

Finding Great Employees: Winning the Battle for Talent



When you start looking at factors which impact the success of a grain and feed business, there is just no substitute for good employees. Period. Nothing new here, every single grain and feed manager worth his or her salt understands this truth. But, understanding this reality and finding (and keeping) employees who can truly make a difference in your organization is something altogether different. Ask any grain and feed manager what their top three challenges are, and we will wager that recruiting quality employees is among the list.

There are plenty of reasons for the challenge: shrinking pool of people with traditional, agricultural backgrounds; the pull of urban areas, higher wages, and more

benefits; concern (maybe unfounded) about working for smaller, rural organizations, and the list could go on.

Given the importance of the issue, we will dig into some of the key elements of framing a recruiting strategy, and boosting your odds for success in the battle for talent. First, we will take a look at recruiting goals. Then we will explore what prospective employees want and how to best position your company as an attractive employment opportunity. Finally, we will consider where to find great employees, both entry level as well as those with more experience. We hope to leave you with a better plan for fighting this talent battle.

Setting recruitment goals

While it may seem like an odd question, what is it that you want to accomplish with your recruiting efforts? If your answer is deeper than “find good people”, you will probably have some useful insights that can focus your recruiting energies. Begin by identifying areas where your organization is facing challenges in recruitment. (Remember to write these down: Written goals are much more effective than those which are nothing more than a passing thought.)

Some examples of recruiting goals might be:

- Reduce amount of time to fill a vacancy
- Reduce costs to recruit employees
- Improve productivity via more qualified employees
- Improve retention of new employees
- Better identify candidates within your organization and across your network of contacts
- Improve understanding of expectations of both employee and employer

Keep in mind your overall business strategy when surfacing these goals. Does your firm expect to grow? What qualities make an employee successful in your feed and grain business? What type of positions are you trying to fill? What type of people are required to deliver on the promises you make to customers? With these goals written down, you can start thinking about what prospective employees are looking for in a position/career.

What do potential employees expect?

What do prospective employees want today from their employer, their career? The emphasis here is on "today" – and getting your mind around this question may be challenging if you are a long-time feed and grain firm manager. As you might imagine, compensation is part of the answer, but certainly not all

Competitive compensation and benefits: There is little question that prospective employees will move toward jobs which will pay them what they feel they are worth. Incentive programs and bonuses are effective at attracting employees to your company. Most quality employees today will look to their employers for health insurance and retirement benefits. Most managers would agree that a competitive benefits program is essential for recruiting and retaining top employees. (A good resource for more information on employee salaries can be found on Monster.com's salary guide: <http://salary.monster.com>)

Flexibility and balance: Some research has shown that many employees value a balanced lifestyle over high salaries. A typical employee's workload is increasing, and many employees feel they are stretched too thinly. Many small and mid-sized businesses may have an advantage over large firms in terms of flexibility, and can meet this need better so use it when recruiting.

Challenge and growth: Top employees want to work for firms that will allow them to apply their skills and push them to succeed. Employees who feel challenged by their position will more likely be productive and take ownership in their work. They should also know that if they succeed they will have the opportunity to take on more responsibility. Again, in a small and mid-size firm, there is often a much more direct link between an employee's actions and firm performance – they can see the "fruits of their labor." If you are looking for individuals who want responsibility, use this opportunity to make a difference to your advantage.

Open lines of communication: Employees in grain and feed firms will likely have much more interest in a position if they know their opinions and ideas will be heard and taken seriously. A recent study published by Leigh Branham in her book *Keeping the People Who Keep You in Business* found that as much as 50% of an employee's job satisfaction can be related to that employee's relationship with his/her manager.

Making your company attractive

How do you make your company attractive to these potential employees? It is far easier to find quality employees you want if they want to find you. Two factors, reputation and culture, can play a major role in making a firm attractive for potential employees.

Reputation: It has been said that the best way to recruit quality employees is to have a good reputation. Your firm's reputation can be your company's best selling point, or biggest hurdle. This is especially true in the grain and feed industry where the close-knit nature of a small agriculture and agribusiness community allows for word-of-mouth communication regarding a company's reputation. And, such word of mouth can be very helpful . . . or very damaging.

A 2000 study by Daniel Cable and Mary Graham in the *Journal of Organizational Behavior* focused on the factors that affect an individual's opinion about a firm. These individuals, soon to be college graduates, were ready to enter the job market in a variety of fields. The results showed that the top three elements which potential employees valued were the (1) industry a business was engaged in, (2) opportunities for growth, and (3) organizational culture. A peer's endorsement was ranked 6th while the company's size, legitimacy (established image), and financial strength ranked 7th, 8th, and 10th respectively.

Small and mid-size grain and feed firms may face a disadvantage when it comes to growth opportunities.

Cable and Graham (2000) Reputation Study

	Rank	% of importance (of 100%)
Industry type	1	19.6
Opportunities for growth	2	18.9
Organizational culture	3	15.2
Organizational exposure/ prev. experience	4	13.8
History/age of firm	5	7.2
Endorsement by peers	6	6.9
Firm size	7	5.9
Legitimacy (established image)	8	5.3
Locations in foreign countries	9	3.1
Financial strength	10	1.7
Diversity	11	1.6
Office setting	12	0.1

Table 1. Factors affecting potential employee opinions about a firm

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The company may be limited in the scale and scope of operations. While these may be disadvantages, a small or mid-sized grain and feed business will often be perceived as a more family-like operation compared to a large corporation. And, even in smaller firms, there may be far more growth possibilities than the size of the firm would seem to indicate. We know of grain and feed firms that have created new divisions/opened up new geographies, just because they had the "right person" on board to pursue the opportunity.

Culture: A company's culture can be defined as the shared values and practices of employees in a company. Many managers may not have given much thought to putting their company culture into words. It may be helpful to ask yourself the following questions and use your answers to help you best position your firm for prospective employees. Be honest with yourself.

- How many hours are expected out of employees each week?
- How would you describe the relationship between employees and management? Upper management? (ex. friendly and/or professional)
- How often are employees put in stressful situations?
- Is a portion of compensation tied to aspects of job performance?
- How much autonomy are employees provided?
- Do employees have the option of flexible hours to accommodate family or personal obligations?

It is important to be upfront about company culture with potential employees. If a position is going to require long hours or lots of travel, a potential employee needs to be aware of this.

Small and mid-sized grain and feed firms can enjoy an advantage over larger firms when it comes to company culture. A rewarding workplace where employees can feel they are treated as individuals can appeal to a potential applicant. Giving a clear picture of your company's culture is important. This includes pointing out less desirable aspects of the position as well. If an employee is aware of what to expect when taking a job, they will be less likely to become dissatisfied regarding negative aspects of a job assignment. However, if an employee feels the tasks which they are performing do not match their implied or written job description, then the employee will have fewer reservations about putting in less effort or leaving the firm. Likewise, you can use your assessment of your culture as an evaluation tool for

the prospective employee: Finding an employee who fits the culture is likely a much better strategy than hiring one and trying to "bring him/her around."

Where do you find employees?

A library full of books has been written on where and how to find employees. Methods for recruiting employees vary by the type of position you are trying to fill. Recruiting can be expensive, but dealing with and replacing an ineffective employee is probably even more expensive. It is important to seek out a mixture of recruitment methods which make you feel confident that you have access to a satisfactory pool of potential employees for your position. By no means are the sources for employees in this article exhaustive. Included are some tried-and-true methods as related by four CEOs of small and mid-sized agribusiness firms in the Midwest.

Their key sources of employees included:

- Personal networking
- University professors
- Within their organization
- Recommendations from other employees
- Channel partners
- University career fairs
- Trade shows
- Internships
- Internet (www.agcareers.com, etc.)

Personal networking is still one of the most effective ways for feed and grain businesses to recruit new employees. Contacts with local high school teachers, other small businesses, and civic organizations can point you in the right direction when it comes to finding potential employees of good character.

Contacts with universities will often provide referrals to students who will perform well at positions that require a college background. Professors and/or career counselors will be familiar with students, and if they are familiar with your operation, they can often be a good start toward finding a good match. This is an area overlooked by many small and mid-size firms: There are university graduates looking for opportunities in small and mid-size agribusiness firms, and many times it takes establishing a relationship with the college or university to find them.

Employee referrals are also very helpful in finding new prospects for a small or mid-sized business. Current employees can be effective recruiters because they are

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familiar with day-to-day operations of a firm, and they are able to recognize a good match with your firm's culture

Networking within your industry can prove fruitful when it comes to recruiting. Contacts with other businesses or suppliers can provide tips on potential new employees. Trade associations can also be helpful when it comes to locating quality employees. Many of these associations

keep a database of open positions and can effectively advertise these positions.

Internet technology is being used increasingly by small and mid-sized business owners. This technology is in many cases replacing traditional newspaper classified advertisements. This low-cost technology is making it possible for small businesses to compete for talent more effectively.

Internet-based recruiting firms can be effective as they are readily available, can spread out their Web costs, and deliver access to a significant number of potential applicants.

A focus on entry-level employees

One of the best recruitment tools for finding entry-level employees is an internship. Many managers (and students) view an internship as a three- to six-month job interview. This is an opportunity for a potential employee to gain familiarity with the industry as well as a specific company. And, even small firms can utilize this approach – it is a great way to get connected with your local college or university. (And, you might even consider a high school intern program.) One caution: If you are going to start an intern program, make sure the work is meaningful and relevant. We regularly hear of stories of really bad intern experiences from students. If you are not ready to really give the student an experience that is somewhat similar to his/her first job — treating them like an employee — don't go down this path.

If your firm does not offer an internship program, it is still helpful to pay extra attention to applicants who have participated in an internship within your industry. These applicants generally have an edge over their peers as they have a greater understanding of the feed and grain

industry. Depending on the type of position you are hiring for, you may want to place an emphasis on leadership experience. An applicant's leadership potential can often be measured through references as well as involvement in school organizations.

A focus on experienced employees

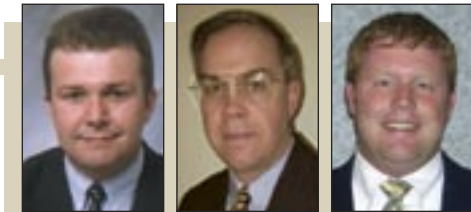
In addition to using traditional recruitment tools, one of the best places to look for middle and upper management employees is your own firm.

Business owners and upper management should work to ensure that lower managers recognize talented employees and bring them to mind when it is time to fill an open position.

Keeping new hires and some final comments

The surest way to keep the employees which you have recruited is to follow through on the promises made while they were being recruited. One study by Jill Kickul in the *Journal of Small Business Management* (2001) found there was a strong relationship between perceived breach of contract on the employer's part and employee turnover. It was also found that employees who felt they were shortchanged are more likely to withhold contributions, as they did not feel valued.

To be sure, smaller and mid-sized grain and feed companies face many challenges in recruiting quality employees. Don't shy away from selling the advantages your organization may bring to the table — flexibility, respect, collegial work environment, recognition, leadership possibilities, etc. — all of these can go a long way toward tipping the battle for talent in your favor. ■



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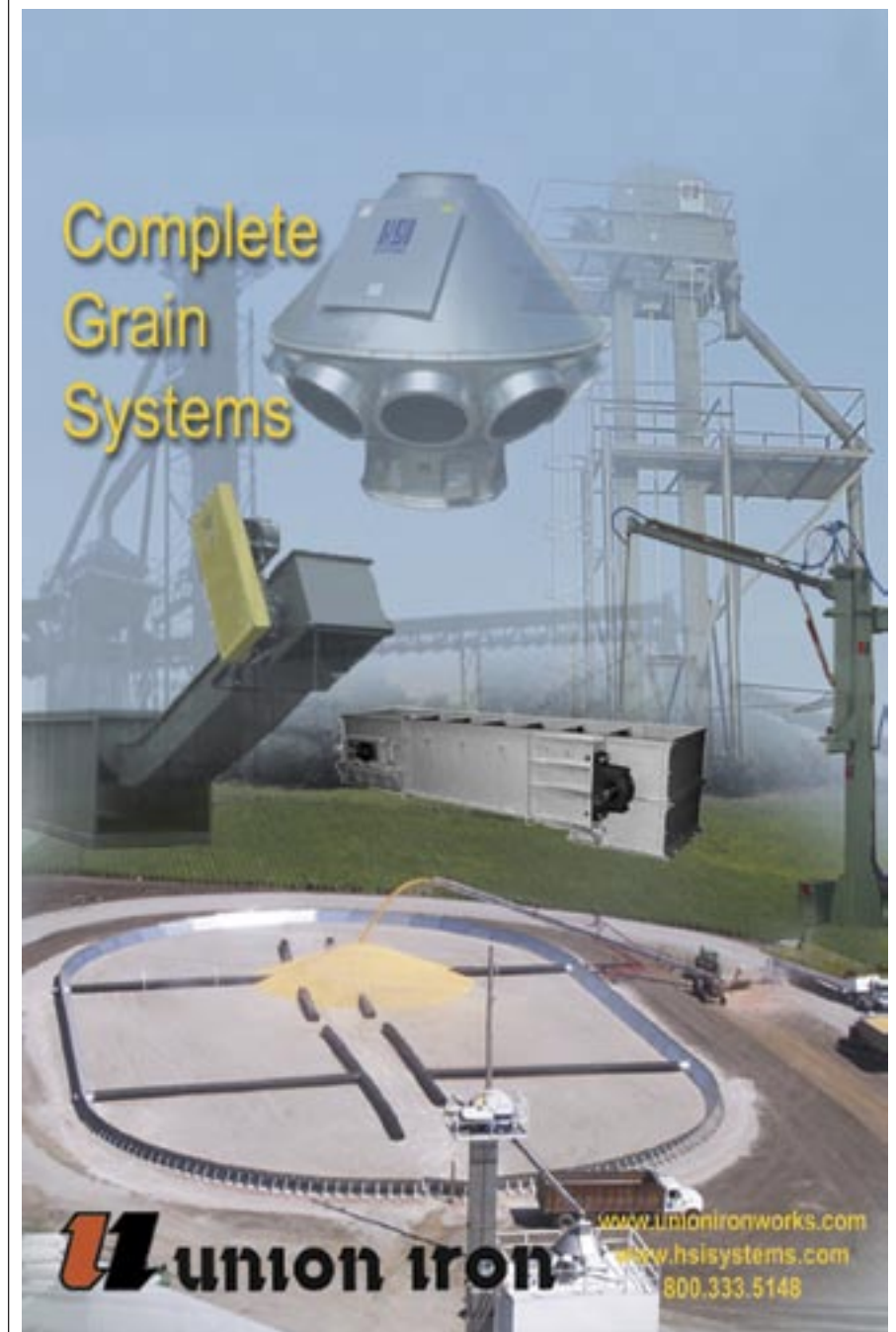
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