

A Requirement for Dairy Farm Success: Hiring and Retaining an Excellent Workforce

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■ Take Home Messages

- ▶ Farmers need to become preferred employers by offering a great place to work and by communicating that excellence to potential applicants.
- ▶ Research has dramatically enhanced our understanding that motivated employees possess the psychological feelings of autonomy, relatedness, and competence.
- ▶ Clarity in mission, vision, and values is crucial to decision-making, engagement, and motivation of owners and employees.
- ▶ Consistent use of active listening can dramatically improve communication, performance, and relatedness.
- ▶ Measurement in the form of performance expectations increases clarity, focus, performance, engagement, and autonomy.
- ▶ It is crucial, especially for correcting inadequate performance and unacceptable behavior, to provide three – not two – types of high quality, appropriate feedback. The three are positive, redirection, and negative.

■ Becoming a Great Employer

Let's start with a little detour. I am certain some of you had a challenging crop season last year. All of you have had those years at some point. Those years are frustrating. It, however, makes you feel a little better when your crops are the best in the neighborhood.

I expect you are thinking: "How can that possibly apply to our workforce." Look at it this way. Unfortunately, agriculture does not have a good reputation as an employer, i.e. poor crops. Like you wanted to have the best crops, you

can become the best employer. We refer to that as a preferred employer – the place where good, qualified candidates want to work.

A farm or other business becomes a preferred employer in two ways. First, the farm or business must be a great place to work, it must have a clearly articulated meaningful vision, a positive business culture, excellent supervision with clear expectations and large quantities of great feedback, opportunities for increased responsibilities and personal growth, and competitive compensation. Second, the farm or other business must communicate that excellence to potential employees through networking in the community and with potential labor pools, and through professional recruitment and selection processes.

This paper focuses on enabling your farm to be a great employer or at least a better place to work. Before proceeding, let me encourage you to improve your recruitment and selection and promote your farm to the community and potential applicants. You do not need an HR department to write professional recruitment materials and develop an effective, consistent interview process. It will, however, require priority setting and take time. Two key points in promoting your farm: a) recruitment is marketing, and b) a large and increasing proportion of hires are reached through networking. Certainly, it is important to include positive attributes in your recruitment materials – marketing. It can also be beneficial to “network” with potential candidates. Perhaps you can assist your local FFA or participate in a job fair.

In this paper, we focus on five points to improve your leadership and supervising, leading to employees with higher productivity and greater job satisfaction.

- ▶ Understand employee motivation.
- ▶ Provide great clarity about WHY the farm exists, farm policies, and performance expectations.
- ▶ Active listening.
- ▶ Measurement – performance expectations.
- ▶ Use high quality, appropriate feedback.

■ Understand Employee Motivation

We start our motivation discussion by redefining farm success. First, let's think about individual success. Success certainly requires us to be smart, meaning skilled in our career and making excellent decisions. To succeed, however, we must also be healthy. An athlete cannot excel if he or she is injured. An owner of a farm or any other business is greatly limited if hindered

by poor health. An employee is challenged to succeed or even retain a job if he or she has health issues requiring more than the allotted sick days.

“Smart” and “healthy” have somewhat different meanings for farms or other organization; however, they are both required for a farm or other business to succeed today and tomorrow. Lencioni (2012) recognizes that the fundamentals of business – decision-making, operations (production), strategy, marketing, finance, etc. – are critical. He refers to these as “smart.” Most businesses, including farms, focus almost exclusively on being smart.

To optimize their success, Lencioni articulates that all businesses, farms and agribusinesses included, must also be healthy. A healthy organization is one with high productivity, low turnover among great employees, high morale and job satisfaction, minimal confusion, and minimal politics (often referred to as “drama”). Lencioni’s experience is that almost all business leader/owners recognize the importance of having a healthy business; however, most continue to focus almost exclusively on creating a smart business.

Leading a farm business that is successful in the smart part of our definition of success requires great knowledge of crop and dairy production, the farm business environment, and financial analysis. Leading the same farm business in the healthy part of the success definition requires an understanding of human behavior and motivation.

We begin our focus on human behavior with an analogy. When I was a kid, our cows were on pasture much of the year. When it was milking time, we would go and “get” the cows. Today we use our understanding of animal biology, animal behavior, and nutrition so we no longer “get” the cows. In fact, in the box-type robotic parlors we use today the cows enter to be milked on their own.

Employees, and thus management, first appeared in the industrial revolution less than 200 years ago. At that time, the first management guru, Frederick Taylor, argued that employees were just one more input into production. The obvious implication of this argument was to “get” employees to perform.

We have progressed beyond thinking that employees are only an input into production. However, most of our employee management is still based on carrots (rewards) and sticks (threats/punishments), which is an outgrowth of Taylor’s thinking.

Recent research in psychology, neuropsychology, and psychoneuroimmunology enables us to better understand the workings of our brain {see especially Fowler (2014) and Ward and Robinson (2015)}. This understanding dictates that we move beyond “getting” employees to be productive and happy. We, the owners and leaders, must create a healthy

environment where employees excel more from self-motivation and less from carrot and sticks.

Creating an environment where more employee motivation is self-motivation will require thinking differently about our employees. Further, we must view this transformation as a journey that will take time with intermediate and long-term rewards.

A healthy farm has a workforce that has superior productivity and extraordinary job satisfaction, along with a passion for the farm and a desire to thrive and excel. How can that be achieved? Research on human behavior (psychology) and brain function (neuropsychology) sheds great light on the answer to this question. The answer is surprisingly simple, but challenging to implement. As with many animal and crop research results, the answer forces us to abandon generally accepted ways of thinking.

We now know that the answer to this question is that people are productive, engaged, and passionate when their psychological needs for autonomy, relatedness, and competence are fulfilled. Below, each is described with suggestions to implement with farm employees.

Fowler (2014) describes autonomy as “[o]ur human need to perceive we have choices. It is our need to feel that what we are doing is of our own volition. It is our perception that we are the source of our own actions.” Autonomy is increased when workforce members believe they are in control of their actions. Autonomy can be increased by a) encouraging ideas and involving employees in decisions, b) giving choices where appropriate, and c) explaining WHY when choices are not available – such as with standard operating procedures (SOP). These actions increase understanding and a feeling of control.

Fowler (2014) describes relatedness as “[o]ur need to care about and be cared about. It is our need to feel connected to others without concerns about ulterior motives. It is our need to feel that we are contributing to something greater than ourselves.” Relatedness results from being part of the group and being a part of something meaningful.

Most dairy farm owners have relatedness. The relatedness challenge for owners can be in multiple owner situations, including during intergenerational transfer. When there is disagreement over the vision and core values or a lack of collaboration among partners, relatedness can suffer dramatically. With employees, relatedness is increased when they feel included, when there is a bond with other members of the workforce, and when their work is meaningful to them. Relatedness can be increased by a) improving interpersonal relationships – trust – by listening, being fair, expressing encouragement, providing quality feedback, and treating your employees as

equal human beings, b) ensuring everyone understands and is committed to the vision, and c) explaining WHY when explaining decisions and making assignments.

Fowler (2014) describes competence as “[o]ur need to feel effective at meeting everyday challenges and opportunities. It is demonstrating skill over time. It is feeling a sense of growth and flourishing.” To understand that competence is more than skill, think about why the opposing team calls timeout before a field goal kicker attempts a game winning field goal. We often describe the goal as getting the field goal kicker to “choke.” What does that mean? Obviously, the kicker does not have diminished skill in the 2-3-minute delay. The goal is for doubt to enter his mind – to lose confidence, and thus, competence.

Competence, then, is skill plus confidence. As with the field goal kicker, skill precedes confidence. To ensure that employees have competence, not just skill, requires coaching well after they have learned the skill. Competence can be increased by a) training that includes high levels of encouragement and feedback, b) providing opportunities to learn and grow, and c) developing a culture of improvement where redirection and negative feedback are given immediately and received with minimal defensiveness and with a desire to continuously improve.

■ Provide Great Clarity

Meeting employee need for autonomy, relatedness, and competence requires providing great clarity; I like to call it “chalking the field.” Clarity begins with a clear understanding of WHY the farm exists. This then serves as the basis for engaging employees in success – relatedness.

Today, almost all farms have multiple partners from two spouses to multiple family members to non-family partners. In my experience, the greatest source of conflict between partners and even business failure is lack of clarity and/or downright differences in mission, vision, and values. I will never forget the story from one of our first PRO-DAIRY programs. In discussing the farm’s mission, a husband and wife both said: “I have thought we should sell the farm for a long time, but have not said anything because I ‘know’ my spouse is committed to continuing.” They moved on to the next step in their lives very quickly.

What, then, should be included as mission, vision, and values are articulated?

- **Mission:** Mission is the reason the farm exists. Items like business growth, legacy, profitability, productivity, quality, professional development, etc. often are included. Mission is primarily for the owners as it is crucial to the development of the farm’s strategy.

- ▶ Vision: Vision is the inspirational mental image of a successful future. This is the “why” the farm exists and is crucial to motivation and passion. The vision tells why what we are doing is important. Examples could be: “We feed families just like ours” or “Improving quality of life through quality food products.”
- ▶ Values: Mission and vision are drivers of the future. Values tell us what is important and how to behave as we strive for that future. It is easy to make a long list of values. The challenge is to define the small number that are most important to the owners of the farm. Values greatly influence day-to-day decision-making. Examples include honesty, safety, stewardship, community involvement, customer orientation, etc.

There are many ways to articulate mission, vision, and values. How you do it is not important. The key is that you include the what - mission, the why – vision, and the how – values. A great reference is Blanchard, Stoner and Lencioni (2011). They use a fable to illustrate articulating significant purpose, picture of the future, and values.

After articulating the mission/vision/values, significant purpose/picture of the future/values, what/why/how for your farm, the next challenge is determining the best way to translate this information to create motivated, engaged, passionate employees and other stakeholders. One way is to create a “motivational catchphrase” to use as the focal point.

Common examples of “motivation catchphrases” are:

- ▶ Apple: challenge the status quo.
- ▶ Southwest airlines: you are now free to move about the country.
- ▶ Disney: provide good, clean fun.
- ▶ University of Minnesota Gophers Women’s Hockey: four values: tough, grateful, disciplined, devoted.

As you articulate the mission, vision, values, and “motivation catchphrase (or other form of communicating to employees) for your farm or other organization, keep in mind the following two criteria:

1. It is meaningful to the owners to serve as the driver for the future and to create the willingness to work hard and to be committed and passionate.
2. It can be articulated in a form that motivates the employees to work hard and be committed and passionate.

■ Active Listening

Begin by thinking of a recent time when someone – employee, colleague, partner, family member, friend – was not listening when you had something important to say. Now think about how you felt and describe your feelings in one word. Common responses to this situation include: frustrated, ignored, angry, unimportant. To avoid situations where we leave others with these feelings, we need to become better active listeners.

Our tendency is to view listening as a passive activity. Active listening is a very proactive way to enhance communication with employees and others. The listener is now taking “active” responsibility for understanding both the content of and feelings behind what is being said.

Many, perhaps most, of us do not fully listen to what is being said, nor do we then ask follow-up questions to elicit greater understanding or additional information. Often, when someone – an employee, a partner, a customer, a friend, a spouse – initiates a conversation, they have spent time thinking about the idea, the issue, the concern, or the situation. Your responding before they have explained their thinking both loses the fruits of the time they spent and diminishes the quality of the interpersonal relationship with that individual.

The following are two listening practices to assist you in becoming a better active listener:

- Pause 1- 2 seconds before replying. This practice has three advantages:
 - It shows you are carefully listening
 - You avoid or at least reduce the risk of interrupting
 - You hear the other person better
- Ask questions for clarification. I find these two to be especially helpful:
 - “What do you mean?”
 - “Tell me more?”

I find the 1-2 second pause especially helpful on the telephone where interrupting is an even greater danger. In addition to being rude, interrupting often renders the conversation ineffective. I find the “tell me more” phrase to be extremely effective especially when listening to someone who is quiet, has difficulty expressing their thoughts, or someone who is not certain whether I am interested in what they are saying.

The consequences of failing to allow others to fully express ideas, opinions and feelings and/or to not fully listen are often two-fold. First, the current

conversation is not brought to successful conclusion. Second, you have communicated the message that you do not want to listen, and even more significant future ideas, concerns and feelings may never be communicated.

■ Measurement

Measurement is important to employee engagement and productivity. Employee engagement requires that each employee can answer two questions: 1) what is expected of me, and 2) am I meeting expectations – winning. The answers to both requires measurable performance expectations. The performance expectations are the answer to the first. They, then, provide the basis for answering the second question.

To illustrate the importance of measurement, let's look at a hypothetical situation. The next Super Bowl will be here in Minneapolis. In our hypothetical world, it will be like every other Super Bowl except the score will be kept secret. To enable secrecy, touchdowns will be 4, 5, or 6 points randomly determined and field goals 2, 3, or 4 points. Only one person will know the "real" score. My question is: if the game is close, will the unknown score impact the game?

The answer is "yes" because neither team will know how to proceed. Both teams have late game plans for protecting a lead or attempting a comeback. The coaches do not, however, know which to use.

Welcome to the situation faced by most employees. They have an idea how they are performing, but they do not know how that performance compares to what is expected. They are in limbo.

A note of caution to guide how we proceed. The Super Bowl hypothetical is a good analogy to illustrate the importance of measurement. The analogy ends there, however! In sports there is only one winner; on farms and other businesses, we want all employees to be winners.

If winning was the only or primary reason for measuring success, measurement would not be a contributor to engagement. In fact, for many it would be a demotivator. We, therefore, need to look beyond "winning" to understand the importance of measurement. We explore four reasons.

Measurable Accomplishments

Earlier we introduced autonomy – our need as human beings to feel in control of our actions. Perhaps the greatest source of autonomy is seeing our own accomplishments. From Lencioni (2007): "If you don't get a daily sense of measurable accomplishment, you go home at night wondering if your day was worthwhile."

As an owner or key manager, you are probably thinking: “I go home every night knowing what I have accomplished. Don’t employees do the same?” The answer is typically “NO.” Employees do not have the experience and knowledge of the big picture that you do. They require your help to set measurable outcomes. Hill and Lineback (2011) says it well: “A manager’s job is to provide ‘supportive autonomy.’”

Increase and Maintain Focus

Think about playing a card game in a social setting – an evening with friends. We almost always keep score. In a social setting, winning is not paramount, so why do we keep score? The answer is because keeping score causes us to focus on the game. The goal setting (performance expectations are goals) literature is very clear that having goals – performance expectations – increases focus and performance.

I still remember a day as a kid when we were baling hay. In mid-afternoon, a storm was brewing. We focused all our efforts to finish before the storm broke. We did finish just as the skies opened. I was incredibly amazed that it was 7:00 PM. It seemed like just a few minutes had passed. Beating the storm created FOCUS!

Ensure Individual and Farm Business Success

My mentor and friend Dr. Bernie Erven often asks audiences: “Do you know of a farm where the farm is succeeding while the people are failing.” I have never heard anyone answer “yes” to the question. Farm success results from the success of each member of the workforce. We can ensure individual success by defining outcomes – performance expectations – for everyone (or team), routinely comparing actual performance to the performance expectations, and making corrective and continuous improvement adjustments. This process is referred to as a performance management system.

■ Quality feedback

We as human beings need to know how we are doing. There is, however, no obvious scoreboard for our work, like there is for a sports game. The only way for our employees to know how they are doing is by providing feedback. It is crucial to recognize there are three – not two – types of feedback – positive, redirection, and negative.

Positive Feedback

In workshops I often ask participants how many times they have provided positive feedback in the last 24 hours. Most of the few who answer five or more times have been working with small children – coaching sports or teaching Sunday School.

Why are we more comfortable giving positive feedback to children? My answer is that children have not “learned” that they should be reserved in receiving compliments – positive feedback. This is not a good lesson but indeed is one that permeates our society.

Does the reserved response to positive feedback mean that adults do not want or appreciate positive feedback? The answer is a resounding NO! Research and my experience is that adults respond just as positively as children to positive feedback, they just do not show it.

Why then should we provide positive feedback?

- Positive feedback is motivating. In one of the most profound contributions to motivation theory, Frederick Herzberg identified many opportunities to motivate employees. “Feelings of personal accomplishment” and “recognition for achievement” are two of those motivators.
- Positive feedback focuses the recipient on success. To be effective in increasing performance, the feedback must be specific, timely, and accurate.
- Positive feedback builds confidence. Since many members of our workforce are young and often insecure, this advantage is powerful.
- Excellent, specific positive feedback engages the employee in their performance.

Feedback for inadequate performance

Traditionally we have talked about two types of feedback – positive and negative. This is logical as there are two outcomes of every behavior (including performance) – meet or exceed expectations and fail to meet expectations.

As we discussed above, the appropriate outcome of “good performance” is positive feedback. It does not follow, however, that the appropriate outcome of “unacceptable performance” is negative feedback. Thus, the need for three, not two, types of feedback.

The key to improving unacceptable performance is appropriately choosing between the two – not one – feedback responses. Redirection feedback is required when the unacceptable performance is caused by the situation, not by the employee's lack of motivation, focus, etc. Negative feedback is only appropriate when the cause of the unacceptable performance is the employee's motivation, energy, focus, concentration – good performance was under the employee's control.

Most managers dread dealing with unacceptable performance. You must, however, be proactive in determining the cause. You can then work to institute changes that will lead to employee success. Based on your analysis of the reason for the failure to perform, you can redirect and/or provide a consequence for failure to change.

Redirection Feedback

Redirection feedback is required when the unacceptable performance is caused by the situation, not by the employee's lack of motivation, focus, etc.

I believe that many managers are aware that negative feedback is not appropriate for this situation. Not knowing what else to use, they often do nothing.

This is an opportunity to be proactive by redirecting the employee toward good performance. This requires asking "What is the reason for the unacceptable performance?" Possibilities include insufficient training and coaching, the expectations were not clear, the expectation was not attainable, and unusual or unexpected circumstances prevented meeting the expectations. Understanding the root cause allows us to develop a plan to correct the problem, in this case unacceptable performance (or behavior).

Negative Feedback

Some of the time, as you carefully determine the cause of the unacceptable performance, you will determine that the employee's motivation, energy, focus, and concentration are the cause. In other words, the employee should have met the expectations – good performance was under his or her control.

In this situation, especially when you have already provided redirection feedback, negative feedback is warranted. Even here, though, neither you nor the employee should view negative feedback as a punishment. Rather it should be given as a choice:

- Make the change necessary for good performance.
- Incur the specified consequence.

Negative feedback is not easy to deliver. It is important, however, to keep in mind that the purpose of the feedback is still employee success.

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