



MANAGER'S NOTEBOOK

by Dr. John Foltz, Dr. Jay Akridge and Jim Miller

You get what you pay for –

and other true tales of employee management

Finding, hiring and keeping good people presents a challenge in any industry and the feed and grain industry is no different. In fact, due to the rural nature of the industry, many managers have even a more difficult time than businesses located in larger metropolitan areas.

In this issue we take a look at a number of issues which surround your workforce. Employee management can be rewarding and is certainly essential, but often maddening at the same time — because you are dealing with people! Personnel issues can be the sources of your best successes as well as some of your worst nightmares. So, how do you work toward achieving more of the former, and less of the latter? Keep reading below for our insights and answers.

Decide what kind of employees you want

There have been numerous books and management columns written on the employee hiring process (including Manager's Notebook: "Finding Great Employees: Winning the Battle for Talent," October/November 2006 and "Hiring a New Manager – Where Do You Go From Here?" August/September 1997), and we won't focus on that process in this column. However you do need to decide "what kind of employees you want." Do you want

the kind of employee you need to "hold back," and just point in the right direction? Or do you desire the kind of employee you need to keep pushing and that requires constant motivation? We much prefer the former!

Our point is that in our experience — both from personal experience and observation and discussion with managers in the feed and grain industry — that business will be more successful, and you will be much happier as a manager, if you seek out employees who make you "stretch." These are the people that are always seeking things to do, new projects to work on, ways to make their job and your business more productive.

Really thinking through the personal characteristics and qualifications you are looking for is a starting point for locating the kind of employees you want. Our point is don't lose sight of those terribly important *attitudinal* characteristics such as being a self-starter, positive, creative, strong work ethic, collegial, etc. in your search process.

Hire good people

Nobody intentionally hires a bad employee. But what defines a "good employee" for you and your business? Is it someone who just does their job and doesn't cause problems? Or is it an employee that is a good team player, gives more than is asked for and does not need constant

supervision? If your answer to any of this second set of questions is "yes," then it may be worthwhile to invest a bit more time and effort into the hiring process. You can uncover details about some of these traits by asking potential employees about hypothetical scenarios which involve decision making, teamwork and ambition.

Questions such as:

1. (For a truck driver candidate)
If our company needed you to fill in for one of the feed mixers, how would you feel about doing this? What questions would you ask to understand their job?
2. (For an inside salesperson)
If a customer asked you to honor a sale price for an item, which had gone off sale one-and-a-half weeks ago, and I (as manager) was not in the office, what would you do?
3. (For a millworker) Let's say you discover a situation where you feel the firm could save some money — how would you handle it? What if the change you propose changed the nature of your job or that of your fellow workers?

Questions such as these might elicit a thoughtful response about how the prospective employee would talk to their supervisor, or their adaptability to change.

We would also suggest taking a hard look at the experiences a potential employee has had, and asking them about how they demonstrated some of these traits in their job.

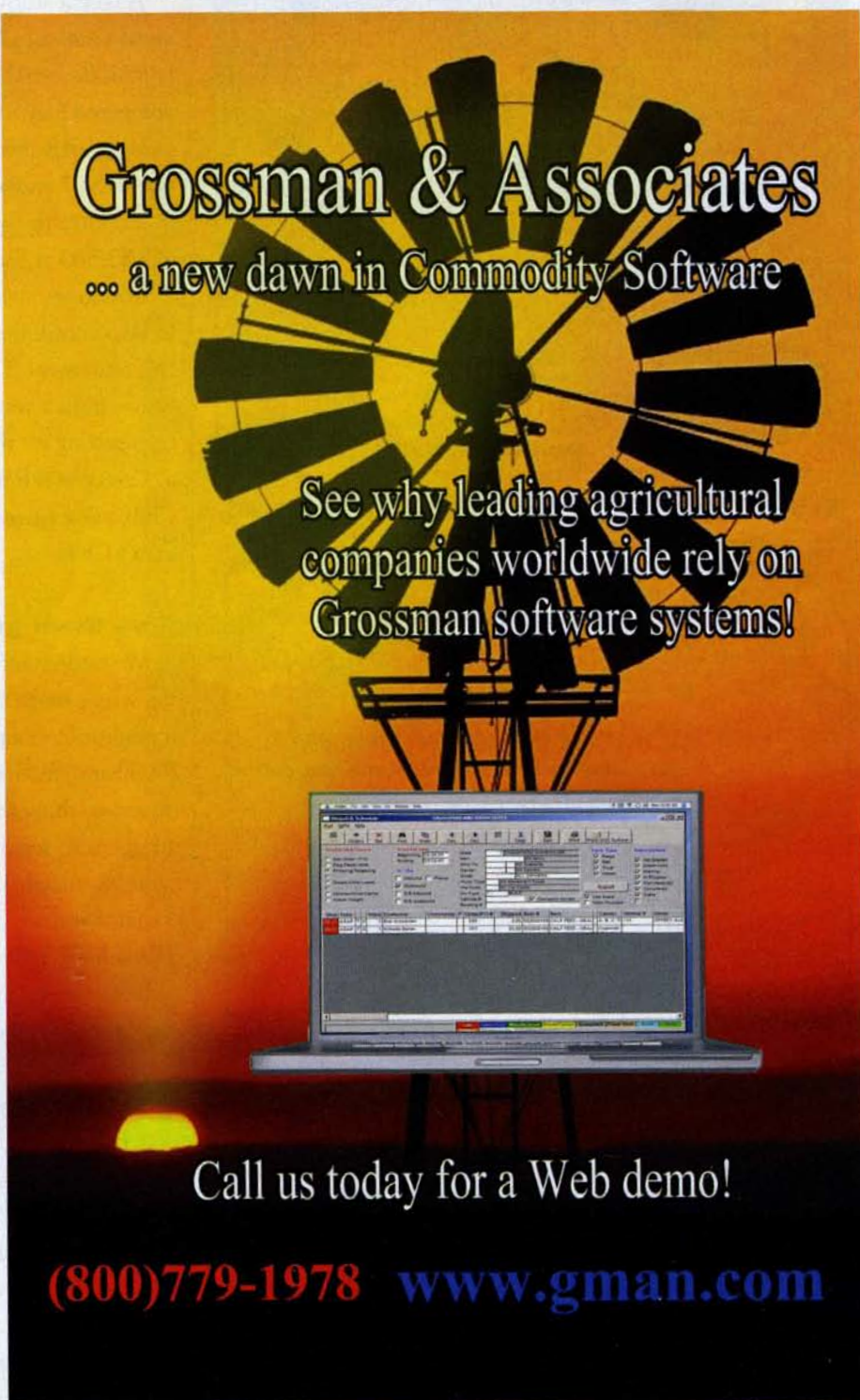
Another good way to ferret out the capabilities of job candidates is to ask questions of their references. We know getting references to say much in today's legal environment is

very difficult, but if someone is willing to talk about a candidate, it sure makes sense to explore what they have to say.

You will likely want to include others in your organization in the interview; if you have a strong team, they can play a critical role in screening for the traits important

to you. Give them situational questions, ask the candidate specific examples about their previous roles, explore their references carefully, and engage others on your team. Do this and your batting average for landing quality employees will go up considerably.

Another piece of this puzzle is to



Grossman & Associates
... a new dawn in Commodity Software

See why leading agricultural companies worldwide rely on Grossman software systems!

Call us today for a Web demo!

(800)779-1978 www.gman.com

Go to www.feedandgrain.com/einquiry and indicate inquiry #65

TRUCK PROBES



GAMET MANUFACTURING
698 Prior Ave. North • St. Paul, MN USA 55104
Phone: (651) 647-5410 • Fax: (651) 647-5412
Toll Free 888-647-5475
www.gametmfg.com

Go to www.feedandgrain.com/einquiry and indicate inquiry #66



SUNFIELD
Engineering Incorporated®

CONSULTING ENGINEERS

231.228.4400

How much storage do we really need? • What can be done to improve our product quality? • Where can I fit a new process into our existing plant? • How do we incorporate biosecurity measures into our processing facilities? • When does it make sense to renovate versus building a new plant? • How can I reduce my labor costs? • Who can help me develop a proprietary process? • What is the estimated useful life of our existing plant and equipment? • How much can we save if we act as the general contractor on our next project? • Who can give me the facts on concrete and steel structures? • What are our options for eliminating bottlenecks and maximizing the capacity of our existing processing systems? • How can we phase our expansion and expenditures? • What are my options? How much will it cost? • Where can I save money?

Engineer Your Bottom Line
PERFORMANCE • PROFIT • PAYBACK

www.sunfield.com

Go to www.feedandgrain.com/einquiry and indicate inquiry #67

— if possible — offer overly competitive wages. This may sound like bad advice, but consider the old adage “you get what you pay for.” Research in various industries (unfortunately not the feed and grain industry — or at least we are not aware of such studies) has shown that given similar jobs across different companies, that the better paid employees are more productive, have less turnover, and require less managerial oversight (make your job a lot easier).

A recent study published in Business Week (http://www.businessweek.com/magazine/content/04_15/b3878084_mz021.htm) regarding the retail industry, compared Sam's Club (owned by Wal-Mart) and Costco. Findings indicated that the average hourly wage at Costco was \$15.97 and at Sam's Club was \$11.52; and the average health cost per employee was \$5,735 at Costco and \$3,500 at Sam's Club; twice as many employees at Costco are covered on the company health plan and Costco contributes twice as much toward each employee's retirement. They are investing more in their employees — from a wage and benefit standpoint, but what are they getting for their investment? Employee turnover at Costco was 6%/year, compared to 21%/year at Sam's Club; sales/square foot were \$795 at Costco vs. \$516 at Sam's Club.

Give them guidance and direction

We understand that every feed and grain business has the whole range of job types from those that require less thoughtfulness and creativity on the part of the employee (mill hand, truck dump supervisor, feed mixer, truck driver) to those that require more of these traits (outside salesperson, department manager, plant manager, administrative assistant). Our point, as we discussed previously, is that if you are creative, you can find ways to make even “lower level” jobs responsible and creative.

Now, you might be saying, “hold on a minute, this can't apply to all of my employees?” You might agree that it applies to your administrative assistant position in your office, but won't work with your feed truck driver position. It might be a stretch, however, but thinking of the job and the person, can you outline your drivers' positions so that they feel responsible for the *entire* job from their equipment to their appearance to the quality of the feed they are delivering? Hire folks for these positions that take pride in your business and their job. Have them wax and clean their delivery truck. Have them develop an equipment checklist that they go through on a weekly basis. This provides them a sense of ownership and pro-

vides you feedback on the upkeep of your asset. Ask them to keep track of mileage and fuel consumption, and calculate miles per gallon and then give out recognition for your most efficient drivers.

How many right ways are there to get a job done? It is human nature to want things done "our way," and certainly there sometimes is a "right" or "wrong" way. As a manager, your responsibility is to get things done and the only way to accomplish this is to give people the opportunity to think for themselves as you provide them assistance and counsel. And if you hire good people — their way may be a better way!

Some key employee management caveats

There are several points that may assist you in general employee management:

1.) **Employees should know the mission of your company.** This can be covered in new employee orientation, but should be reinforced on a periodic basis.

2.) **Employees should know the goals of the company.** These tend to be shorter-term in nature — annual or quarterly goals on sales, feed tonnage or grain throughput. Knowing the company's goals assists with developing a team spirit and esprit de corps.

3.) **Garnering employee input.** This does help promote employee "buy-in" and thus, employees feel their ideas matter when working on setting your firm's goals and policies. Seek their input when and where appropriate.

4.) **Employees also need to know their job matters to your company.** Periodically thanking individual employees for working for you and offering praise for jobs well done and genuinely letting them know you appreciate their effort generates a lot of goodwill. Our advice is to praise lavishly, criticize sparingly — all done appropriately and sincerely.

5.) **Giving constant feedback.** We have touched on employee evaluations in this column previously (FEED & GRAIN: April/May, 2006 — "Warning! Employee Evaluations Approaching"). However, the focus of that and other human resource approaches focus on the "official" employee evaluation. Informal feedback can be gentle, persuasive and important. There is a fine line between this and the "micromanaging" approach we mentioned previously — and you have to find the "sweet" spot — easy to say, but tougher to do. The notion of coaching, especially if you have good people, is a useful perspective. Guiding, supporting, encouraging, teaching, practicing, setting expectations, etc. are all elements of a successful coach and such a perspective can be a

good guide to your own management activities.

6.) **"What's in it for me (your employee)?"** We understand that motivating and managing employees is as much an art as a science but both aspects can be learned. Good managers help employees to understand the company's mission and goals as stated above, but also by finding that appropriate mix of goals shared by both the company and your employee.

7.) **Where to go, or what they need to do if they need help.** Creating a supportive, safe environment for your people to be able to seek answers to questions about policies, procedures, or other assistance — is key to developing a trusting relationship and allowing for problem solving.

8.) **Has your employee made the connection at work?** Do they fit in to your company culture and does your firm help them fit in? A good employee orientation and introduction can assist with this. Periodic company events — picnics or BBQs or invitations to join a company bowling or softball team — can also help achieve this. In addition, you as manager can show them that you care, that you're human. Ask about their health, families. Show concern and don't be aloof. Use a bit of self-deprecation and lose the arrogance. While it may sound trite, apply the Golden Rule liberally and "Do unto others as you would have them do unto you." These are the types of people we all like to work for, and your employees are no different.

Concluding comments

As we have touched on in this article, everybody wants to hire and keep good employees, and hopefully we have given you food for thought regarding the hiring and management process. Learning how to best manage your people takes time and effort. But it can definitely pay big dividends not only in terms of your job satisfaction as a manager but also to your bottom line. ■



Dr. Foltz is Associate Dean, College of Agricultural and Life Sciences and Professor, Department of Agricultural Economics and Rural Sociology, University of Idaho, Moscow, ID. Mr. Miller is Prairie Operations Manager, Primeland Cooperatives, Lewiston, ID. Dr. Akridge is Dean, College of Agriculture and Professor, Department of Agricultural Economics, Purdue University.