

Human Resources in a Growing Family Business

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■ Take Home Messages

- ▶ Four roles of business leadership
 - Vision - where do you want to go
 - Focus - staying on track
 - Delegate - the right people doing the right things
 - Model - lead by example

- ▶ Understanding personal style
 - We judge ourselves by our intentions, others judge us by our actions
 - Either you control your style or your style will control you
 - No one personal style dimension or pattern is more preferable than another- except in the type of work you do
 - In many situations your greatest strength can become your greatest weakness

- ▶ Human resource management tools
 - Personal style indicator
 - Interview questions
 - Job description
 - Salary grid
 - Employee handbook
 - Standard operating protocols
 - Communication systems
 - Benefits/ incentive programs
 - Performance appraisal
 - Exit interview questions

In 1970, Hank Vanderkooi, a young Dutch immigrant, started to operate his own dairy farm milking 40 cows in Abbotsford, BC. Human resource (HR) management was a foreign concept at that time. Since then, the farm grew

modestly until the early 1990's, when a more aggressive growth and development plan was implemented. Along with this growth came the gradual succession of the business to 4 sons, who currently manage and operate 3 dairy farms in BC and SK milking 850 cows. The Vanderkooi Group of Companies (VGC) has also diversified with other agri-business investments.

The Vanderkooi Group organization was established to administer business structure and systems to support ongoing growth and development. The strategy is to work together as a team to pool resources and complement each other's strengths.

The objective of this presentation is to share ideas and tools to help you improve the management of your business, specifically related to HR. Key components are the roles of business leadership, understanding personal style differences and specific HR management tools.

■ The Four Roles of Business Leadership

The 4 roles of leadership identify the key areas for understanding where your business is going and how it's going to get there. The application of HR management is much easier for a business that has a clear vision, is focused, delegates authority, and is led by example. The following 4 roles give guidance to the leader responsible for the welfare of your business.

Vision - Where Do We Want To Go?

To help the process of determining the vision for your business, ask these questions *'What is important to the shareholders? Where is the business going? How will we get there?'* The development of unique principles and values for the business and the creation of a mission statement is an effective way to begin to answer these questions. It is important to write your thoughts on paper and try to clearly identify how you want the business to look in 5 -10 years.

The VGC has identified seven principles, in order of importance: family culture, profitability, efficient organization, effective communication, growth, innovation, and diversification. The VGC mission statement incorporates these values; *"As a family agri-business, we value principles of organization and communication. We aim to be profitable by focusing on growth, innovation, and diversification and emphasize the optimal use of resources along with the development of qualified and motivated staff."* Once you have clearly stated your vision, you need to develop your strategy for how you will get there (ie. economy of size, diversification, niche marketing).

Focus - Staying On Track

When talking about focus, you are making sure that what you do aligns with what you say you want to do in the mission statement. Ask yourself *'How does the business operate?'* The development of a structure and systems using tools such as an organizational chart, decision-making, employee policies, and standard operating protocols will define your action plan to achieve the business vision. Another question to ask is *'How are the operations aligned to achieve the vision and goals of the business?'* Make sure that the items such as people, equipment, facilities, cattle, finances, and communications are working to achieve what matters most relative to the strategy and goals.

Delegate - The Right People Doing the Right Things

Figure out *"Who does what? How? With what resources and accountability? For what reasons?"* Write a job description. Delegate responsibilities and help employees develop their skills. It's about empowering your staff. You want to establish a culture where people do their best and are committed. Make sure you have the right people doing the right things, and then provide clear expectations and communication. Give feedback and incentives to encourage high performance. Tools such as surveys, performance appraisals and report cards can be useful.

Model - Lead by Example

Ask *'Do I take responsibility? Do I walk the talk? Am I trustworthy?'* Be more than an owner/manager; make sure the right decisions happen for the business. It is not about you, it is about the interest/well-being of the business. It's about professional will and personal humility.

■ Understanding Personal Style

The key to successful HR management is to understand your own personal style and how each of us is created with different personal styles. Once we learn these differences, we can manage our own strengths and difficulties and learn how to relate with other people, each with their own unique strengths and difficulties.

There are six personality development factors that can influence how we develop.

- ▶ Environmental systems (family origin, culture...)
- ▶ Biophysical influences (gender, age...)

- Social teachers (parents, teachers...)
- Self worth levels (self perception, acceptance of self...)
- Traumatic experiences (divorce, having children...)
- **Personal style preferences**

The definition of personal style is “your natural tendency to interact with the environment” in relation to time, people, tasks, and situations. Personal style can be categorized into 4 quadrants.

- **Affective** - expression *‘lets have some fun’*
- **Behavioural** - action *‘time is money’*
- **Cognitive** - analysis *‘any job worth doing is worth doing well’*
- **Interpersonal** - harmony *‘relationships’*

It is usually during times of stress that one’s behaviour will display personal style tendencies, good or bad. Following is an examination of the characteristics, strengths and difficulties for each of the 4 styles. Affective and Interpersonal styles tend to be **people-focused** and Behavioural and Cognitive styles tend to be **task-focused**.

Affective- expression (extroverted, verbal)

Strengths:

- +Energetic
- +Self Confident
- +Persuasive
- +Imaginative
- +Entertaining

Difficulties:

- Start too many projects
- Make impulsive decisions
- Ignore timelines
- Play too often

Behavioural- action (extroverted, non-verbal)

Strengths:

- +Working hard
- +Problem solving
- +Time efficient
- +Delegate tasks
- +Goal setting

Difficulties:

- Unappreciative
- Authoritarian
- Poor team workers
- Ineffective interpersonal communicators
- Prideful, unapologetic

Cognitive- analysis (introverted, verbal)

Strengths:

- +Organizing data
- +Researching information
- +Proofreading
- +Getting quality results

Difficulties:

- Ask too many questions
- Be pessimistic, picky
- Make decisions slowly
- Speak bluntly

Interpersonal- harmony (introverted, non-verbal)Strengths:

- +Works consistently
- +Serving others
- +Listening to others
- +Fixing things
- +Being patient

Difficulties:

- Generally non-assertive
- Stubborn when angry
- Stress avoiders
- Overly quiet
- Reluctant delegators

There are several lessons that we can learn and apply to our HR management from a good understanding of personal style.

- We judge ourselves by our intentions. Others judge us by our actions.

Every style behaves as they do, mostly out of good intentions. Interpersonals want harmony in all their relationships and assume that that it is every person's highest value. Behaviourals assume that everyone places speed and task at the top of the list. Affectives assume everyone wants to be entertained and have a good time. Cognitives think that caution is everyone's approach to life. But people only judge us based on how we behave, not on what we intend. If the Behavioural sits in his car honking the horn to get everyone to leave the house on time, the intent is good (be on time) but the behaviour is offensive. Likewise, if the Interpersonal is working with a Behavioural, his default is to avoid conflict to have harmony. The intent is good (harmony) but the behaviour makes the Behavioural think they are weak and spineless. You must behave in effective ways.

- Either you control your Style or your Style will control you.

Many people in life are controlled by their styles. Cognitives can act in such a cautious manner that caution controls their lives, and they never take action. If Behaviourals don't manage their style, they can become workaholics, which can be very hard on relationships. In the end, the task can become so important that they drive their relationships from them. Unmanaged Affectives tend to be looked at as flakes. Sure they have lots of good ideas, but they never are completed. Lots of smoke, but no fire. Interpersonals, if they don't recognize that not everyone prizes harmony as they do, will shrink from conflict and live life only trying to please others.

- No one Personal Style dimension or pattern is more preferable than another - except in the type of work you choose to do.

It's important to make sure that the personality style of the person fits the job that they want to be in. For instance, an accountant should probably have a strong cognitive dimension. They are naturally cautious and respectful of process – a great job fit. An Affective in an accounting job will struggle because one of their chief characteristics is a lack of commitment to detail. A Behavioural as a counsellor will mainly be interested in seeing the person

make decisions in their lives – they will be in a hurry and not primarily concerned with empathy, but with the ‘task’ of fixing the person. An Interpersonal is a person that is flexible and easy to work with, and can deal well with routine that is the same each day. That is an important thing to know when you are hiring for a given position. This can all be determined with the Personal Style Indicator tool.

Two additional summary take-home points to consider from the above three points are:

- the importance of gaining understanding and acceptance of others
 - to learn how to communicate with others in terms that they understand.
- In many situations your greatest strength can become your greatest weakness

The thing that makes each style strong is also what makes the style weak. Whatever your personality, you have the corresponding weakness and strength.

Affective	<u>Strength</u> : Great ideas! <u>Weakness</u> : So many ideas that none of them get completed.
Behavioural	<u>Strength</u> : Great at task and driving things forward <u>Weakness</u> : Too task focused and not enough attention given to people – others can think the behavioural is only concerned with what they can get from a person
Cognitive	<u>Strength</u> : Caution and great attention to detail <u>Weakness</u> : Way too cautious and cares so much about detail that they can be controlling and difficult to work with.
Interpersonal	<u>Strength</u> : Very empathetic – care more about others than themselves <u>Weakness</u> : Care so much about others that they can be taken advantage of and become bitter and feel used.

Four additional summary take-home points to consider from the above point are

- develop a plan to increase your style flexibility.
- ensure you are in the right job, role, and/or career.
- increase the opportunity for success when your team can talk about style behaviours.

- ▶ develop a team based on assessment of team-member style strengths.

■ Human Resource Management Tools

- ▶ Personal Style Indicator (PSI)

With the use of a simple workbook, you can have employees or prospective employees complete the questionnaire using 16 ranking questions to assess their personal style pattern. Understanding their tendencies will ensure that they are the right person for a specific role or job in your business.

- ▶ Interview questions

Preparing a comprehensive list of possible questions will help you to select the appropriate ones to use for an interview. Usually you will only need to select 5-10 questions to use for the interview.

- ▶ Job description

Writing a job description helps to clarify the roles and responsibilities of your employees. The following headings are useful as a guideline.

- Title
- Reports to
- Brief summary of job
- Qualifications
- Responsibilities
- Hours
- Career enhancement recommendations
- Remuneration

- ▶ Salary grid

Standardizing your remuneration program reduces issues related to inconsistency or justification for calculations. When developing a pay grid you should consider creating pay groups based on the type of job (general labour, milker/feeder, herd/maintenance manager, operations manager, general manager). Setting up pay levels within a group helps to add flexibility. You can have 3 levels based on a combination of factors such as education, experience, skills, and responsibilities. General definitions for each group and level help to clarify how to position each employee in the grid.

- ▶ Employee handbook

The employee handbook effectively communicates your business's policies and guidelines. Significant headings can include:

- Company history

- Organizational chart
- Principles and mission statement
- Policies
 - Conduct
 - Holidays/ vacations
 - Orientation/ review processes
 - Professional development

▸ Standard Operating Protocols (SOP)

SOPs can help to clearly illustrate how jobs are to be done in your operation and aid with decision-making. They create consistency and also help to educate your employees about the how and why of specific jobs and practices. The goal is to implement best practices and focus on prevention.

▸ Communication systems

Making an intentional effort to understand and communicate with your staff is one of the best investments you can make. Whether you meet informally or formally in the operation, time needs to be set aside for listening to suggestions/needs, planning daily activities, prioritizing, delegation, conflict management and more.

▸ Benefits/ incentive programs

There are different ways to reward and provide incentives to employees. Understanding and listening to them is a simple and practical way to ensure your staff feel like valued members of the team. Providing health benefits and a pension/loyalty program are other ways to show that you care about their well-being and want them to stick around. Performance/results based incentives are also very effective as long as they are correlated to the employee's direct contribution. This can often be a challenge for a dairy farm operation.

▸ Performance appraisal

An annual review meeting is an excellent way to consistently discuss how things are working or not working, and to hear the employee's goals and needs. Getting the employee to fill out a survey with open-ended questions is an effective way to prepare for the review meeting. The use of an objective performance report card that identifies what is important to the business can be used to provide a year-end bonus with some meaning attached, rather than just because it is Christmas, for example.

▸ Exit interview questions

This is your chance to learn what you are doing right and/or wrong. You can be sure to get candid input. Again, preparing an open-ended questionnaire is

a useful way to gather information.

In summary, there are many tools available to help make HR more efficient and effective. Try to develop the tools that make sense for your operation.

The challenge is to build your business to last. Having a clear, well-thought-out-strategy, and an effective structure and systems to ensure consistently good performance are important areas to concentrate on when working on the business rather than in the business. Lastly, where appropriate, seek out and invest in professional advisors and/or facilitators.

■ Acknowledgements

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