

# Staffing and Organization

Chapter 13

Farm Management: Principles and Strategies, Kent Olson, 2003

## Chapter Outline

- Human and employee needs
- Human resource management
- Business organization

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## Human and employee needs

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## Maslow's basic human needs

- Physiological
  - Air, water, food
  - Pay, work breaks, ventilation

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## Maslow's basic human needs

- Physiological
- Safety
  - Avoiding pain and danger
  - Safety guards, tractor cabs, protection from animals, rest breaks
  - Health insurance

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## Maslow's basic human needs

- Physiological
- Safety
- Belonging and love
  - Need to be part of a group, close relationships
  - Part of the business, avoid "them vs. us", relationships between workers

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### Maslow's basic human needs

- Physiological
- Safety
- Belonging and love
- Esteem and self-esteem
  - Accepted by others and ourselves, status, recognition by others
  - Promotions, responsibility, awards, public comments

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### Maslow's basic human needs

- Physiological
- Safety
- Belonging and love
- Esteem and self-esteem
- Self-actualization
  - Realizing potential and using it, increasing abilities
  - Good interviews, training, advancement

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### Maslow's basic human needs

- Physiological
- Safety
- Belonging and love
- Esteem and self-esteem
- Self-actualization
- Cognitive understanding
  - Knowing and understanding ourselves, "Why are we here?"
  - Where do I fit in the business?

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### Maslow's basic human needs

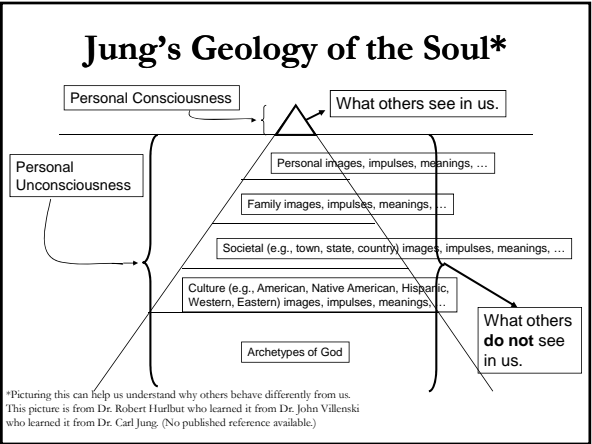
- Physiological
- Safety
- Belonging and love
- Esteem and self-esteem
- Self-actualization
- Cognitive understanding
- Aesthetic needs
  - Need for beauty
  - Clean, nice places to work

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### Maslow's basic human needs

- Physiological
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- Esteem and self-esteem
- Self-actualization
- Cognitive understanding
- Aesthetic needs

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### Employee needs

- Responsibility
- Authority
- Accountability
- Compensation

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### Reasons for quitting a job

- 7% said: limited time off
- 8% said: lack of training
- 10% said: lack of recognition
- 13% said: lack of achievement
- 13% said: lack of responsibility
- 14% said: low salary
- 17% said: problems with the boss & the boss's family

Source: Thomas and Erven, 1989

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### Human resource management

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### Human Resource Management (HRM) steps

1. Assessing of the present situation
2. Developing tentative job descriptions
3. Matching present employees & other workers to tentative job descriptions
4. Developing job descriptions for the remaining tasks
5. Recruiting, interviewing and hiring of employees who fit those job descriptions

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### HRM steps, continued

6. Training employees
7. Motivating, leading, and directing employees and colleagues
8. Evaluating performance
9. Compensating employees

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### HRM by management function

- Planning
  - Assessing the situation, estimating the number and type of people needed, writing job descriptions, setting employee goals and standards, setting wages and incentives
- Organizing
  - Interviewing, hiring
- Directing
  - Training, leading, supervising, motivating, compensating
- Controlling
  - Evaluating employees and determining incentive pay, taking corrective actions: reassign, retrain, release

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### Assessing the situation

- Determining the amount of labor available
- Listing the jobs that need to be done
  - And the labor required
- Comparing the amount available and amount required
- Estimate hiring needs

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### Labor estimate worksheet (fig 13.1)

- 1) Total labor hours available
- 2) Off-farm work
- 3) Hours needed for crops
- 4) Hours needed for animals
- 5) Hours of indirect labor needed
- 6) TOTAL LABOR HOURS NEEDED
- 7) Additional labor hours needed
- 8) Excess labor hours available

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### Job design

- Combining tasks that are
  - complementary to each other and
  - interesting to the worker
- Worrying about
  - Job satisfaction and
  - Job dissatisfaction

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### Job Satisfaction Factors

- Achievement
- Recognition
- The work itself
- Responsibility
- Advancement

(Source: Herzberg, 2002)

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## Job Dissatisfaction Factors

- Company policy and administration
- Supervision
- Pay
- Working conditions

(Source: Herzberg, 2002)

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## A complete job description includes

- Responsibilities
- Authorities
- Evaluation measures
- Required & desired qualifications
- Supervision
- Time expectations
- Compensation package:
  - Wage, salary, bonuses, incentives, benefits

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## Farm Operator Assistant (Fig. 13.2)

### Duties & responsibilities

1. Plant and harvest crops
2. Cultivate row crops
3. Cut, rake, bale alfalfa
4. Drive grain truck as needed
5. Do general maintenance on equipment and tractors
6. Buy parts and supplies for general maintenance
7. Notify owner of needed repairs

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## Farm Operator Assistant (Fig. 13.2)

### Authorities

1. Do general maintenance on schedule
2. Buy needed parts and supplies within budget provided by owner
3. Decide which fields need to be cultivated

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## Farm Operator Assistant (Fig. 13.2)

### Accountability

- The employee will report to the owner
- Expenditures for parts and supplies have to be appropriate and within budget
- Machinery has to be maintained
- Row crop fields have to be cultivated

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## Farm Operator Assistant (Fig. 13.2)

### Evaluation standards

1. Equipment and tractors properly maintained
2. Cultivation done in timely manner
3. Level of weed infestations in field
4. Quality of field work
5. Purchases within budget
6. Punctuality and regularity of work time

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### Farm Operator Assistant (Fig. 13.2)

#### Required qualifications

1. Able to drive a tractor in a straight line
2. Be able to lift 80 lbs. from ground to height of pickup bed
3. Able to do general maintenance on machinery
4. Able to order and buy parts and supplies
5. Background knowledge of farming and agriculture

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### Farm Operator Assistant (Fig. 13.2)

#### Desired qualifications

1. Ability to operate combines and other machinery
2. Ability to keep maintenance records
3. Willingness to work long hours during planting and harvesting
4. Licensed to drive grain truck
5. Ability to identify weeds

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### Farm Operator Assistant (Fig. 13.2)

#### Compensation package

- \$8 per hour
- Time and a half when over 50 hours per week
- Health benefits for worker
- Family benefits available at ½ cost
- Meals while working
- Pickup truck available

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### Recruiting

- Advertising in proper places
- Written clearly
- Minimum qualifications listed
- Information to help self-select applicants

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### Interviewing and selecting

- Job specific questions to evaluate
  - Candidates
  - Their knowledge
  - Their ability to do the job
- Job specific tests
  - Written tests
  - Demonstrations of skills
- Generic interview form: Figure 13.3

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### Farm Operator Assistant (Fig. 13.2)

Five questions for an interview

- A. Describe your experience with driving large machinery
- B. Describe your knowledge of weed control
- C. What would you check before starting and operating a tractor?
- D. How deep should you run a cultivator?
- E. How would you decide it is time to buy more oil for the machinery?

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### Farm Operator Assistant (Fig. 13.2)

Three tests that would evaluate the applicants abilities needed for this job

- A. Drive a tractor in a straight line for 200 yards
- B. Lift an 80 lb. bag from the ground to a pickup
- C. Change oil and filter on a tractor

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### HRM steps, continued

6. Training employees
7. Motivating, leading, and directing employees and colleagues
8. Evaluating performance
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### Training

- Needed regardless of experience
- Orientation for new employees
- Training for review
- Training to promote safety
- On and off farm
- Going with the employee

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### HRM steps, continued

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### Motivating, leading, directing

- Related to Maslow's list of basic needs
- Non-monetary and monetary methods
- Best methods and styles will vary with employee and employer

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### HRM steps, continued

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### Evaluation

- Evaluation is the major source of control
- Evaluation should be done annually at least and preferably more often
- Both commendations and reprimands
- “Catch them doing something right”
- Good training can eliminate many bad evaluations

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### Evaluation, cont.

- Done on the basis of quantitative standards or measures
  - Written in the job description
  - Controllable by the employee
- If no quantitative measure is available, use a quantitative scoring system

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### Farm Operator Assistant (Fig. 13.2)

Three quantitative measures for evaluating performance

- A. Machinery maintained on schedule
- B. Level of weed control in cultivated fields
- C. Punctuality and regularity of work schedule

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### Negative evaluations:

The 4 R's:

- Retrain
- Reassign
- Reevaluate
- Release

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### HRM steps, continued

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## Compensation

- Determined by the labor market
- Base salary
- Incentive programs
- Benefits, fringes, perks

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## Incentives and bonuses

- Reward what you want done
  - Specific to the job
  - Controllable by the employee
  - For best results: goals known by the employee
  - Suggested % of the cash wage:
    - 2-5% for semi-skilled workers
    - 4-10% for skilled workers
    - 5-40% for supervisory & management employees
- (Source: Thomas and Erven, 1989)

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## Percentage of employees on hog farms indicating availability of benefits (sample)

Medical insurance	72%
Dental insurance	35
Disability insurance	33
Paid vacation	87
Paid holidays	70
Workers' compensation	67

Source: Hurley et al., 2000

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## Business Organization

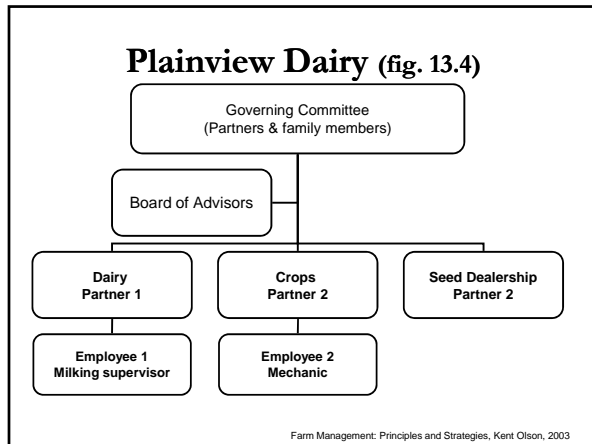
Organization chart  
Board of advisors  
Legal business organization

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## Organizational chart

- Who's in charge of what?
- Improves:
  - Communication
  - Understanding
  - Business operations
  - Goal and objective fulfillment

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**Board of Advisors**

Provides a farmer:

- A better understand the business and the economic environment
- Collective wisdom of intelligent people
- A third-person view without the emotional ties to the business

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**Business Organization, legal forms:**

- Sole proprietorships
- General partnerships
- Limited partnerships
- Sub Chapter-C corporations
- Sub Chapter-S corporations
- Limited liability companies

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**Percent of Farms by Type of Organization , 2002**

	U.S.	MN
Individual or family (sole proprietorship)	89.7	90.5
Partnership	6.1	6.3
Corporation		
Family held	3.1	2.6
Other	0.3	0.2
Estates, trusts, corporations & institutions	0.8	0.5

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