



# Improving Soft Skills in Agriculture With Hard Core Strategies

How to Recruit, Select, Develop and Retain  
Employees

**Kristine Ranger, M.Ed.**

**2016 Co-Learning Plan Series**



Michigan State University  
EDA University Center for  
Regional Economic Innovation

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## INTRODUCTION

Learning has evolved to rely on technology, from mobile applications which enable businesses to function on the run; to software for constant contact; and to virtual tours used for promoting a product, service, or enterprise. We propose to combine the best of such technologies into a new service for rural businesses, all of whom share common labor-related issues. This new approach will be known as “virtual human resource management” or VHRM.

Human Resources (HR) is the human-focused side of corporation, specifically it is the workforce of an organization or business, also commonly referred to as “human capital.” Other terms for HR include “manpower,” “talent pool,” or “labor pool.” Together, these terms refer to the knowledge, skills, and attitudes (KSA) that an individual possesses, or a job, role, or function requires, to advance the interests of an organization or business. HR professionals caution that we are entering the era of Human Capital Management (HCM) where the value of people management practices will be judged solely on whether they create real value for the operation; however, the original purpose of HR was to optimize a company’s ability to perform and compete.

As used in this study, human resources contribute to the success and viability of agriculture production enterprises, including dairy, hog, and beef farms; equine operations; value-added enterprises such as wineries and direct market venues (farm markets, CSA, etc.); and business aggregators such as farmers markets, food hubs, orchards, greenhouses, and cooperatives.

For the purposes of this study, we have grouped these enterprises with annual gross cash farm income (GCFI) of \$350,000–\$4,999,999 into one category of medium to large enterprises or MLE’s. These family-run operations account for over 7% of all US farms. Each of these enterprises deals with human resources and must employ effective leadership and management strategies to attract and retain a labor pool.

Human Resource Management (HRM) is the application of best practices when hiring and developing employees, so they become a valuable asset to the organization and help it compete in the marketplace. Ideally, these employees are managed so they stay at one operation throughout their professional career. To do this, managers and supervisors must recruit the right people; provide timely orientation and individualized talent development opportunities; administer compensation and incentives, and tie those benefits to performance; understand high-performing teams; and provide consistent and clear communication to all employees at all levels in the workforce.

When an employee’s value is enhanced through learning and development, it is referred to as Human Resource Development or Talent Development, a subset of HRM. The essential skills management needs to be successful in this role include: coaching, counseling and mentoring; high emotional intelligence (especially self-awareness and self-management); an ability to delegate, direct, and develop others; and experience with building cohesive teams at all levels, including the leadership team at the top. These skills are becoming increasingly important in all types of agricultural production and value-added enterprises where managers often find themselves managing individuals, or groups of people, as much or more than they manage livestock, daily operations, or crop production cycles.

Given that human resources affect production, financial, and marketing decisions daily, it is easy to understand that HR may hinder or help management accomplish their objectives. Despite a lack of

formal training, one study (Mugera, 2004) found that managers of dairy farms considered HRM as one of the most important components to achieving profitability.

This shift in workplace culture can be very challenging to management teams who have little experience or education in the management of human resources. A review of available research on dairy operations shows a huge gap in management skills and the demand for organizational development (OD) on farms. OD focuses on recruiting, selecting, and developing employees within an overall retention strategy and management system to reduce turnover, attract higher quality candidates, and improve job performance and satisfaction.

Organizational Development (OD) is a wholistic application of research, theory, and practice to expand an employee's KSA and drive organizational change. Another metric is Organizational Health, which ensures that the organization's internal capabilities match the strategic ambition; that a business is balanced; and finally, that it devotes resources towards developing soft skills with hard core strategies. Organization health, development and HRM practices cannot be implemented in a vacuum — they are codependent variables that must be taken into consideration when managing the HR support system and designing processes that impact those people.

Information gleaned from many resources and experts suggests that dairy farms, in particular, have the potential of achieving a competitive advantage through a well-thought-out HR system and HRM function. In other words, managers can effectively use people practices to develop a skilled and motivated workforce, but they must first identify their own deficiencies in recruitment, hiring, and selection. Likewise, leadership teams must acknowledge that employees create value for the enterprise and that HRM practices continually affect the bottom line. Equally important is understanding how resource capabilities, family values, and organizational culture influence HRM practices and succession planning. To attain a competitive advantage through employees, managers must align their HRM practices with the mission and goals of their farm operations.

In today's labor market, rural economic development and the viability of MLEs will depend on the types of OD and technical assistance that can be readily available to these operations as well as a complimentary industry-wide effort to develop management and leadership skills (potentially delivered virtually). Viewing these obstacles through the lens of economic development brings additional issues into focus and merits further study and reflection.

For instance:

- Can the migrant workforce be retrained and retained in Michigan to address labor shortages?
- Can temporary “farm” job service agencies fill labor gaps in specific geographic regions?
- Can farms become employers of choice within their communities?
- Could upward mobility, career advancement, and business succession strategies impact the behavior of an available workforce? Would unemployment on farms decrease if these strategies were in place?
- Are OD and HR practices utilized by mainstream businesses applicable to family-owned operations in rural environments, or because of the independent and competitive nature of farmers, are they better addressed on a case-by-case basis?
- Can membership organizations, such as Michigan Milk Cooperative Association (MMPA) serve as positive examples for how HR and HRM, when prioritized correctly, can lead to economic development opportunities and farm viability?

Within shared learning, we studied existing research, collected data from stakeholders, and attempted to identify the skills, technology, and support needed by leadership teams who desire to invest in HR and improve their HRM practices. Additionally, we outlined a set of viable, practical and affordable solutions that could impact the industry from both a macro and micro perspective, all anchored by Virtual HRM (VHRM) approaches.

In summary, we learned that agriculture is hampered by deficiencies in the access to technology, the presence of a “job seekers” market, and business owners that lack knowledge and understanding about best practices in OD, HR, and HRM. These barriers and corresponding gaps in knowledge or applied practice have impacted the short- and long-term ability of agriculture to recruit, develop, and retain a skilled workforce. Given that agriculture will change and evolve over the next 10 to 30 years, we must also consider how to equip future leaders to meet the demands and challenges of dealing with labor shortages. MLEs must make strategic, intentional, and systemic adjustments in their HR processes and HRM practices in order to attract loyal employees, satisfy their business development needs, and impact the reputation of the industry.

## METHODS AND STRATEGIES

The purpose of this Co-Learning Plan is to learn how several interconnected and overlapping workforce and workplace issues are impacting agricultural industries in Michigan; and how these issues can be addressed with a multi-faceted approach driven by pioneering leadership, an infusion of knowledge, and an industry-wide collaboration.

The core assumptions driving this exploratory process are as follows:

- All agri-food entities share HR and HRM problems like what has been documented on dairy farms across the country.
- Organizational health is a prerequisite for effective HR and HRM practices.
- Growth of rural economies is directly proportional to the application of solid HR practices and the abilities of skilled “OD Practitioners.”
- Improved knowledge and application of both OD and HRM practices in MLEs will help the entire industry with recruitment and retention issues.
- Virtual services and resources can expedite the application of new knowledge and skills.

This collaborative learning plan was anchored by a United States Department of Agriculture (USDA) risk management grant awarded to The Learning Connection to explore the use of virtual HRM (VHRM) services for dairy farmers via an existing business relationship. This pilot for VHRM includes phone coaching for both management and employees; research and customization of HRM tools and forms; and other customized services. However, podcasts, webinars, and a multitude of other educational resources could not be introduced or utilized because of underdeveloped infrastructure in the rural areas.

With additional technical support from Michigan Virtual University (MVU), University of Wisconsin Extension Educators, and subcontracted HR and agriculture business consultants, we conducted focus groups and collected feedback on the availability and use of HRM skills, knowledge, processes, systems, and tools that one would expect to find in our target audience.

The information collected from the USDA grant informed the work conducted in Michigan, which included:

- a) Evaluating and developing the model for an on-farm HR support system based on organizational strategies and processes that, when orchestrated correctly, could culminate in a business achieving the status of “Employer of Choice” and a positive reputation in their community
- b) Identifying who assumes the role of HR Manager in agri-food businesses and documenting their corresponding gaps in knowledge and applied practice
- c) Demonstrating that an industry-wide shift and support for more thorough and specialized leadership and management development programs are needed to improve the image, reputation, and skill sets of all stakeholders
- d) Comparing and contrasting industry specific (pork producers, equine operations, wineries, farm markets, and cooperatives) needs, resources, and gaps with existing data from the dairy industry.
- e) Reviewing existing HR resources, identifying additional resources and sources of expertise, and evaluating the effectiveness of each in this target market
- f) Understanding the demographics of the workforce
- g) Getting feedback from the target audience

## UNDERSTANDING THE BIG PICTURE

A range of business authors (Porter, 2004) have advocated for strategic investments in the rural business environment, specifically in human capital. Their publications strongly suggest that rural environments should be preserved to attract and retain people, and that policies to improve human capital are essential.

### LABOR SHORTAGES

Several published sources report that the severe shortage of available labor in agriculture will impact Michigan's agricultural ability to meet global and local demands for food and non-food commodities (Knudson, 2013). Recruiting potential employees to farms is a major problem across the industry due to the long hours of work, low pay, and undesirable working conditions.

Michigan is predicted to lose approximately 30% of management-level employees to retirement in the next five to ten years. Additionally, an estimated 70% of farms/farmland will transition in the next 20 years — but not to new or beginning farmers. Only about 11% of farmers entering retirement age have farm business transition plans in place, and less than 70% have named successors. Without skilled replacements, the entire industry could be in jeopardy.

Bill Knudson, an economist with the Michigan State University Product Center for Agriculture and Natural Resources in conjunction with the Michigan Milk Producers Association (MMPA), found that many farmers need to hire workers, but they find it difficult to hire qualified workers to fill their workforce needs. One consequence of our existing war for talent is the number of problem employees who remain in the talent pool as job seekers instead of being converted into career achievers. Too often, common deficiencies such as poor work ethic, tardiness and absenteeism, insubordination, and other workplace performance issues are overlooked because supervisors and middle managers lack the knowledge and ability to address them in a fair and consistent manner. Some operations have a three- or five-step discipline policy in place but do not adhere to it because they fear that employees who receive corrective action will leave — taking their bad habits to a new farm that is usually desperate for help on any given day. To exasperate the problem, when a bad employee leaves, they often convince a good employee to go with them.

The challenges described above have been verified across the MLE sector; however, only a handful of solutions have been drafted, and only one study (Mugera, 2004) has linked management skills and organizational health to the labor crisis.

### WHO IS THE RECIPIENT OF VHR SERVICES?

Our target audience are enterprises or farms with annual gross incomes of \$350,000–\$4,999,999. These medium to large enterprises, or MLEs, are typically family-run operations that occupy at least 50% of the principal operator's working time.

Entities earning less than \$350,000 have traditionally been grouped into "Agriculture of the Middle," which refers to a disappearing sector of mid-scale farms that market bulk agricultural commodities or do not sell food directly to consumers. 98% of farms in Michigan fit into the "middle" category compared to a handful of small farms that earn less than \$10,000. These farms in the middle, and even the small

farms, have a high need for an HR department or consultant. The smaller the business, the greater the impact HR can have in driving efficiencies. This may be because the owner/operator of a smaller business does not have time to observe or think about strategic people management or workforce planning.

To quantify the need for HRM services, we are using full-time and part-time employees as our indicator. MLEs that are big enough to benefit from an HR plan, but too small to justify a full- or part-time staff person for HR, are potential recipients of VHRM services and systems. This can range from 3–20 employees where in many cases; a family member is expending approximately 10% of their time conducting HRM functions. For comparison purposes, a dairy farm at the lower end of this scale might employ one full time or two to three part-time employees in addition to family labor. It was assumed that larger dairies (herds of 1,500+) that employ a full-time HR Manager would not need this type of assistance, but that is not always the case.

Additionally, MLEs tend to be businesses in which one or more family members make most upper level management decisions and contribute substantially to the labor requirements of the operation. This business structure can compound HR issues when the following conditions exist: a) family members who desire a work-life balance, b) family members who lack people skills or experience in personnel management, c) the developmental needs of middle management are ignored or overlooked, and d) there is a wide gap between the aging population of family farm owners and an available workforce.

Many MLEs participate in trade associations or cooperatives that offer business services as a member benefit. Offering relevant and practical member benefits present a mechanism for introducing VHRM services to our target audience, which is discussed in the conclusion.

# LONG TERM IMPACTS OF CURRENT HR PRACTICES

## HIRING AND TURNOVER

Hiring and constant rehiring can be a costly venture for most employers. While research on this topic is broad, data specific for farms is not readily available. This is most likely due to a variety of vague and intangible costs that make it difficult to track data for each operation. In general, turnover costs vary by wage and role of the employee. For instance, it could cost up to 16% of annual salary for high-turnover, low-paying jobs that earn under \$30,000 a year. On a farm, the cost to replace a milker at \$10/hour would be approximately \$3,328. For higher salaries the cost to replace a \$40k middle manager, such as a Herdsman, would be closer to \$8,000. The table below depicts HRM factors in the general workplace compared to what was gleaned from a dairy farm.

Table 1. HRM comparisons.

<b>HRM Category</b>	<b>Workplace Average</b>	<b>Dairy Farm Average</b>	<b>Comments</b>
Annual Turnover	19%	Up to 100%	Taken from one case study that was impacted by high staffing changes May–September.
Employee Tenure	8 years	6 months–3 years	Not tracked by most farms.
Leadership Succession	Boomers to Gen X is 2:1	3:1	Vacuum projected within 5–10 years.
Average Cost per Hire	\$4,129	\$3,328	

The intangibles that are hard to track and measure include:

- The time and expense invested in recruiting and hiring a new employee. This includes advertising, scheduling, interviewing, and reference checks.
- The costs of onboarding or orientation for a new hire, including on-the-job training and dedicated time spent with a supervisor or teammate. On farms, this can be calculated by the number of hours a new hire spends learning his or her role and the depth of protocols specific to each farm.
- Lost productivity; a new employee may require one to two years to reach the expected level of productivity compared to an existing employee, especially one with prior knowledge and experience in the field of agriculture.
- Learning curve and errors with new employees who often take longer to learn concepts or procedures and are often less adept at solving problems.
- Training costs for an employee over a two- to three-year period, which is likely 10–20% of that employee’s annual salary. This added expense could be offset by tapping into virtual resources.
- Culture impact and shock of high turnover, which is felt whenever someone leaves a job and others pause to ask “why?”

- Real cost of disengagement, which is felt when employees see constant turnover. Both team morale and individual productivity suffers.

This list is not exhaustive by any means, but it is easy to see that turnover impacts the bottom line and contributes to other job performance issues as discussed below.

## CASE STUDY ON HR PRACTICES

The turnover data collected during an 18-month period from a dairy farm selected for this study is difficult to interpret. Based on the average number of employees working each month, turnover ranged from a low of 8% per month to a high of 24% per month in the summer (June and July) when more staff were added. In the last six months of the study, the average monthly turnover rate was 13%. This lower number may reflect the Herdsman's desire to improve overall team performance by 1) using hiring and other available HR templates that were customized to their operation, 2) following an improved vetting process to weed out "warm bodies," and 3) implementing a more stringent review process after the two-week trial period has ended.

The hiring and onboarding practices used on this farm are similar to practices used across the US. Farms of all sizes have a written application process; they conduct brief interviews (by the Herdsman or HR Director) and complete background and reference checks. Often, the latter entails a quick call to the neighboring farm. The interview is focused on identifying existing skills and experiences that a prospective employee brings to the operation, so he or she can immediately fill an open slot. There are several instances of *walk-in* hiring practices, which necessitate having a process in place to onboard an employee who is already working an eight-hour shift, but needs to be acclimated to the farm and its culture, procedures, people, etc. Too often this step is overlooked, and the new hire is never properly onboarded. This is a critical error because the first three days on a new job are when first impressions are formed, and negative experiences are hardest to overcome.

This farm and others in the immediate area strive to hire friends or relatives of an existing top performer. This hiring strategy can be effective but can also backfire when the family members all leave at once because of a grievance or life event. The dynamics of a family business can also impact corrective actions because it can be difficult for a family member to discipline a sibling, child, parent, or relative.

In summary, each of these HR related activities impact a farm's *employment brand* — the image that all prospective, current, and past employees have about their experiences with an employer. A farm brand and reputation are well known in the community in which they reside.

## EMPLOYEE ENGAGEMENT

In his book, "The Truth About Employee Engagement," author Patrick Lencioni outlines the three root causes of disengagement and job misery as anonymity, irrelevance, and immeasurability. In other words, people need to be known and appreciated, they need to know that their job matters, and they need to be able to gauge their progress and level of contribution for themselves (Lencioni, 2007). Each of these deficiencies can be quickly and easily addressed on farms if the goal is to increase employee enthusiasm, involvement, and commitment in the workplace.

This is not the case on many farms. Too often, an employee may not meet the owner for several weeks, may not be formally introduced to coworkers, and cannot articulate the purpose for the farms' existence, other than to produce a product. From my research, I learned that most managers are interested in ideas on how to motivate, reward, and develop their employees, but they are looking for a quick fix and don't have the time to invest in a systematic approach. Their alternative is to dangle a carrot; to tie performance to a simple monetary bonus, such as milk quality, which only serves to further alienate and anger employees who all contribute to team and company success. Money is a satisfier, not a motivator.

When employees are not given resources and permission to track their own job progress, morale and teamwork suffers, performance diminishes, and workers become disengaged. These conditions impact workplace culture, employment brand, and Employer of Choice status.

### HIGH PRIORITY TALENT DEVELOPMENT NEEDS

Every farm must have access to course content and policies on Workplace Harassment. Short workshops can be offered on site or virtually, but the challenge on high turnover farms is how to introduce and integrate this topic into the onboarding process, so that every employee completes a mandatory course. Policies can be included in Employee Handbooks, but they must also be modeled, enforced, and taught by the leadership teams on each operation and enforced when necessary.

Teamwork is an important function on farms. Most eight-hour shifts are arranged around a particular need such as milking, feeding, or moving livestock. Each individual who works the shift needs to perform like a team member. This requires a high level of skill, including how to build trust, how to use conflict in a productive manner and hold each other accountable, and the ability to commit to decisions for shared results. Farms that understand this and hire for KSA's that contribute to high performing teams could gain a competitive advantage over other farms or businesses in the area.

# DEVELOPMENTAL NEEDS FOR MLEs

## INDUSTRY SPECIFIC NEEDS

Agricultural Leaders of Michigan (ALM) released a study conducted by Michigan State University Product Center for Agriculture and Natural Resources in conjunction with Michigan Milk Producers Association that recommended several steps that could be taken to aid the recruitment of employees (Knudson, 2013).

One suggestion is to develop an online job bank and standardize job titles and descriptions across the industry to make it easier for employers to communicate opportunities and recruit employees. On the surface, job banks, such as Pure Michigan Connect, seem like a good idea: prospective employees can learn what skills employers are looking for and what kind of pay to expect for different jobs, and employers can review resumes to identify candidates. However, job banks alone are not enough. Dairies and other operations seeking help will need to become more proactive and strategic — they will need a **recruiting strategy** — and someone to manage it. To find qualified candidates, employers must understand and apply best practices in selection and hiring to ensure their reputation matches the image they project.

Leaders representing the Michigan wine and grape industry, producer cooperatives, and pork producers expressed interest in addressing similar HR issues within their sectors. Pork producers are continually seeking new employees because of growth and turnover while wineries and cooperatives seek talent development options and support for that process. The survey administered to the wine and grape industry was inconclusive.

This brings us back to the question: Can virtual services and improved technology help? Social media does influence employers as employees freely discuss the conditions they work under, how they are treated, and what they do. This is especially true for Millennials. Under this scenario, it is vitally important for the business leader to engage all staff in crafting a vision and getting them into alignment. More importantly, leadership must function as a highly cohesive team, achieve clarity in all communications, and then reinforce their communication strategy through the HR system and the people they hire.

Secondly, the agriculture industry should identify what motivates candidates to apply for jobs and accept or reject job offers. The next wave of entry-level workers will begin to make an impact, comprising 20% of the workforce by 2019 (Bray, 2016). Perks for this group might include tuition reimbursement, flextime, and the ability to use mobile apps or technology for problem solving. Some entities in mainstream America have responded with new job titles such as “Director of Culture and Engagement” whose responsibility is to make work meaningful and fun. Reverse mentoring is another trending strategy where newer employees mentor older employees on new applications for technology on the farm.

We can adopt these ideas for agri “culture”: career development tracks with opportunities for upward mobility and advancement, or even ownership, may entice employees to stay at one place for their entire

career. However, hiring managers must first convey critical messages that provide candidates with great reasons to join their company. Hiring managers need to be clear about their company's culture, the kind of people who will fit in, and the skills needed now and in the future.

Some possible areas for further research include:

- How to leverage the availability of a migrant workforce; a “retrain to retain” approach that will entice seasonal workers to stay in Michigan beyond traditional timeframes through which they rotate to several different farming operations throughout the year. Alternately, would a temporary job service or agency geared towards agriculture fill the demand for a constant supply of milkers, often regarded as a dead-end job on a farm, within a specific geographic region?
- How to extend succession and ownership opportunities (when appropriate), but especially to veterans, women, and other beginning farmers. For example, what is the progression from Calf Feeder to Assistant Herdsman, and what are the requirements for advancement?
- How to project a professional image in all HRM practices across the agri-food spectrum sustained by leadership that supports, understands, and models the skills needed to attract and retain a skilled workforce.
  - Require resumes and other written application materials in all instances. Use behavioral questioning techniques to weed out problem employees, or ask questions that are directly tied to shared values. If teamwork is valued, hiring managers must screen for teamwork aptitude.
  - Evolve with the labor market, i.e. learn from hiring managers in other industries about hiring for potential performance rather than existing skills or experience.
- Explore new combinations of duties, including an OD Practitioner, which may be an employee within the organization or an external consultant who understands the unique needs of agriculture. This person can be tasked with improving the overall effectiveness of the organization by serving in a variety of capacities such as advisor, sounding board, navigator, coach, facilitator, designer, developer, leader, consultant, partner, problem solver, diagnostician, process specialist, collaborator, and subject matter expert on people skills.
- How to develop leadership teams that collectively understand the need to develop and deliver on organizational purpose, and who have clarity in communications at all levels.
- How to develop managers who understand that their actions, or lack of actions, are often the reason for employees' dissatisfaction and disengagement.
- How to provide collaboration spaces, such as a Community of Practice (CoP) or a VCoP for each of these efforts that will encourage peer learning and peer coaching to coexist.
- How to design and implement onboarding programs that tie each separate HR function together: the culture, systems, approved practices, rules, and regulations — everything that affects people.

## BECOMING AN “EMPLOYER OF CHOICE”

Employer of Choice (EOC) has been defined as a conscious corporate-wide employment strategy designed to re-brand a company as a great place to work. A farm with close community ties can benefit from becoming an EOC; recruiting would become easier, qualified people would apply more often, and best of all, local publicity would be favorable.

Being an EOC means that applicants are eager to work for you, other employers envy your employees, your business receives unsolicited resumes, and your most talented workers stay with you throughout their careers. Although highly desirable, it is a seemingly unattainable goal for many rural operations with our current labor shortages.

As explained earlier, many dairy operations have a history of hiring undesirable or unemployable employees, which exacerbates their HR problems. When forced to hire unqualified applicants, management is taxed with training and retraining, resources are wasted, morale is low, and eventually less and less effort is expended into recruiting efforts, onboarding, and training. Instead of looking internally at their own hiring practices, management capabilities, or their HR system as a potential source of dissatisfaction and subpar job performance, managers blame the availability and skill set of the labor force. When this cycle is constantly repeated, it increases the likelihood that a business will develop a negative reputation in the community, either as an undesirable place to work for desirable candidates, or a desirable place to work for those who have no intention of changing their bad habits. The farm becomes a place to get a temporary job, not a step up on a career ladder.

## ADDRESSING FARM SPECIFIC NEEDS

In the 65<sup>th</sup> Annual Hoards Dairyman's Roundtable (<https://hoards.com/>), four farms shared how they approach the role of "employee manager" and invest in their people. When asked, "Who manages employees on your farm?" three of the farms responded that the person responsible for HR had no formal training in human resources or employee management. One herdsman had taken online classes in managing people and said it made a difference. My observations, focus group, and interviews produced similar results.

Analysis of qualitative data has suggested that an online portal or "one stop HR shop" could be useful if it included access to the following:

- Best practices in HRM (selection, hiring, and talent development) that includes skill development for increased usage of:
  - Job interviews in which candidates are asked to describe specific examples of how they demonstrated a value that is desired by the farm.
  - Pre-hiring assessments that help assess how a candidate fits with a job, role, function or team.
- Virtual farm orientation, onboarding courses, webinars, and skill development courses. In particular, a simple, yet effective process for teaching safe animal handling practices, teamwork, prevention of sexual harassment, and management skills.
- Job aides for establishing and improving job performance, coaching, and feedback mechanisms.
- Agriculture aptitude tests or certification options that can help identify talent development needs or develop performance models for the industry to increase worker engagement. Milker Schools are the perfect example: a revised course could feature an expanded focus on the demands, expectations and rewards of the job, and outline a progressive "technician" designation and career pathway on a farm. Currently, farms reward improved milk quality and adherence to milker protocol with a bonus check (extrinsic factor), versus tapping into intrinsic motivation.
- Hiring tools, checklists, templates, rubrics, and pre-hire assessments for use in determining degree of fit for a job or role and for developing standardized applicant screening processes.

- Modules for *build your own* Employee Handbooks and Employer of Choice Manuals that include regulatory and compliance issues; policies and procedures for job safety, performance reviews, disciplinary actions, animal care, sexual harassment, cell phone policy, etc.
- Ideas and examples of indicators that can be implemented in operations to help employees track their contributions.
- Advice on how to link an HR system with succession planning needs. Many of the steps in hiring and selection directly parallel how a business identifies and grooms a successor. A step-by-step progression of advancement and upward mobility can be developed and promoted as part of the interviewing process.
- A consortium of service providers for delivering programming on site, in public workshops, or in a blended format for:
  - Talent Development — specific workplace needs
  - Team Development — including cohesive leadership teams
  - Management Development — for instance, developing the coaching skills of Herdsmen and other middle managers
  - Leadership Development — getting clarity on business principles and strategies with a focus on developing healthy organizations
  - Organizational Development — putting procedures and an HR system in place.

## REVIEW OF EXISTING DATA

### MSU EMPLOYMENT SURVEY

Durst and Moore collected employee feedback from 14 large dairy operations to help producers understand their employees' perspectives (2018). In their study, they looked for common themes from employees to develop recommendations for owners and managers to improve management skills. The main problems identified included:

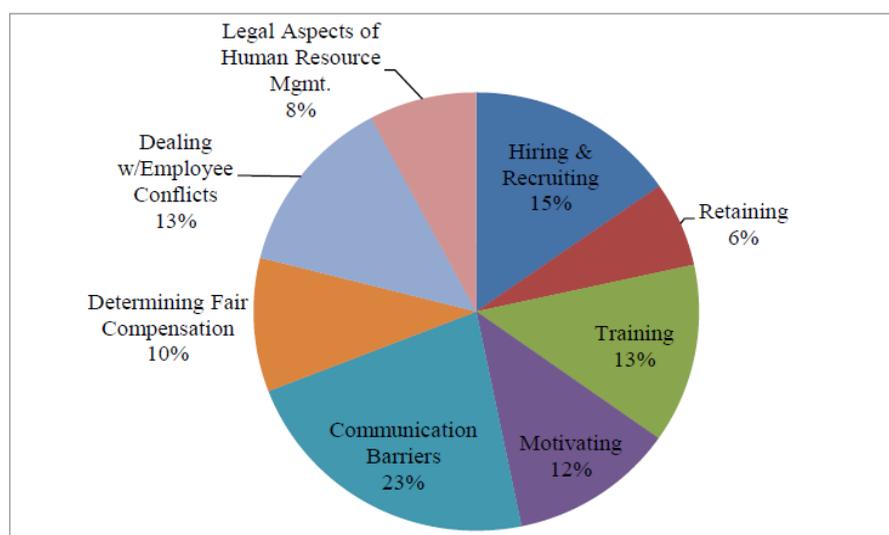
- Failure to provide training
- Failure to provide specific positive feedback and other gaps in communication (between shifts)
- Failure to encourage employee input
- Poor organizational health — lack of communication and clarity about the farm purpose and goals, Key Performance Indicators (KPIs), etc.
- Failure to hold employees accountable

Durst and Moore (2018) also learned that employees defined good managers as those who involve all employees as team members; they value and respect the opinions of all employees; they communicate goals and performance standards; and they provide meaningful and positive feedback to their employees.

All these traits of effective management can be taught in Management Development programs — not in single day or half day workshops — but in an intentional, ongoing process. Each aspect of an effective developmental program must involve a coaching component to ensure application and retention.

### UNIVERSITY OF WISCONSIN EXTENSION (UWEX) FARM HUMAN RESOURCES SURVEY

**Figure 1.** UWEX Farm Human Resource Survey



*UNIVERSITY OF WISCONSIN EXTENSION (UWEX) FARM HUMAN RESOURCE SURVEY*

Figure 1 shows the results of a UWEX Farm Human Resource Survey (Division of Extension, 2014) that asked, “*What are your biggest challenges with human resource management?*” Communication barriers (23%) were not a surprise considering that over 40% of agricultural workers in Wisconsin are estimated to be Latino immigrants. Additional challenges included hiring and recruiting employees (15%), training (13%), and dealing with employee conflicts (13%). Additionally, we learned that 69% of Wisconsin dairy farms involved in this study do not have an Employee Handbook.

I accumulated similar findings in Michigan and learned that business owners rarely allocate time to customize business forms or templates that are easily accessible online, including handbooks. These busy people believe they need handbooks, but they do not understand how OD forms the foundation for their strategies and policies. Overall, they want to provide input into the final product, but unfortunately, it is usually very low on their priority lists.

# REVIEW OF HR RESOURCES CURRENTLY AVAILABLE

## GOVERNMENT AND NGOS OFFERING TRADITIONAL WORKPLACE SOLUTIONS

- MSU Extension offers a variety of helpful publications and fact sheets on labor management including an Employee Handbook template, labor forms, and a blog section on employee engagement.
- Michigan Farm Bureau has an Agricultural Labor and Safety Services division to assist employers in recognizing, understanding, and meeting their regulatory obligations. Those pertinent to HR include Occupational Safety & Health Administration requirements, wage and hour rules, seasonal worker requirements, and immigration laws.
  - The National Pork Producers Association has several pages dedicated to Human Resource Tools, including Selecting an Animal Caretaker, Interview Questions, Employee Compensation in Pork Production, and Background Checks. This *Employee Care Toolkit* is only available to members. Buried within the compensation data is one paragraph on HRM that discusses work hours, schedules, etc. They offer a Fact Sheet for employees regarding sexual harassment for the on farm workplace.
- Professional Employer Organizations (PEOs) offer integrated HR services or just payroll services. These options can cost upward of \$15,000 and are not a long-term solution for the industry. PEOs fail at providing adequate guidance, training, and coaching or monitoring of the person responsible for operating it. In addition, their services are not integrated into the entire system.
- The Small Business Development Center (SBDC) of Michigan has business counselors who work specifically with startups and offer training and workshops statewide. The Washtenaw Region is just beginning to work with the Land Bank which may lead to more agricultural/food production businesses soliciting SBDC services. SBDC currently has clientele from food production businesses (bakeries, wineries, meat processors, farm-to-table providers etc.) as well as a few dairies and agri-tourism clients, but has limited experience in farm transition/succession planning.
- The SBDC Growth Team has one Growth Consultant specializing in HR/OD and strategic planning who provides assistance to clients with overall planning and HR assistance, including hiring, benefits, compensation, and compliance.

## PROFESSIONAL ORGANIZATIONS OFFERING E-LEARNING OPTIONS

- Association of Talent Development and Society for Human Resource Management both offer short courses and webinars, but some are restricted to members only.
- Pure Michigan Talent Connects e-Learning Soft Skills Program is a series of 14 modules on communication, critical thinking, collaboration, and creativity with the goal of raising awareness among employees about key skills needed for workplace success. For the user, it encourages and suggests attributes that employers desire — but is not intended to address HRM practices or labor management relations.
- Community Economic Development Association of Michigan (CEDAM) offers custom services, partner opportunities, and webinars.

- Privately owned companies offer virtual HR software solutions or Human Resource Management Information System (HRMIS), which merge HRM as a discipline, and in particular its basic HR activities and processes, with the information technology field. As the role of Human Resources departments became more complex, HR technology systems have evolved to fit these needs. Routinely used in large organizations, HRMIS systems possess many desirable characteristics, however this is not a cost-effective solution for most small to medium sized operations, especially those in rural areas.

## IMPORTANT CONSIDERATIONS FOR VHRM IN AN AGRICULTURE SETTING

Given that learning has always been at the core of economic change, we can support the need for improved technology in rural areas that will then create more delivery options for educational programming. If pursuing this route, farms will require assistance in 1) pre-training employees as to how to use online resources safely and effectively, 2) completing simple needs assessments, and 3) thoughtfully integrating software applications into existing farm practices.

- In the family farming operation, human resources include more than regular full-time employees. It includes all management and labor personnel of family and non-family, full-time and part-time people, and seasonal employees. Progressive dairies are experimenting with new ways to combine jobs, roles, and positions to fill vacancies, improve role fit, and satisfy Millennials' need for variety and challenge in their daily routines.
- During planting and harvesting seasons, all employees may routinely work a 10–12-hour day, or more, depending on weather, an uncontrollable variable.
- MLEs have a high need for HR risk management strategies. In these businesses, as in larger businesses, people are a source of risk and contribute to the success or failure of the business. That risk is higher when discharged employees enact revenge in the form of property damage, animal injuries, theft, gates left open or other unsafe and costly practices.
- Although farmers of all types typically enjoy learning with others who share the same needs, they often fail at implementation of new skills. The use of virtual business coaches could further enhance the sustainability and viability of MLEs by helping owners identify and clarify what assistance and resources are needed, then offer guidance in developing action plans for prioritizing and accomplishing short- and long-term goals.
- Overdependence on family members for management and labor can negatively impact the business efficiency and relationships. For instance, what family member wants to confront a sibling or parent about a performance issue? Family members may be over-dependent on each other and overlook the benefits of a well-rounded leadership team, work teams, and consistent communication. To overcome these deficiencies, they accept outside resources on an “as-needed” basis, thus bypassing the talent development and upward mobility components of an HR system.
- Managements' understanding of HRM and virtual application of improved processes will determine the success they will have in finding and keeping talent, but access to technology is often a barrier. Internet service is slow, computer software is unavailable or expensive, or dedicated office space is not readily available for improving the soft side of the business.
- Labor is becoming more specialized and current employees are expected to be more productive as competition for skilled labor is increasing, but MLEs are powerless or slow to embrace this changing dynamic through an HR system.

## E-LEARNING AS A RURAL ECONOMIC DRIVER

According to Michigan Virtual University, online learning and virtual resources provide a wide array of advantages for developing talent and organizations in rural environments. The specific benefits of e-learning are as follows:

- **Flexibility:** The internet as a platform for learning presents unprecedented opportunities for professional development, continuing education, training and meaningful collaboration, and easy access to customizable business resources.
- **Cost Savings:** By reducing travel and related training costs, organizations can realize increased productivity and cost savings while investing in their human capital.
- **Just in Time:** Giving people the opportunity to engage in professional development opportunities when needed or wanted can be a more effective use of resources in the targeted populations.
- **Time and Relevance:** E-learning can offer significant efficiencies by yielding more personal productivity for individuals because they can target their time in professional development activities that are directly aligned with their own needs and circumstances.
- **Individual Learning Styles:** Providing people with alternative ways to learn new skills and additional content expertise in multiple media and methods over the Internet can enhance their application of the content learned. The virtual environment offers all stakeholders the opportunity to review and recommend the best or most appropriate resources available without added expense.
- **Any Time, Anyplace Learning:** E-learning allows people to conveniently access high-quality professional development opportunities at times that are most convenient for them, including evening hours, weekends, and during off months in agriculture production. For adult learners, the ability to review content as often as necessary is another important benefit.
- **Consistency of Delivery:** E-learning helps to ensure that the same message or content is delivered to multiple audiences in a consistent manner time after time.
- **Ease of Use:** Many delivery platforms have short learning curves that reduce barriers to entry and encourage increased usage. Owners can use common office software programs (Microsoft Office Suite) to customize HR content and even determine the desired proficiency levels on courses required for jobs, roles, and functions.
- **Ability to offer contents in Spanish** as needed to eliminate language barriers in a seasonal and diverse workforce.
- **Several levels of skill development can be addressed concurrently.** Managers can be taking a course simultaneously with employees and apply timely, appropriate support and coaching techniques.
- **The responsibility for learning is placed solely on the learner** which allows management to focus on reinforcing skills with on-the-job application and supplemental performance coaching.

## POTENTIAL SOLUTIONS

### TIER I

This approach is anchored by education and outreach within the industry segments to promote customized services and resources. These services and resources can be delivered by independent consultants on a Fee for Services schedule to compliment or enhance Tier II deliverables. Services must include a thorough needs analysis or HR self-evaluation, and critical organizational development consulting to ensure integration through the entire range of HRM. Users should have access to onsite or phone coaching for OD and HRM issues; on-site workshops in all areas of management, leadership, team, and organizational development; and customization of resources and assistance in setting up internal systems for recruitment, onboarding, and performance evaluation.

The ideal HR system is depicted in Figure 3 below. The order of tasks within this process is important. Many existing solution-providers have attempted to solve labor and employee issues by addressing a single step in the system, such as providing employee manuals or offering training to improve communication skills. The system resulting from this Band-Aid approach lacks integrity, because it covers up the symptoms but does little or nothing to mitigate the underlying problem. “An organization has integrity — is healthy — when it is whole, consistent, and complete, that is, when its management, operations, strategy, and culture fit together and make sense” (Lencioni, 2012). Bypassing the OD work is a waste of precious resources and only compounds the problems outlined in this plan: If the hiring manager cannot communicate the company culture, he also cannot identify good candidate for a job, role, or function. If the employee is not a good fit with the culture, he or she quickly becomes disengaged and eventually leaves. The leadership team in charge of business operations must achieve alignment and clarity about their identity and brand first. Then, they can devise a recruitment strategy that attracts candidates who function well in that type of environment.

**Figure 2. HR Process**



## TIER II

In this scenario, HR solutions are offered as a member benefit through an MLE trade association, cooperative, or membership organization. The latter purchases the resources directly from an HR consultant and subsidizes the cost to their members. The membership organization sets their own fees and retains an HR professional or consultant to directly assist members with HR issues via phone coaching, educational sessions, Q&A forums, and website postings or blogs. Members may choose to outsource the customization of their materials or do it themselves. Members may also choose to use outside consultants as described in Tier I to augment this program.

All members have access to the following membership benefits:

1. A customizable Employer of Choice Manual with a “how to” section for administering required and optional HR functions. The fee for this resource would be determined and set by the membership organization but could range from \$200 to \$500. A corresponding Employee Handbook could also be considered and developed specifically for an industry segment.
2. HR advice “on demand” including:
  - Up to 30 minutes per month per member of free phone consultation with a HR professional
  - Access to a monthly Q&A column (print or web content)
3. Entry to educational workshops, webinars, or podcasts sponsored by the membership organization

#### 4. Entry into a Community of Practice for OD Practitioners or hiring managers

A corresponding industry-wide initiative to develop leaders who can operate and manage under the tenets of organizational health must also be considered. A developmental process to “*Grow Your Own Talent*” can be designed and delivered annually, supported by leadership boot camps with specific learning objectives tied to the needs identified in this CLP. At these one- or two-day sessions, participants can learn to achieve clarity in their business structure and principles, congruency in their actions, and cohesiveness in their teams. For long term impacts, leaders will also be expected to develop coaching and advanced communication skills, including empathic listening, giving and receiving performance feedback, and conducting effective family and team meetings.

#### TIER III

This option includes an online portal, or “One Stop HR Shop,” for organizational, team, and talent development resources and services that range from podcasts, online courses, and webinars to examples of best practices, compliance and legal forms (and advice), and downloadable documents that address all aspects of HR and HRM that are essential for improving industry business practices as outlined above. This approach requires users to have access to a computer and to register in a learning management system (LMS).

These services and resources could be available to users on a subscription basis and supported by an additional Fee for Services option as outlined in Tier I. A LMS can accommodate collaboration spaces for a CoP, offer translation capabilities, and an endless number of educational resources to increase the knowledge and skills of both employers and employees. Industry-specific online courses can be developed but would require a significant financial investment.

## CONCLUSION

Because of the inherent risks and the demanding, changing nature of their daily job functions, MLEs are less inclined to assume responsibility for HR and HRM. In many cases, a family member may have attended a workshop or obtained the minimum amount of information necessary to manage the legal aspects of the employer-employee relationship, but leadership overall lacks knowledge and skills in all aspects of the people side of business. This issue is compounded when you add in migrant workers, veterans, or others who have a desirable work ethic and possibly a desire to pursue agriculture as a career, but may require specialized services to overcome disabilities or language barriers.

HRM, HRD, and OD disciplines are all founded on the belief of self-renewal and strive to build flexible and adaptable capabilities in both individuals and organizations. Therefore, it makes sense that learning and talent development must be linked to organizational development initiatives, and that business owners should focus on building capacity and improving performance through interventions such as coaching, or team and leadership development processes. Utilizing a systematic approach ensures that leadership solutions are transformational rather than just transactional.

There is an urgent and compelling need to help MLE business owners address soft skills with hard core strategies that will improve organizational health, increase management and leadership skills, and fine tune the overall human operating system. HRM functions must be integrated across a wider cross section of business needs that includes all aspects of people processes which can deliver organizational effectiveness: the right people, the right culture, the right leadership, the right organizational design, the right change management processes, and the right policies, procedures and practices.

HR can best deliver effective OD guidelines and founding principles through middle managers; creating a new role and function as “OD Practitioners.” These new age leaders can diagnose and understand their impact and role in improving organizational health, and they can appreciate that an organization is a human system, not just a technical system.

Agriculture is hampered by deficiencies in access to technology, the presence of a “job seekers” market, and business owners that lack knowledge and understanding about best practices in HR Development (HRD), OD, and HRM.

HRM must become more strategic, proactive, and professional. HR personnel must deliver short-term HR functional activity alongside equipping the organization for sustainable performance in the long term — through its people.

Talent development is needed for individual workers, teams, managers, and leaders. Without cohesive, high performing teams in place, employees wrongly assume it is the manager’s job to hold employees accountable for their actions. An effective approach must include the use of participant-centered learning and smart use of technology. This includes mobile-friendly solutions and options. There is a high probability that our targeted audience members are task-focused, entrepreneurial thinkers who learn best by doing. Using workshop formats that do not engage them in real life practical examples and “how to” scenarios for their business is unproductive and wasteful.

Job banks could be a good starting point for agriculture if a corresponding effort was enacted to teach effective recruiting, hiring, and selection practices to operators. The supporting systems and processes must be learned, implemented, and managed on each operation to achieve results that will eventually impact the entire industry.

The tiered solutions that are offered can be rolled out in phases, with a secondary section to include a repository for individual users and Spanish translation capabilities for HR coursework. The Everything DiSC<sup>®</sup> assessments that are already being used on both Michigan and Wisconsin farms are available in Spanish and English, which offers an opportunity to bridge communication gaps.

In summary, rural economic developmental efforts must include a more customized development and support for educational resources, services, and tools for MLEs in agriculture.

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The MSU EDA University Center for Regional Economic Innovation (REI) seeks to identify and develop new economic development tools, models, policies and practices to support innovative economic development high-growth enterprises and job creation in distressed regions across the state. REI has established a new economic development ecosystem to cope with the ever-changing global and regional dynamic(s). Through this ecosystem, we engage innovative and creative minds which result in new economic development practices.

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