

# WATER STREET SMARTS

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## Managing Employees on the Farm

Ken Rahjes spoke with Water Street Solutions' Director of Operations Larry Custer

**Q:** We're going to talk about managing employees on the farm. We talked about hiring labor for the farm, so today let's focus on keeping those employees and also them being productive. I understand there's a big cost to not hiring the right person for the job.

**A:** I think most of us don't recognize the full cost of mis-hiring or mis-promoting someone who's really not meant for our operation. If you look at top companies, they track the money they spend on mis-hiring and mis-promoting employees. They hold the managers accountable for those decisions. While that level may not be important on the farm, it's a good idea to think about these things, to motivate ourselves to be more diligent and not skip steps, to improve our skills in the hiring and training processes.

If you think about the cost, whether it be the time spent in just hiring, so if you look at the cost of hiring, whether it's an ad you placed, how much time you spent interviewing and if you are using multiple interviewers, you have to add all these things up. The compensation that you were willing to pay but you didn't get the work for that money you paid, or sometimes it's someone who lacks stewardship and has either damaged equipment or made a mistake that really shouldn't have been made, or worse yet if he's someone who has even filled up their truck with gas or diesel out there on the farm and that's not part of the benefits package... These can be really costly mistakes.

**Q:** How important is it in the training process to get that employee started off right?

**A:** It's absolutely critical. It's way different from hiring a family member. If you think about it, one of the reasons that we think our family excels over the employees is that we don't really factor in that they've had ten or twenty years to become familiar with the operation. With a new employee, we're trying to describe where the back 80 is: "Take a left where the old red barn once was..." People don't know where things are. They are unfamiliar with the operation. They don't know the culture of the farm. They don't know all the values that run that farm, and they certainly don't have the historical perspective. It also means something different to them because this isn't lineage, it's not a legacy, and it's very different. So there should be a training program that involves more than just the employee following the farmer around. Many of us when we were inexperienced, myself included, favored this "monkey see, monkey do" philosophy, and that's really not what it needs to be.

So think through what you want the employee to do and document it: "After a month I really want that person to be up to speed in *this* area, after two months *these* are all the

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things this person should have experienced or have begun building knowledge around.” You have to document these things so you can see what changes might need to be made in the future if something didn’t work out right with the last employee. There’s a great book out there called *E-Myth Revisited* by Michael Gerber. It can really help you understand that piece of it and why it’s so critical.

**Q:** There’s one thing we don’t want to talk about but it is important: Pay.

**A:** Pay is a factor, there’s no question. I always say, “The most expensive labor in the world is cheap help.” If you think about that a little bit differently, *minimum wage* really means *minimum help*; it’s not going to keep people there. Unfortunately today, everyone is a free agent. As we compete with jobs in town and with our neighbors, we have to be able to retain those employees or we’re constantly going to be in this training mode. If we’re not good at the training mode, it really means that we never have an employee on our farm beyond one season. They’re really not developing into great employees who are going to bring you long-term success.

**Q:** So how do you maintain good relationships with those employees?

**A:** To answer that we would need a lot more time than we have here today, but here are a few ideas. We know now through behavioral science that we need to be encouraging people. Feedback can be both negative and positive, but here’s the ratio that’s healthy: five strengths to every weakness. You need to be encouraging at least five times more than you’re discouraging, and we have a tendency to not do that. That takes a great deal of focus and a personal commitment that you’re going to be a better leader. That’s what better leaders do.

Another good idea is to meet with the family of the employee a couple of times a year. That could be a one-on-one dinner. Or if you have a larger staff, you could bring your employees together in the spring to talk about what each person’s role in the operation is and what the goals are. It doesn’t have to be a fancy dinner. Do it at the local diner, wherever; rent a private room. Have the folks out, get to know the kids. Maybe have one in the fall too, after harvest, to kind of celebrate what the successes were that year. You have to celebrate the small wins, so that means any achievement out there—when something’s done—deserves a high five, a pat on the back, or some other kind of encouragement.

If you look at predictors of long-term success for top performers in any job—and this is well-documented, it’s research-based, it’s Gallup poll-based—the greatest indicator of top performers after they’ve been in an operation for three years, is how well they were doing in their first six months. So it becomes our job as the manager or operator of that

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farm, to give them the tools they need to be doing well by then. It's absolutely critical that we start them out well.