Delegate Management Responsibilities

Next it is vital that the member of the family workforce not only appreciate the different roles each other play, but also the way those roles relate to each other. This is particularly important when family members will be working with non-family employees.

Imagine a father, son, and grandson who eat breakfast together every morning. Grandfather is always the first outside. He stops by the employee, gives him his instructions for the day. Five minutes later son tells the employee something different. Five minutes after that, grandson gives the employee yet another assignment.

This is a very common problem. If you are going to grow an effective team, you need to either assign the management of that employee to one person or use some of the time over breakfast to talk about the day and where the employee should spend his time.

Utilize Job Descriptions

It's also important that the management team take stock of who should be responsible for which roles in the operation. Managers who "grow" their teams must learn to delegate. Begin by asking what you need to do, then what you want to do? What are the areas that do not compliment your strengths?

In recent years, *job descriptions* have become very popular as valuable instruments of employee management. They give potential and current employees an accurate picture of what role they are expected to play in the team. From employee recruitment and selection to performance evaluation and feedback, managers are using job descriptions to ensure that the business and the employee have the same perceptions of the position.

It is important to note that as your team grows, job descriptions may very well change. An individual's job description should change and evolve with the business, position, and employee. It can be as detailed or general, as need be, as long as it conveys the requirements an employee will have to meet to be successful in the position.

Hire the best possible people

There is an old saying that goes, "If you don't have time to do something right the first time, how are you going to find time to do it a second time?" That phrase might have well been coined with employee selection in mind. Turnover is a vicious cycle. It isn't important that you find a person to fill a vacant position. It's important that you find the right person to fill that position. If you don't, chances are you'll be filling that position again in a few weeks or, worse yet, dealing with an employee who isn't well-suited for the position or the business.

Selecting an employee is among the most important decisions a manager makes. Getting the right person in the right position is crucial for business success. But how can you do that? How can you tell if someone you hardly know will be a person who can do all that the job will demand of him or her? How will you know if an applicant's personality will match your business

philosophy? How can you spend an afternoon with someone and know if this is a person you would like to work with for the next thirty years?

The answer is simple: You can't and won't know for certain. You can, however, initiate a process that will take a lot of the chance out of employee selection.

Motivating with money

Bonuses, profit sharing plans, and other incentives are amazing managerial tools, but they can also become a slippery slope if you aren't careful. Before dangling any carrots in front of your employees, make sure they lead your business down the right path.

Many researchers—both practical and theoretical—agree that to be successful, incentive program goals must be both **specific** (generally quantitative and measurable) and **challenging** (hard but not impossible to obtain)

By creating specific goals, you aren't simply telling employees that they should raise a better calf crop than last year—a judgment that can be up to serious interpretation. By telling employees that they will be rewarded based on a formula which factors in AI conception rates, death loss, and the percentage of first-calf heifers that breed back, employees have solid hoops which they can shoot for.

Also, good incentive plans are based largely on things the employees themselves can impact, or where employees are **accountable**. In all honesty, this makes it far more difficult for agricultural employers to build effective incentive plans. After all, it is hardly fair for a crop farmer to base a bonus on yield when it doesn't rain for two months. However, managers can still strive to find areas such as safety or cost of production and build rewards where appropriate.

In some livestock operations, disease problems may seriously affect herd performance, all the while forcing employees to work even harder. In these cases, employees will likely not earn their unit performance-based bonuses. However, the manager may well want to utilize another type of incentive, such as a party or gift certificates or new farm jackets, to reward employees for their hard work during that difficult time.

Finally, good incentive programs are **clear**. Employees should know that there will be up years and down years, but that's why it's called a bonus and that's why the bonus is not tied to their wage. Employees should also know what the employers' expectations are, and how the

bonuses will be determined and when—noting that might not always fall during the holiday season but instead might be tied to the production cycle.

Types of Employee Incentives:

Verbal praise and recognition—believe it or not, the least expensive incentive is also one of the most effective. By recognizing when employees perform well and thanking them for their good work, managers help their employees to learn what is expected and in which direction their work should be heading.

Informal gifts and rewards—some of the most common, and yet still underused, employee incentives are the ones that are spur-of-the-moment, personal, and individualized. When a manager sees two employees staying late on a Friday night to fix a piece of machinery, it can mean a lot to those individuals when the manager hands them a gift certificate to a local restaurant the next Monday so that they can take their families out for a meal to make up for the family time the employee missed.

Popular types of informal gifts and rewards include gift certificates, phone cards (especially for employees with relatives a long distance away), pizza parties, barbecues, picnics, and other small presents that reflect the employees' interests.

In 1999, Wirthlin Worldwide surveyed 1,010 people to see how respondents spent their most recent cash rewards, cash incentives or cash bonuses. As you can see, many of the cash rewards went either to typical household expenses or simply vanished into thin air (Daniel and Metcalf).

Bills	29%
Do not remember	18%
Never received cash reward/bonus	15%
Gifts for family	11%
Household items	11%
Savings	11%
Special personal treat	9%
Vacation	5%
Something else	2%

So if you would like to give a reward that employees will remember, perhaps cash isn't the best way to go.

Formal/organized gifts and rewards—every parent who has ever offered ice cream in order to get a child to eat his or her vegetables has learned the power of the bribe. For employers, this is sometimes as simple as “daring” a team to improve AI conception rates by ten percent with the promise of a pool party once the goal has been met. Rewards could range from food and parties to new shirts and caps with the farm logo. Be creative, and the energy and morale you see in your employees will be *your* reward.

Managers who are considering doing more noncash rewards, should consider what WorldatWork (formerly the American Compensation Association) found: noncash reward programs achieved three times the return on investment, compared with cash-based programs. In addition, an Incentive Federation survey found that, on average, 79% of respondents felt noncash reward programs were fairly-to-extremely effective in motivating participants to achieve sales and marketing goals (Daniel and Metcalf).

Cash bonuses—one of the most common bonuses is the year-end bonus. For some businesses, this may work well. Others, however, complain that the “bonus” has been given in the same amount, at the same time of year, for the same reasons for so long that the term “bonus” no longer really applies. When discussing his company's bonus plan, one feedlot employee commented, “It's not really a bonus. We just get three paychecks in December instead of two.”

This situation is most likely not providing any incentives for the employees within this business. In order for cash bonuses—or any bonuses for that matter—to be effective, employees must work toward them. In other words, *bonuses should always be **earned**; they should never be given.*

According to Daniel and Metcalf, American Express Incentive Services (AEIS) polled American employees and learned that 17% had received a year-end cash bonus. Of these, 32% admitted that it did not improve their work performance.

Managers who are currently “giving” bonuses may want to establish a more formal policy in which employees will “earn” their bonuses. It shouldn't be the same amount every year. Just as businesses and units have good years and bad, bonuses should go up and down as

well. For this reason, it's important to remember that bonuses should not substitute for fair wages—they are simply a means by which employers may motivate employees to perform better and care about the business's bottom line.

Profit sharing is a term that's often used interchangeably with bonuses when, in fact, they refer to two different things. Bonuses may be earned and awarded based on any number of production or performance factors. Profit sharing is almost always formula-based and refers to a situation where an employee earns a percentage of an operation or unit's profits.

Take for example, the irrigated corn farmer who has four employees and twenty circle pivot irrigators in operation. If the farmer were to assign each of his employees five circle irrigators and tell them that they will receive two percent of the yield from each of their circles, those employees have an incentive to go the extra mile in caring for the crops on "their" land. This would be an example of a profit sharing program rather than a bonus.

Begin and end every step of the process with feedback.

If you are going to take the step of empowering your people, you can't walk away for forever. Feedback becomes even more important than when you were monitoring every aspect of that person's job. You've established the areas for which those key employees are responsible. You've taken steps to make them accountable. Successful empowerment is only done through regular and thorough feedback and evaluation. Even if it's just a matter of popping your head in every day to ask how things are going and to remind your employees that you're there if they need you, this is a step that can't be missed. Note: Eddie didn't get up and go to the locker room.

Remember that with growth comes change

Not long ago I had the opportunity to meet a young couple who told me, "The best employee we ever had just left and we couldn't be happier about it."

Before you assume that those people were crazy, think about the context. The couple in question managed a ranch that had very little room for growth for the employee in question. They had given him all the authority and responsibility they could and he'd thrived under those circumstances, but there was only so much authority and responsibility to give. So instead of

stifling their employee, they helped him secure a position as a manager for an absentee landowner who would allow him to manage an entire operation.

One of the threats of truly empowering your people is that sometimes your people will outgrow their current positions. This isn't a bad thing. When possible, move those people up within your organization. But in those sad cases where that isn't an option, help that person to move on and then start to work training and empowering his or her replacement. What a wonderful problem to have.

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