Ch. 21 Key Questions: Human Resource Management

- What are the most effective ways of obtaining farm employees?
- What information should a farm employment agreement contain?
- How are farm employees compensated?
- What important laws affect farm employees?
Number of Employees per Farm

% of all employees

- One
- Two
- 3 to 6
- 7 to 10
- 11 or more
Assessing Labor Needs

- Amount of labor
- Type of skills
- Level of skills
- Seasonality
- Management style
1. Develop a job description
2. Publicize the position
3. Choose applicants to interview
4. Conduct interviews
5. Develop an employee agreement
Wanted: Hired man.
Call 123-456-7890
Wanted: Person for general farm work, full-time, on a beef and crop farm. Requires two years farm experience or equivalent, and/or two years ag education beyond high school. Good wage and benefit package.

Call: 123-456-7890
Maple Grove Farms has an opening for a full-time person to assist the owner/operator in management and production of beef and crops. The position offers considerable variety and opportunity for growth,
At least two years farm experience and /or ag education beyond high school required. Pay and benefit package based on applicant’s experience and training. Write for application to Maple Grove Farms (address)
Finding the Right Employee
Employee Agreement

- Job description
- Lines of authority
- Wages
- Benefits
- Hours, vacation, sick leave
- Training opportunities
- Evaluation
- Termination
Employee Compensation

- Wages and salary
- Benefits
- Bonuses or incentives
- Use of property
- Part ownership
- Farm produce
Total Annual Compensation
Iowa 2005

- Wages    $28,256  81%
- Benefits  $ 5,374  16%
- Bonuses   $ 1,010  3%
- Total     $34,640  100%
Compensation by Experience

Years of Farm Work

- 0-5 years: $27,323
- 6-10 years: $33,462
- 11-15 years: $38,171
- 16-20 years: $42,157
- 21-30 years: $40,221
Compensation by Farm Type

- Crops: $35,791
- Beef: $37,643
- Swine: $33,305
- Dairy: $26,631
- General: $35,774
Benefits Provided

- Retirement: $732, 27%
- Recreation: $458, 36%
- Clothing: $34, 24%
- Vehicle: $300, 20%
- Meals: $583, 45%
- Utilities: $436, 18%
- Housing: $700, 20%
- Insurance: $1,721, 42%
## Employee Bonus Plans

**Based on:**
1. Efficiency
2. Volume of production
3. Longevity
4. Profitability

**Example:**
- $2 per pig weaned over 7.0 per litter
- $.50 per pig sold
- $100 for each year worked
- 5% of net farm income
Bonus Plans

- Should depend on factors under the control of the employee
- Should be simple
- Should be paid on a regular basis
- Should be attainable
...AND SINCE OUR BONUSES DEPEND ON THINGS WE CAN'T CONTROL...

...CAN MINE BE BASED ON THE PERFORMANCE OF SOME OTHER COMPANY?

YOU ASK ONE QUESTION AND SUDDENLY YOU'RE NOT A TEAM PLAYER.
Supervision: Conflict Resolution

- Avoidance
- Humor
- Authority and threat
- Explanation
- Problem solving
Disciplinary Actions

1. Informal discussion
2. Verbal warning
3. Written warning
4. Suspension
5. Dismissal
Bridging Cultural Differences

- Work to overcome language barriers
  - Show rather than tell
  - Look for translated manuals, etc.
- Be sensitive to family obligations, ethnic and religious holidays
- Understand attitudes toward supervisors
Farm Labor Laws

- Child labor laws
- Immigration laws
- Minimum wage
- Income tax withholding
- Social Security
- Unemployment compensation
- OSHA (safety)
- Workers’ compensation insurance
- Disabilities Act