

A Producer's Experience with Attracting, Motivating and Retaining Employees

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■ Introduction

Pig production is labour intensive. While many processes can be mechanized, most aspects of animal husbandry are “hands on” activities. Over the years, we have seen that those businesses having outstanding production are usually those which care for and, thus, have good relations with their employees. Conversely, pig businesses that focus on only the growth of the business, as many have done over the past couple of decades or so, typically either have (1) long periods of frustratingly low production or (2) alternating periods of good and bad production.

This paper highlights our experiences with what can be done to create a culture within an organization which attracts and retains a worker base committed to pursuing the best interests of the business, that of being maximally profitable. We believe that only if all parties involved in a business, from the farm workers through the office staff to senior management, are committed to a common goal will a company be sustainably competitive. No matter how good a business plan is, how good the market is that a business serves, or how visionary and intelligent the leader who guides it is, a business will never be top-flight until it has a top-flight cadre of employees.

■ Creating the Right Culture

There is no doubt, in our minds, that the culture of a company starts at the top. Businesses that are led by impersonal, self-absorbed leaders may do well for short periods of time or do well during the start-up phase of the business, when emotion dominates the culture. In such companies, effective middle managers are often able to compensate for the shortcomings of upper

management, at least for a while; but eventually, good people begin feeling underappreciated and leave. Then, production suffers. As production suffers, management begins “looking through the window,” assigning blame to their subordinates and co-managers, rather than “looking in the mirror” and accepting blame themselves.

The first step in creating an “employee compassionate” business is for the people at the top to get their attitudes and beliefs right. Most people are compassionate toward others and vary only as to the degree of compassion they have and/or express. Most of us simply have to develop our compassion and concern for others. You can only change yourself; you cannot change others. You may be able to bring someone’s shortcomings to their attention, but it is entirely up to them to recognize the need to change and then to make that change. Unless the leader at the top is committed to caring for their employees, the organization will, in our experience, struggle with employee performance, perhaps not immediately but eventually.

Even when the leadership of a company is committed to their employees, the road to success may not be easily navigated, and it will take time. In an analysis of the characteristics that differentiated a select group of top-performing Fortune 500 companies from their contemporaries, Jim Collins (2001) indicated that there were two steps relating to personnel management that were critical to their success:

- Getting the right people on the bus (and the wrong people off the bus).
- Getting the people in the right seat on the bus.

We not only believe that these beliefs are particularly applicable to pig businesses, but humbly offer a third tenant for addition to the list:

- Keeping the right people on the bus.

■ **Getting the Right People on the Bus**

Businesses develop their own culture over time, and corporate cultures evolve as companies mature. An objective of hiring employees is not to find people that have a certain personality type, that are likeable, or even behave, look like, or have similar experiences and training to current employees. Employees do not fit into a culture; they ARE the **culture** of the company. Your objective is to hire people that are self-motivated and bring a set of skills, experiences and personal attributes that can be used to attack the problems and opportunities as they are presented to a business.

What do we look for when we hire people?

Personal attributes

We consider a person's personal attributes to be the most important consideration in whether they should be hired or not. Here are a few traits that we consider to be most important.

Self-motivated

If people are not self-motivated to do the work for which they are responsible, they will fail. People can only be transiently motivated by others. Motivation comes from within. Fear and greed can work for a while to motivate someone but eventually they give way to the person's need to feel safe and be satisfied. Some people quite naturally like to work and take pride in their work. Others recognize that they need to work in order to care for their family and will do whatever is needed so that they have a job. Whatever the source of motivation for an individual, you need to make sure they are motivated already, or you need to be confident that you have the key to motivating them. Otherwise, you should not hire them.

Responsible

Some people accept responsibility for their actions; others avoid it "like the plague," blaming others when things go wrong. We have found that people often run from responsibility and accountability, if they are not provided the resources to solve their own problems. Often, they have learned in top-down-managed organizations that management holds people accountable and makes them responsible for things that are not always in their control and accountable when they do not have access to requisite resources. In top-down businesses, people learn quickly to run from accountability and how to avoid being responsible for their actions, so they do not have to endure the ire of their superiors. Top-down managed people also tend to hide problems rather than address them, since managers in top-down companies often blame those who oversee an area having a problem and/or "shoot the messenger" who identifies the problem.

Values

Take time to find out what a candidate values in their life. While people who work together do not have to like the same things to get along, it is essential that they have some elements of a common value system to tie them together.

Experiences

Both a candidate's work history and life experiences influence their ability to be successful in their new position.

Pig Husbandry Experiences

Having worked previously in livestock production or in an agriculture field usually helps a new employee have an immediate impact on their new organization. Knowing how to do part or all of their job, on the day a new employee starts, reduces the lag period until they can effectively and efficiently do their work. Companies pay the “tuition” for educating inexperienced people on how to do their jobs. On the other hand, hiring experienced people who have bad work habits also has its costs, since it often takes longer to re-train experienced people than it does to train people who are ignorant on how to do their jobs. Because of the all-to-frequent problem of “untraining” employees, many companies do not give much credence to the pig husbandry experiences of a candidate, instead focusing on the general work experience of a candidate and ensuring that they have proper training programs in place.

Many people find out after they have started working on a pig farm that they do not like the work environment or enjoy being around animals. Thus, candidates without experience in the swine industry should be exposed to their work environment and, maybe, even asked to work at least a day on the farm before they are hired permanently. As it is in other industries, unfulfilled expectations are a major cause of worker dissatisfaction in the swine industry.

Non-pig Experiences

Experiences that new employees have had in the “non-pig” business world, such as managing people, working in teams, working independently, are highly valuable to a pig business.

Skills

As mentioned, having the specific skills to do the job for which they are being hired enables a new employee to make an immediate, positive contribution to a company. When you hire a person having a stated set of skills, we recommend that you verify that skill set before you hire them, if it is a critical consideration for their being hired.

Pig Husbandry Skills

We find that knowing how to perform highly technical tasks (e.g. adjust a feed drop) often is not as predictor of the future success of an employee as knowing how to take care of the needs of the animals (e.g. know when a feed drop needs adjusting). It is usually relatively straightforward to teach someone how to perform a specific task when they are instructed, but it is a lot more difficult to teach them how to recognize on their own that the animal needs something done for them. Some skills are easily taught and, thus, have only marginal value when evaluating an experienced person’s skill set; on the other

hand, you *almost* cannot pay an experienced person too much for some husbandry skills they bring into a company.

Non-pig Skills

There are several skills that are broadly useful to any modern pig organization, including such things as mechanical, computer, and foreign language skills.

Who should do the hiring?

Hiring of new staff requires the cooperation of the staff of the farm or support department, to which the new employee will be assigned, and the Human Resource Management (HRM) officer overseeing the hiring of a new employee. Bad employees will be hired and good employees will be overlooked when the efforts of both parties do not complement each other.

Role of Farm and Department Staff

Many companies, with which we have worked, rely on the company's HRM department or an HRM officer to identify, qualify and hire employees. We believe that the farm or department to which the employee will eventually be assigned should take a leading role in not only qualifying individuals but also in identifying and recruiting candidates. Good employees tend to know qualified prospects and have a vested interest in the company hiring qualified people. Having the people who will work with a new employee involved in both the interview and recruitment process helps ensure that:

- the recruitment process for new employees is effective,
- new employees are effectively oriented after they are hired and,
- importantly, new staff feel welcome when they arrive at work for the first time.

Putting a farm or department in charge of finding replacement staff forces its staff to be accountable for providing a positive work environment for new employees. Employees committed to the success of an organization should always be on the lookout for qualified candidates. Many of the best performing farms that we have managed maintained a waiting list of people wanting to come to work, even in geographic areas of worker shortages.

Role of Human Resource Management

HRM managers are usually in a better position than farm or departmental staff to initially qualify candidates, explain to them the company's personnel policies, salary and benefits, and take care of legal issues. In our experience, good farm managers, service staff and department managers are seldom

caught without either a waiting list of people interested in a job or external sources for recruiting new candidates. HRM departments often have to depend on “walk-ins” and advertisements to pull in candidates, who are typically unknown to the organization. Unless they have done the work that is called for in the open position, HRM staff members seldom are qualified to make the final call on a candidate’s application for employment, without input from the farm staff or members of the hiring department. HRM should also pre-screen candidates to ensure that they meet minimum hiring standards (e.g. possess valid social security numbers, work Visas).

How do you qualify candidates?

The qualification of prospective employees begins during the interview process and continues beyond their commencement of employment.

Qualifying Prior to Employment

We believe that candidates ought to be tested to ensure that they have the skills needed to do their jobs. While this may be embarrassing for the candidate, it is less so than would be experienced if they arrive on the job only to learn that they cannot perform the required work. Testing for simple math skills, written and verbal communication skills, and ability to read and follow instructions may prevent unfulfilled expectations on behalf of both parties.

Part of the interview process should also include:

- an on-the-farm interview with both supervisory staff and co-workers,
- a walk-through of the farm and
- demonstrations of the type of work to be done.

Some companies ask the employee to work for a day or more to ensure that the candidate fits the job. During this pre-hiring work period, the candidate should be asked to perform some of the functions that they will do should they be hired. Make sure you know the labor laws and how much time you can ask a candidate to work prior to hiring them.

Post-employment Evaluation

A formal evaluation of new employees, soon after they have begun their employment, will help “weed out” bad employees early while, at the same time, creating acceptable work habits in those to be retained. The length of the evaluation period should be sufficient to allow ample time for an employee to demonstrate their work habits, skills, and how motivated they are. We typically use a 90-day evaluation period. At the end of this period, the new employee faces three outcomes:

- Dismissal.
- Continued evaluation for another defined period.
- Permanent employment with a modest pay raise as a reward.

A simple tool that we use to determine how to deal with employees is summarized in **Figure 1**. While overly simplistic, the two dimensional analysis allows the user to begin developing an understanding of when to train, motivate and dismiss an employee.

Figure 1. Dealing with People that Have Differing Levels of Motivation and Abilities.

	<i>Can</i>	<i>Can't</i>
<i>Will</i>	Use	Train
<i>Won't</i>	Motivate	Fire

■ Getting the People in the Right Seat of the Bus

High performing companies always have talented employees. However, we have all known companies that have had lots of talented people, but the company never performed up to its potential. Rarely do companies fail to perform when the staff with the “right stuff” are hired then put in the right positions and allowed to do their job. It is not enough to just hire the right people; you have to create the right kind of environment for them to be successful. This requires, in part, that people be put in the right seat on your bus. How do you do this?

Know your Staff

Understand their interests, skills and experiences. Be ready to move them around to where they are better suited or needed. Make it easy for established staff to take a risk in changing position. Watch for signs that an employee is getting bored with their job. You may see it before they do.

Know your Company

Be sure to understand the current and emerging needs of your business. Be willing to modify a job description, and create or eliminate positions as

needed. Anticipate the needs of your business, putting your best people in places where they can take advantage of opportunities. Don't squander your talent using them to fix nagging day-today problems or managing programs that are running well. Know what opportunities are emerging and have your best people attack them.

Job descriptions

Make sure that job descriptions are current and sufficiently comprehensive to inform employees of the responsibilities and skills needed for their position. Make sure to always match the job with the best person for the job, regardless of corporate politics, organizational structure, or seniority. Update job descriptions as the business evolves, then keep your staff informed of what is expected of them. The sequel to static jobs is unfulfilled expectations, either on behalf of management or the employee, and an under-challenged staff member.

■ Keeping the Right People on the Bus

Collins (2001) writes that:

Those who build great companies understand that the ultimate throttle on growth for any great company is not markets, or technology, or competition, or products. It is one thing above all others; the ability to get and keep enough of the right people."

Costs of Turnover

There are some obvious as well as less obvious costs to a high turnover:

- Direct costs (e.g. advertising, recruitment expenses, training)
- Management time drain (as managers spend time recruiting and training new staff)
- Lower productivity (of both the new employee and staff members involved in training)
- Reduced production (as a vacant position remains unfilled or until a new employee becomes competent)

Planned Turnover

Companies that perform sustainably well tend to have reasonably low turnover at key staff positions. Stability often comes after they have often gone through a period of "high churn," wherein members of successive crops of new hires

are forced off the bus until only those that truly belong remain. While low worker turnover is a long-term objective, high turnover rates initially may be required in order to create a high performance team.

It is important during these formative periods of high turnover that decisive, deliberate and considerate action be taken to remove those who do not fit the company's needs or its culture. Letting the wrong people remain is not only an injustice to the employee but also to their co-workers. Before dismissing an employee, consideration should be given to whether:

- The employee has received the proper training, or has the skills and/or experiences required to be effective in the job into which they have been placed,
- Management's expectations of them have been properly enunciated.
- There are extenuating circumstances (especially personal ones) that are preventing an employee from performing up to their potential.
- The underperforming employee needs be moved to another seat on the bus, where they can be more effective.

When an underperforming employee is both capable and motivated, they may need to be moved several times in order to find a position in which they can contribute. A hidden advantage of moving people around is that their co-workers often recognize that you care enough about them as employees to try to make things work. Your consideration of them as individuals breeds confidence in management and will likely reduce employee turnover.

Causes of Turnover

There are four general reasons we have seen why people leave their positions in pig companies. While job satisfaction is often thought to be the most common reason for people leaving a company, job satisfaction has been found in other industries to be poorly correlated to high turnover rates.

Job dissatisfaction

e.g. boredom, frustration with not knowing how to do their job, work environment, work schedule, uncertainty about the company's future, uncertainty about their future in the company

Personal

e.g. moving, health, family reason, conflict with a co-worker or supervisor

Financial

e.g. better pay, better benefits

Other career opportunities

e.g. prefer another type of job, pursuing career advancement

In the manufacturing industries, the frequency of job dissatisfaction differs between subpopulations:

Women < Men; Older < Young; Uneducated < Educated

It appears that the personal views and attitudes of an employee (i.e. their paradigm) have a major influence on how long they stay in a position, just as personal attitude has long been known to be a major factor affecting worker performance. People who do not have a constructive attitude about their work tend to have high turnover rates and change jobs frequently. It is also important to remember that increased job satisfaction does not necessarily translate to improved performance; especially when the goals of the worker are not aligned with those of the company.

Employee Retention

Retaining valued employees is critical to the success of a business. It has been said that people are not the most important assets of a business, but the "right" people are. All-too-often over the years, we have seen a member of management quibble with an employee, who is considering leaving, over a few hundred dollars only to lose tens of thousands of dollars in lost production because work did not get done after they had left. In their effort to save a few labour dollars, managers often "cut off their nose despite the face." We believe that managers should never allow themselves to be held hostage by an employee and should always strive to cross-train staff so that no employee can de-rail the company from getting its work done. On the other hand, we believe that talking through issues with employees, before it is too late, can help identify alternatives to their leaving.

Our group is a strong adherent to the "servant leader" philosophy espoused by Greenleaf (2002). As the term implies, servant leadership calls for management to accept, as one of their primary obligations, the role of satisfying the needs of their subordinates. In companies where management took care of the daily professional needs, and often the personal needs, of their staff, we have found that employees took note of the commitment of the company to them. The resultant high level of employee loyalty usually translated into low turnover, which created a high level performance, both for the individual and, often, for the company.

Critical Issues for Retaining Employees.

We believe that there are three critical steps to solving a problem of employee retention:

Hire the Right People

You will never be 100% accurate in your evaluation of the people that you hire. All of us generate impressions of people soon after we meet them. We then bias those preliminary views, positively and/or negatively, according to the “stories” that we carry around with us about ourselves, others and the world that we live in. More often than not we believe that we understand the candidate better than we actually do. Consequently, some candidates perform better than we predicted and, unfortunately, some do not do as well as we had hoped. We reduce our mistakes in hiring people by:

- taking the time to get to know candidates, both professionally as well as personally,
- collecting as much objective data about them as we can,
- increasing the number of people involved in the hiring process and
- reducing the pressure to hire someone (i.e. anyone).

We believe in the old adage that goes something like:

“When in doubt, don’t hire; just keep looking.”

We also believe that you should strive to minimize the situations when having a vacant position puts pressure on the hiring team to hire someone that should not be hired. This can be accomplished by:

- Plan ahead for vacancies: develop proactive and contingency plans.
- Stockpile candidates: hire staff and use them in a temporary position then move them into vacant positions as they occur.
- Overstaff: hire more staff than is needed, over the short time frame, in situations where a vacancy is predicted.
- Working list of candidates: keep an active file of candidates and maintain communication with them.
- Farm team: create internal structures and identify external organizations that provide trained candidates for positions as they open.

Get New Staff Started Right

The first few days of employment set the perspective and the tempo that new employees carry forward. Lack of attention to their needs and failure to provide adequate supervision suggests to a new employee that the company does not care about them. We often have observed that the highest

occurrence of employee turnover, especially in companies that are not “employee compassionate,” is due to workers quitting within a few days to a few weeks after they begin their jobs. Even those that continue working, after getting off to a bad start, typically carry forward a distrust of the company. Controlling employee turnover requires that considerable attention be paid to all new employees, at least until they can begin gathering evidence that the company is looking after them.

Vision

Managers need to take the time to develop a common and unifying vision for the company and then to seek opportunities to share and openly discuss it. Vision statements are not inspirational statements. They are clear and concise statements of where the company is headed and how it will get there.

Objectives

Besides having a job description, all new employees will need clear a description of the objectives and endpoints that they will be expected to achieve and the tasks that they will be expected to accomplish.

Career Path

Supervisors should work with their new employees to design a customized career path and then periodically monitor their progress, especially during the initial period of employment.

Orientation

During the initial period of employment, new staff will need to be oriented not only to their jobs but to the general workings of the company.

Training

New staff, whether they are experienced or not, will need to be trained in the company’s way of doing things.

Mentoring

Established staff should be identified who are willing to take care of and mentor new staff. Mentoring is not the same as supervising. In fact, supervisory staff may not be the best mentors, especially of new staff.

Relieving Anxiety

Starting a new job is difficult for all, and may be especially troubling for some. One of the key roles of management is to take the fear out of a new employee coming to work. New staff members should feel safe, secure and confident in themselves and their position in the company.

Take Care of Established Staff

Top performing companies take care of their staff and work hard to keep their good employees from leaving. They never wait until an employee has an opportunity to leave for other employment before they begin their retention efforts. We have used or observed several things that other producers have used in their efforts to take care of their staff's needs and desires.

Work Environment

One of the goals of Occupational Safety and Health Administration (U.S. Department of Labor) is to ensure that workers have a safe environment in which to work. We believe that all workers should have an "inalienable right" to not only work in a safe environment but one that is humane. It is not infrequent to observe that farms with poor production associated with labour issues also have dusty work environments, high levels of gas in the air, and work surfaces that are so manure laden that they cannot be easily walked across. The first step in taking care of your staff is to provide a humane, wholesome environment in which they can work. Creating a good work environment not only helps you retain your best employees but also likely reflects the care that animals are provided, thus affecting their performance.

Staffing Levels

Every farm is designed differently and requires a different set of tasks to be routinely accomplished. Different tasks take different amounts of time and effort. If all the work on a farm is to be done efficiently and consistently over time, the staffing of the farm needs to match the workload. Doing time-motion studies, we have learned how long it takes to perform the routine tasks on a farm. When we take over the management of a farm, we conduct a thorough audit of the work to be accomplished and use it, as illustrated in **Figure 2**, to objectively determine its staffing level.

Plan for Replacements

There will always be flux in the staffing of farms and departments. Well managed organizations plan ahead for normal attrition. We believe that replacements ought to be hired before you actually need them, allowing training to occur when the person who knows the job best is still there. Waiting for the person to leave before replacing them leads to work not getting done or other workers having to compensate for understaffing. During times when farms are understaffed, good managers will provide extra compensation to workers who take on additional responsibilities, hire temporary employees or make temporary transfers into the problem farm, redistribute workload fairly between remaining employees and/or realign workers toward doing only vital activities. It is important to remember that understaffing is not the sole problem of the staff remaining.

Figure 2. Method Used to Determine the Staffing Level of a Breeding Farm

Staffing Requirements of Breeding Farms								
Farm	1	2	3	4	5	6	7	
Budgeted Female Inventory	1,305	2,665	2,875	5,080	5,215	3,905	2,455	
Base No. Sows/Farm Staff	325	325	325	325	325	325	325	
No. Staff Required to Do Production Work	4.02	8.00	8.85	15.63	16.05	12.02	7.55	
Other Work								
Internal Maintenance	0.13	0.27	0.29	0.51	0.52	0.39	0.25	
Composting/Burning Deads	0.00	0.00	0.00	0.68	0.00	0.00	0.00	
Power Washing Gutters/Solid Floors	0.00	0.00	0.58	0.00	0.00	0.78	0.49	
In-house Boar Stud	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Boar Bots	0.00	0.00	0.00	1.00	0.00	0.00	0.00	
Managing On-farm GDU	0.13	0.13	0.38	0.17	0.17	0.33	0.20	
Clerical Assistance/Office Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Ultrasound Technician	0.05	0.11	0.12	0.20	0.21	0.16	0.10	
Hand Feeding Lactating Sows	0.17	0.17	0.37	0.66	0.00	0.51	0.32	
Hand Feeding Dry Sows	0.12	0.00	0.26	0.00	0.00	0.35	0.22	
Hauling Weaned pigs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Grounds Care	0.03	0.03	0.08	0.08	0.02	0.08	0.08	
<i>Total No. Staff Required to Do All of Work</i>	<i>4.64</i>	<i>8.71</i>	<i>10.93</i>	<i>18.94</i>	<i>16.97</i>	<i>14.62</i>	<i>9.22</i>	
Amt Farm Manager's Time Available for Work	0.87	0.73	0.71	0.49	0.48	0.61	0.75	
<i>Total No. Staff Needed on Farm (including mgr)</i>	<i>4.78</i>	<i>8.97</i>	<i>11.21</i>	<i>19.45</i>	<i>17.49</i>	<i>15.01</i>	<i>9.46</i>	
Sows/Staff	273	297	256	261	298	260	259	

Weekly Work Schedules

All workers require some degree of supervision. Some work requires multiple people in order to be accomplished. However, there are many tasks performed on a farm that do not have to be accomplished at a particular time of day or require multiple participants. In consideration of the time demands that employees have outside of work, we believe in allowing as much flexibility as possible in the work schedules of key staff. Similarly, considerable, premeditated thought ought to be given to adopting weekly work and holiday schedules which ensure that employees are not being required to perform work on holidays or weekend days or to perform tasks on those days that could be accomplished on a routine workday.

Daily Work Schedules

Defining prototype daily schedules allows employees to understand what they ought to be doing when. Organizing the workdays not only makes sure that all the required tasks get done in a day but minimizes frustration and bad work habits.

Support

Few people like the feeling of being alone or abandoned by their leaders. Workers need to know that management is always in the background, and at

times in the forefront of activities, supporting them. As problems emerge, good managers recognize them immediately and help workers in their resolution.

Career Advancement

While sometime people prefer to just show up, put in their time, and get paid, most employees are interested in bettering themselves professionally. From the time they are employed, workers need to have a career path identified for them. They need to know what is expected of them, if they are to advance in the organization. Progress in their careers or lack thereof needs to be recognized in individual evaluations, usually conducted annually. Your willingness to invest in further education and training will likely not only serve the company's needs well but may also build loyalty and commitment.

Expectations

Dealing with the unfulfilled expectations of others is one of the major issues that most of us deal with in both our personal and professional lives. Your expectations of your employees need to be defined and redefined clearly over the term of their employment. Your expectations should be high, but within reach, and should be balanced with an acceptable workload. Besides assessing their career progress at annual evaluations, as discussed above, your expectations should also be defined in annual evaluations, complete with written progress reports.

Personal Needs

There is a delicate balance between getting involved too much in the personal lives of your employees and supporting them during difficult personal times. Key employees must understand that you have compassion for their situation when they go through tough times. This requires that you pay attention to their needs.

Participation in Planning

Everyone has good ideas about how to improve the area of the company in which they work, but you have to listen to hear them. When people are listened to, rather than just talked to, they are more likely to feel a part of the team. Involving a worker in the decisions affecting their work, when appropriate, will not only make those decisions more palatable for them but may also improve the decision making process, itself.

Worker Burnout

Over time, most employees tire of their jobs. Some more quickly of others. Managers need to know their employees well enough to understand when they need to intervene with an employee who has their interest in their job fatiguing. Changing the job or moving the employee to another job may improve worker satisfaction while improving the amount or quality of work performed.

Repeating Mistakes

Do not repeat the mistakes made with one employee with other employees. Albert Einstein once said:

Insanity is doing the same thing over and over again and expecting different results.

Whenever possible, take the time to find out why all employees are unhappy and why they leave. Conducting exit interviews is an inexpensive way to find what went wrong. When you can, do something about it.

Competitive Wages

Employees expect to be treated fairly, with respect to what they could earn from another business as well as how they are paid relative to their peers in the company. As indicated by Drucker (2004):

Compensation always expresses status, both in the enterprise and society. It entails judgements on a person's worth as much as on performance. It is emotionally tied to all our ideas of fairness, justice, and performance.

We believe that every compensation system has its flaws and none will ever be without inequities. As indicated by Drucker (2004), compensation systems should always strive to balance the recognition of the individual with the acceptance and stability of the group. While being cognizant of the traditions and culture resident in the company, we strive to pay our top-performers the top wage in the marketplace, and we make a considerable effort to determine what the local swine industry as well as what other businesses, both agriculture and non-agriculture, in the local community are paying. When hiring new employees, we want to start them at a competitive wage, and then give them frequent jumps in pay as they make progress and prove their value to the company.

Incentives

We have learned that employees can be motivated toward goals that are both good financially for themselves and for the company, if the correct set of incentives are used and they are provided in the correct manner. More common than nought, we have observed that incentive goals are often set for pig businesses in a fashion that encourages employees to pursue endpoints that are not necessarily consistent with those of the company. One of the most common examples of the misuse of incentive in the swine industry is paying a bonus for the number of pigs weaned from a breeding farm. Among the unintended consequences of this bonus scheme are:

- over-breeding of sows, resulting in pigs being weaned too early,

- poor quality pigs being passed on to the nursery stage, and
- inconsistencies in farrowing numbers, as staff over breed during one period only to run out of capacity in the gestation barn requiring under breeding during a subsequent period.

There should be a balance between the salary and other incentives offered to employees. In general, we like to incent employees as much as can be justified while holding salaries to a competitive position. Some positions, such as farm work, lend themselves to the objective measurement of the performance of an individual or, at least, the department or team to which they belong. It is often much more difficult to objectively measure the performance of staff in support positions, such as those who do feed ordering or computerized records.

Lessons that we have learned on providing incentives appropriately to staff include:

- Use incentive criteria that are under the control of the employee.
- Set performance levels for criteria that are achievable. We set the baseline for a bonus scheme at the budgeted level for a performance criterion and then set a target where maximal bonus is earned.
- Do not change a bonus scheme without substantial advance warning.
- Avoid circumstances where employees come to expect a bonus.
- Pay bonuses as soon as possible after they are earned and be consistent in how bonuses are awarded and their timing.
- Select criteria to be used in bonus schemes that have a direct link to the objectives of the company.
- Choose bonus criteria that have minimal overlap, such that an improvement in one is associated with only minimal change in another.

We have discussed our views on salaries, bonuses and other incentives in more detail in another article (Dial et. al., 2001). We prefer bonus schemes that are based upon: (1) the profitability of the farm or company or (2) multiple endpoints of performance compiled together to create a single metric used to determine the size of the bonus. Multi-endpoint schemes enable the use of different units of measure (kgs, pigs, dollars, percentages) and allow those measures to be assigned different weights according to their priority to the company. A table that we have used to allow employees to calculate their own potential bonus is shown in **Figure 3**.

Figure 3. Method for Calculating a Bonus for Breeding Herd Staff Based Upon Multiple Criteria that Are Weighted Differently

Bonus Projections Worksheet

Farm _____

Quarter ____ Year _____

		Production Parameter					
		Wn'd Pig Cost	Wn'd Pigs/Wk	Prewean Mortality	% Far Rate	Wean Age	
Target	1	\$ 28.00	1,100	8.0%	85.0%	23.0	
Budget	2	\$ 30.00	1,000	12.0%	80.0%	19.0	
Actual: Quarter to Date	3	\$ 29.00	1,043	9.5%	81.1%	22.2	
Difference: Target VS Budget	4=1-2 or 2-1	\$ 2.00	100	4.0%	5.0%	4.0	
Difference: Actual VS Budget	5=3-2 or 2-3	\$ 1.00	43	2.5%	1.1%	3.2	% Bonus
% of Target	6=5/4	50%	43%	63%	22%	80%	Potential
Weight (%)	7	40%	10%	15%	10%	25%	100%
Contribution to Bonus	8=6*7	20%	4%	9%	2%	20%	56%
Historical Performance	Quarter ____						
	Quarter ____						
	Quarter ____						

Motivating Employees

As mentioned earlier, a person’s motivation comes from within. We can create the environment that allows a person who is naturally motivated to express that motivation, but we cannot do anything or say anything that will motivate anyone to a level of performance to which they are not already inclined. As we have talked with producers from across North America, we often hear them express their opinions about what motivates employees. Among the myths that we hear are:

- An inspiration speech will motivate people to perform better.
- Money and fear are key motivators.
- It’s easy to figure out what motivates people.
- We’re all motivated by the same things.

Over the years, we have captured these take-homes about motivating staff, which we believe to be true:

Compensation

Salary, benefits and incentives are commonly viewed as key motivators of employees. As cited by Collins (2001), compensation and incentives should not be used to encourage the desired behaviours from people that do not belong on the bus, but instead should be used to get the right people on the

bus and to keep them there. Incenting *non-performers*, whether they are unmotivated or unable or unwilling to do their jobs, with pay raises and bonuses do not make them perform better, at least for very long. Surprisingly, incenting *motivated* people also does not make them work harder, because they are probably working hard already; incenting them rewards them for their efforts and shows appreciation for the contributions that they have made and will make. The recognition makes it more likely that they will stay.

Understand Your Employees

In order to understand what motivates someone, you have to get to know them. That takes time and it should be viewed as an on-going process.

Personal Relationships

You should not count on your developing a personal relationship with a subordinate, alone, to motivate them. You will need to develop a system and structure within your organization that comprehensively addresses their needs, through such things as: performance management systems, effective organizational structure, training and education.

Goal Alignment

In order for your motivational efforts to be effective for your company, you will need to find a way to align the goals of the organization with those of the employee. Changing an employee's goals may prove difficult, while helping an employee see how the company's goals are aligned with their goals, while time consuming, will likely be more productive. Also, take the time to show employees how their performance is linked to the success of the company.

Selection of Goals

Motivation often comes from the achievement of a person's goals. Endpoints and goals established by management should be measurable, achievable, well-defined, and acceptable to the employee. Having the employee participate in goal setting allows them to take direct ownership of programs.

Personal Recognition

The personal recognition of an individual's success and accomplishments, and showing your respect for them can be highly motivating. However, you need to recognize an employee's performance or their action when you see it and soon after it has occurred. Celebrating the successes of an employee may be just as important to them as their personal achievement, itself. Personal notes can work as well as public recognition for some people.

Employee Participation

Allowing people to participate in planning and other discussions that affect them and/or their co-workers may not always be productive but can be highly motivational. Also, asking an employee's opinions or ideas is a way of showing respect for that person.

Non-cash Incentives

Ways to recognize your staff's achievements include: gifts, time-off, vacations, tickets to entertainment events, and awards. Be sure to make your recognition seem to be spontaneous, so employees do not come to see it as an entitlement.

■ Conclusions

We heard it said at countless meetings, award ceremonies, annual banquets and staff meetings, by both upper and middle level managers, things like:

"The company is only as good as its staff."

"We have the best staff in the world."

"We are going to do this for you (.....sometime in the future)."

"Join us or stay with us, and we will take care of you."

Unfortunately, these remarks often come across as being highly patronizing to most employees, being made at times of high emotion or inspiration, or out of guilt. Despite the general feeling among leaders that inspirational speeches motivate people to higher levels of endeavour on behalf of the company, we believe that a company's actions on behalf of their employees speak louder than words. Top-performing companies possess a high proportion of top-notch performers at all levels, not because they have an inspirational leader, but because they have built their "people systems" from the ground up. Putting together and maintaining a strong staff are usually inordinately time consuming and extraordinarily difficult. That is why most companies fail in this regard.

To become one of the Best Pig Businesses in the World, at least in terms of sustainable profitability, your actions must speak louder than your words. In most cases, saying "thank you" frequently, together with always showing your respect and consideration for your staff, will lay the foundation upon which you can build a top performing team.

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