

## Six Ways to Be the Kind of Employer You Will Want to Work For

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When it comes to labor management, there is one rule and it is golden:

**Do unto others as you would have them do unto you.**

## Who contributes to your business?

	<b>You</b>	<b>Customer</b>
<b>Friend</b>		
	<b>Spouse</b>	<b>Full-Time Employee</b>
<b>Children</b>		
	<b>Neighbor</b>	<b>In-Law</b>
<b>Seasonal Employee</b>		<b>Part-time Employee</b>

## 6 Steps to Being a Better Employer

- Communicate More
- Use Job Descriptions
- Recruit and Hire the right people for the right positions
- Provide proper training
- Lay out the ground rules
- Meet the employee's needs

## Why are working relationships important?

You live with these people!

This is your livelihood!

## Employee Communication

Communication forgives most sins.  
the "hazard lights phenomenon"

## Improving Communication

- Remove Barriers
- Maintain Composure
- Find a “Common Language”
- Establish communication as a core value
  - routine
  - expected
  - rewarded

## The Communication Test

- Every person within your business should be able to make the following 4 statements:
  - I know what to expect.
  - I know what’s going on.
  - I know how I am doing.
  - I know how we are doing.

## Performance Communication

“Show me the hoops  
and I’ll jump through them.”

- Clear performance objectives
- Formal feedback/communication procedures
- Look for informal feedback opportunities

## Step 2: Use Job Descriptions

## Day-to-Day Communication

- Schedule some “Face Time”
- Encourage and reward communication among employees
- If necessary, initiate a system
- Don’t underestimate the power of a bulletin board
- Make time to celebrate

## Job Description

- Basic framework for all HRM practices
- Combines job analysis and specification to outline the entire position
- Establishes goals and objectives
- Always subject to change--should evolve with the employee and the job

## Job Analysis

- The process of describing and recording aspects of the job
- Details the work that is done through
  - observations
  - interviews
  - recommendations of experts
  - work journals
- Should answer basic questions
  - physical and mental requirements
  - list of tasks to be performed
  - organizational chart

## Step 3: Hire the Right People for the Right Positions

Not every person is well-suited for every position.

Not every position is well-suited for every person.

## Job Specification

- A compilation of the abilities, skills, knowledge, or licenses needed to do the job
  - mathematical skills
  - physical work standards
  - drivers licenses
  - equipment skills
- A “laundry list” of skills and abilities

If you don't have time to do something right the first time, how are you going to find time to do it a second time?

- This is never more true than when talking about employee selection

## A Job Description

- Should include:
  - Title
  - Position Summary
  - Qualifications
  - Opportunities and Responsibilities
  - Clear Performance Expectations

## Keys to Employee Selection

- Understand the position
  - job description
  - job analysis
  - job specification
- Understand the business
- Understand the role the new employee will have to fill
  - technical and personal obligations

## Evaluate the Applicants

- Hurdles
  - -written applications
  - -written tests
  - -oral tests
  - -interviews
  - -practical tests
  - -reference
- Job Preview
- Let them interview you

## Training

- Give people a clear understanding of
  - what their job is
  - what it takes to be successful in that job
- Give people the tools they need to do the job
- Give people the time they need to master the tools
- Give people an appreciation of all of the roles in the business and how they connect
  - cross train if possible

## Step 4: Provide Proper Training

## Orientation Tips

- Put the new employee at ease
- Include owners or top managers when possible
- Encourage questions
- Keep first day paperwork to a minimum
- Provide a glossary of farm terms
- Arrange a “social secretary”
- Get “buy in” for one week

## The Training Process

- Teach newcomers the language
- Allow plenty of time
- Be aware of business / community adjustments
- Remember, everyone needs training
  - experienced new employees
  - inexperienced new employees
  - existing employees

## Step 5: Lay out the Ground Rules

Don't be put into a situation where it looks like you are making the rules up as you go along

- Use clearly defined policies and procedures
- Communicate those things to your employees
- Allow your employees to have a voice when establishing these tools

## Communicate to Employees...

- A statement of Mission, Vision and Values
- Expectations, standards, and consequences
- *anything else you want to include*

## Ground Rules: *personnel policies*

- Courtesy and expectations toward other employees
- Probationary period
- Disciplinary practices
- Policies on
  - Attendance
  - Breaks
  - Work scheduling
  - Use of equipment and tools

## Step 6: Meet Your Employee's Needs

## Ground Rules: *compensation and benefits*

- Pay and paydays
  - what about advances?
- Vacation amount and scheduling
  - who is eligible and when?
- Sick leave
- Insurance benefits
  - exactly what's included and who's eligible?
- Retirement program
  - help everyone fight through the red tape

## Compensation

**It's not about money.  
It's about meeting your employee's needs**

- Communicate with your employees
  - components and details of current package
  - needs for future packages
- Review your package regularly
- Be flexible and innovative

## Why is compensation important? (for employers)

- It's an issue that all employers have to eventually address
- It can be linked to most aspects of HR management: recruitment, evaluation, communication.

## Use the right carrots

- A compensation package must align with the business's
  - mission
  - vision
  - values
- People will respond to compensation incentives
  - you have to use the right incentives to get the right responses

## Why is compensation important? (for employees)

For employees, compensation is not just a function of what they are paid, but, ultimately, how they are valued.

“Sometimes we try to fix people when it’s the system that stinks.”

Johanna Slan  
“Using Stories and Humor”

Everything about your compensation package sends a message.

## Stay Competitive

- It doesn't matter so much what your neighbors pay. It matters if they are more willing to meet your employee's needs.
- Just in case...KS Farm Management Assoc. Employee Compensation Survey

## Compensation and Wage Rates on Kansas Farms, 2001

research by K-State and the KS Farm Management Assoc.

- Information gathered on 189 farms, 446 employees
- Included all employees
  - Full-time, part-time, seasonal
  - Owners
  - Family Members
- To compare across farms, employees were assigned to one of 5 competency levels

## Employee Compensation Results

### Full-Time Employees (>1800 hours/year)

	Employee Competency Level					
	All	1	2	3	4	5
Total Comp	28,188	20,871	25,008	29,016	33,060	30,139
Hourly Comp	10.13	8.07	9.10	10.77	11.73	10.21
Total Cash Wage	22,651	18,415	20,462	23,527	27,155	22,351
Hourly Cash	8.36	7.01	7.94	8.88	10.63	7.94
Hourly Wage Equivalent	8.08		6.78	8.65	9.27	7.52

## Survey participant information

- 13% of all employees were part owners
  - 63% of Level 5 employees were owners
- 34% of all employees were related to owners
  - 79% of Level 5 employees were related to owners
- 87% of employees were male
- Employees have, on average, 8.6 years tenure

## Why does compensation for Level 5 employees drop off?

- No real explanation. Some possibilities include:
  - prevalence of family/owner employees
  - Level 5 employees are more long-term employees (21 years with current employer as compared to 9 for Level 4s). Thus, not as subject to market pressure.

## Employee Compensation Results

### All Employees

	Employee Competency Level					
	All	1	2	3	4	5
Total Comp	19,696	8,983	15,512	22,424	29,186	27,355
Hourly Comp	9.65	7.20	8.73	10.83	12.22	10.45
Total Cash Wage	15,867	8,089	13,179	18,257	22,577	20,349
Hourly Cash	8.01	6.68	7.92	8.85	10.51	8.15
Hourly Wage Equivalent	7.97		6.85	8.41	8.86	7.66

## Hourly wage vs. hourly wage equivalent

- Hourly wage is a given value (hourly employees)
- Hourly wage equivalent is a calculated value (salaried employees)
- For lower levels, employees are more highly paid when receiving an annual salary.
- For higher levels, employees work more hours and are more highly paid when receiving an hourly wage.

## Prevalence of benefits

- On average, full-time employees received \$5,537 per year in non-cash compensation.
- Benefits became more valuable as competency increased
  - \$2,456 average benefits for Level 1
  - \$7,788 average benefits for Level 5
- Most common benefits (full-time) were
  - farm products (56%)
  - health insurance (38%)
  - bonuses (38%)

## Conclusions

- When you are experiencing problems with employees, work backwards.
- No matter how much feedback you think you're giving, give more.
- Make time to celebrate.
- Above all, communicate!

## Compensation and Wage Rates, by area

	SE	SC	NE	NC	West
Total Comp	22,699	17,817	16,188	15,332	26,360
Hourly Comp	9.89	9.48	9.87	8.55	10.37
Total Cash Wage	18,562	15,389	12,021	13,082	19,877
Hourly Wage	8.22	8.22	7.84	7.41	8.68
Hourly Wage Equivalent	8.80	9.65	7.02	7.03	7.89

## Developing a competitive compensation package

- Understand the needs of your employees
  - communicate
  - review regularly
- Understand the current labor market