

Employers' Handbook for Agriculture and Horticulture¹

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▪ Introduction

The Employers' Handbook¹ is a series of five booklets that will strengthen your abilities as an owner, manager and supervisor of an agricultural business. It will guide farm managers in hiring and managing their employees. It will also help you to effectively manage change on the farm. You will find plenty of checklists, tips and examples. This handbook will help you to:

- Recruit better employees,
- Supervise, motivate and train your employees to reach desired performance, and
- Discipline and dismiss employees, should that be required.

This handbook to help you achieve sound human resource management practices which can result in increased productivity, reduced staff turnover, and satisfied employees and managers. This handbook is divided into five sections:

Book One: Human Resource Planning and Regulations describes the human resource planning process, a process which helps you decide how many and what type of employees you require. This section also advises on regulations of which an employer needs to be aware.

Book Two: Hiring outlines the process to follow when hiring an employee. The 10 steps in the hiring process (as illustrated by a flow chart) are discussed along with several critical communication activities associated with these steps.

¹ "The Employers' Handbooks" can be ordered from The Canadian Farm Business Management Council (1-888-232-3262) or downloaded from AAFRD's website at: www.agric.gov.ab.ca/navigation/ruraldev/leadership/index.html

Book Three: Supervising is one of the key elements in a good employee-employer relationship. Employees are available to fill most employment situations. Recruitment is the key to finding them. Good employee-employer relations is the key to keeping them.

Book Four: Training, Motivating & Evaluating discusses several ways in which managers can promote high level performance from workers.

Book Five: Communications, Problem Solving & Disciplining. Good communications can avoid many problems, but when conflict or the need to discipline does arise, you must deal with it. Also discussed is how to approach that dreaded task of dismissing an employee. Conflict and problems are a normal part of managing employees. You probably can't avoid problems, but you can manage them.

The following excerpts from the Employers' Handbook illustrate some of the useful information that is contained in these publications.

▪ **Excerpt 1: Tips on Farm Employee Wages**

Employees who are dissatisfied because of wages will likely perform below their capabilities. When deciding on compensation for an employee, keep in mind what workers expect wages to be:

- Sufficient to guarantee an acceptable standard of living.
- Competitive with others in the community (including non-agricultural-horticultural operations) taking into account working conditions, bonuses and fringe benefits (e.g. housing)
- Based on hours worked (regular and overtime).
- Based on the knowledge, experience and skills the individual brings to the job.
- Based on skills and training required by the employee and the degree of responsibility given to an employee.
- Not so fixed that they do not allow for regular pay increases, cost of living adjustments and increased efficiency or increased work results.

Having a well-defined pay grid can avoid many personnel problems. The maximum and minimum pay amounts spell out what the market value of the position is worth to the business.

Hourly: An hourly rate has the advantage of making it easier to ask employees to work extra hours when needed.

Weekly or Monthly Wage: Under this method of payment, hours of work must be specified and adhered to, otherwise, employees will become resentful of working overtime. Weekly or monthly wages should be supplemented with adequate compensation for overtime, in the form of time-off-with-pay or overtime pay.

Wage Increases: Any changes in the wage you pay an employee should be consistent with his/her performance evaluation. Employees who need considerable improvement in their work should not be rewarded with a large merit raise. On the other hand, if an employee has been making good progress and is taking on more responsibility, you may decide a substantial merit increase is warranted. Seniority is also reason for a wage increase.

▪ **Excerpt 2: Six Points to Remember when Designing Jobs**

Your business is as good as your employees; your employees are as good as your management.

1. Doing a whole job from beginning to end. Let people do a whole piece of work so that there is continuity and completeness.
2. Regular contacts with other employees, suppliers and customers. Let people get to know suppliers, customers and other employees.
3. Using a variety of skills. Let people handle a variety of tasks which call for a number of different skills.
4. Freedom to act independently. Let people make choices about how their work should be done. Self management is the first step toward human resource development.
5. Feedback from results. Let people sense from the work they do how well it has been done, by building in standards against which to measure success.
6. Opportunity for growth. Let people stretch their minds and sharpen their skills to accomplish the tasks up to the standard expected.

▪ **Excerpt 3: The Training Plan**

As you think about training, keep in mind two key things we know about human behaviour.

- We learn more quickly and retain it longer when we want to learn. The training must meet the learner's needs, not the trainer's needs.
- We, as adults, are motivated to learn when we feel a need to grow, to achieve, to have power or any combination of these.

Overview of the Training Process

Develop training vision: Look at performance appraisals, productivity statistics, safety incidents, employee requests.

Set training objectives: What specific tasks should your worker be able to do after training? Change the oil in the tractor? Farrow a litter?

Select training methods: Individuals or group instruction? Course outline should progress from basic to complex in small, easy-to-master steps by matching training method to your employee technical skill level.

Use the four-step method: Prepare, Present, Try Out, Follow Up. Active involvement promotes learning; we learn by doing.

▪ **Excerpt 4: Developing Performance Appraisal Forms**

There are many different types of appraisal forms in use today. Although it takes time to develop a form specific to your operation, the results are worth the effort.

As you develop your form, focus on two questions:

- What do your employees actually do on their job (observable behaviours)?
- How can you measure their performance?

For example, if one of their duties is to "maintain equipment", how can you measure how well the employee is doing his part of the job? One way is to make a scale of 1 to 5, and 1 being poor performance and 5 being outstanding. Then write down what you mean as "poor" and "outstanding."

▪ **EXCERPT 5: Incentives and Benefits for Better Farm Workers**

The purpose of incentive plans is to motivate the employee to greater productivity.

When developing an incentive plan, involve the employee, otherwise the employee may distrust it. If not handled correctly, incentives can easily turn into disincentives.

For seasonal help, bonuses are often used as an incentive to encourage employees to stay for the whole season. Casual rewards should be accompanied by a specific explanation, such as, "This is for reducing our harvest time breakdown costs." This kind of reward is more effective than a general thank you. Casual incentives communicate to employees that you have noticed their efforts, and people thrive on positive feedback. To be effective, casual incentives must be unexpected.

Benefits

A benefit is categorized as any compensation given to employees beyond the regular wages. Benefits can include food, housing, heat, insurance, pension plans, flexible work hours, sick leave, holidays, vacation time and time off.

As an employer, do you know the cost of the benefits you offer? Do your employees know the value of the benefit they receive? The honest answer to these questions is often "no". Yet benefits, or the lack of them, can often be the issue that will cause an employee to take another job. In most jobs, the benefits package is valued at between 15 to 30 per cent of the amount of the wage or salary.

As you consider your benefits package, realize that your employees are people with individual needs. A single worker has different needs from a married worker with a family. A two-worker family may end up with duplicate benefits. There is no need for you to supply medical benefits if the spouse's employer does. Young workers may not feel the same need for insurance or pension plans as an older worker would.

Take a Look at Some Typical Benefits.

Housing

In times past, supplying the "hired help" with housing was considered the norm. This assumption is now changing. If you have good housing to offer, it can be an attractive benefit. If, on the other hand, the housing you offer your

employees is the old farmhouse that you haven't been able to rent, then it's not a benefit.

It may be that your employees would be much happier renting or purchasing housing in the closest village or town. Offering housing as a benefit must be carefully considered. There are pros and cons.

Food and Farm Produce

Estimating the value of these benefits is not simple. Do you price them at the farm gate value or at retail value? Whichever you decide, make sure your employee understands the value of what you are offering.

Fringe Benefits

This category includes items such as group life insurance, pension plans, and sick leave benefits. It is often difficult for a single manager to offer these benefits. Group rates are often lower than a single operator would have to pay for dental, optical, and medical benefits. You should check to see if your marketing board or trade association can get group rates of these benefits. Increasingly, agricultural and horticultural operators are contributing to employee Registered Retirement Savings Plans.

▪ Excerpt 6: Tips on Better Performance Evaluation

Two questions every employee needs the answer to are, "What is my job?" and "How am I doing?"

Regular feedback is one of the most effective tools an employer has to increase productivity. Studies show that 11% to 20% productivity gains are achievable by providing good feedback.

Monitoring of employee performance should be a primary and on-going responsibility of all first-line supervisors. In addition, every manager should do at least one annual evaluation of each employee's overall performance. The successful manager will always be concerned about people's performance. There are various ways to monitor an employee, direct observation being one of them.

Purpose Of Evaluation

From an *employee's* perspective, a performance evaluation provides the following:

- Allows me to compare how well I am doing my job with how well I need to do my job.
- Gives me clear guidelines for improvement.
- Makes me feel I can succeed in my weak areas if I adopt these guidelines.
- Gives me opportunity to share my concerns about my job and career with my employer.

From the *employer's* perspective:

- Provides feedback from the employee.
- Determines how the employee's work contributes to farm objectives.
- Builds teamwork in solving problems.
- Ensures the employee wants to improve and can improve.
- Gives opportunity to identify training needs.

Evaluate the training: Have the objectives been met? How does the employee feel? What are the "bottom-line" results or benefits?

■ EXCERPT 7: Tips on How to Do Evaluations

You can divide the elements of an effective performance appraisal into five steps:

1. Establish work methods and productivity levels expected for each position. Use your job description as a blueprint for achievement and ask employees to define their goals.
2. Monitor employees at random to determine performance levels.
3. Regularly provide employees with both positive feedback and constructive criticism. There should be no surprises for the employee during the interview.
4. Plan the evaluation interview. Analyze records and performance goals and ask employees to complete a pre-interview evaluation.

5. Conduct the evaluation interviews. Discuss the self-evaluation completed by employees and work together on ideas for improvement. Set new goals, if necessary.

▪ **Acknowledgements**

This Alberta edition is a revision of an edition earlier compiled and published under the leadership of the Province of British Columbia Ministry of Agriculture, Fisheries and Food and is used with permission. We acknowledge the work of an Ontario edition published in Ontario. The original handbook was based on works published by other agricultural extension agencies in Canada and the United States. Without the leadership offered in those works, this material could not have been put together.

Original material in the British Columbia edition was prepared by: Lorne Owen, P.Ag., M.Ag. Provincial Farm Management Specialist, B.C. Ministry of Agriculture, Fisheries and Food; Pat Davidson, B.J., M.Ag., Extension Education Consultant; Howard R. Rosenberg, Ph.D., Director, Agricultural Personnel Management Program, University of California, Berkeley Lindsay Brooks, President, Strategic Quality Institute.

In addition, staff from Agricultural Employment Services and Canada Agricultural Employment Centres contributed to earlier editions. Farm employer input was provided by many individuals in British Columbia, Ontario and Alberta.

Alberta revisions written by: Lorne Owen, Human Resource Dev. & Management Specialist; Douglas Taylor, Farm Training/Green Certificate Supervisor, Alberta Agriculture, Food & Rural Development (AAFRD); Desktop Publishing: June Blanchette, Julie Splawinski; Copy Edited by: Patricia Davidson & Lois Hameister; Managing Editor: Douglas Taylor, revised 1996-97.