



## **PERSONNEL MANAGEMENT IN AGRIBUSINESS**

Effective management in the agribusiness industry can be defined in many ways. Quite often management is judged by the bottom line, in terms of profit or operating efficiency. Gross sales, market shares, and return on investment are other often-used measures of managerial performance. These measures notwithstanding, management is best defined as getting things done through people. Because our agribusiness industry is so service-oriented, people are inevitably the single most important resource available to management. Management's leadership function, therefore, is its most critical element. Review in your own mind those agribusiness firms that you would judge to be the most successful. Without exception, that exclusive list will contain firms with ongoing and outstanding personnel management programs. One cannot hope to convey to the reader all the factors contributing to effective personnel management. Some contributing factors are so subtle as to defy description. Others are unique to individual personalities and/or specific environments. However, some basic guidelines are clearly observable and worthy of mention. This paper attempts to address those factors common and critical to effective personnel management in the agribusiness industry.

### **Focus On Individual Skills, Not Established Procedures**

Once again, review in your mind the most effective salespersons you've ever known. Was their individual success in sales based on the lock-step adherence to established procedures? Probably not. Every successful salesperson follows a 'system' unique to their own experience, personality, and situation. This complement of individual skills proves more effective than does blind adherence to established procedures. In essence, good personnel management requires that you judge your own actions and those of your employees by results. These results should be

seen in terms of enhancing the competitive position of your firm and the sense of human satisfaction of those who work for the firm or do business with it. While every business must ask its employees to operate within certain written procedural restraints, don't ask your people to act in strict adherence to a set of rules. Doing everything 'by the book' often serves to discourage some people from utilizing their unique skills. For the individual employee, if an unorthodox solution or procedure proves effective and pleases the person using it, don't discourage it or discount its importance to your organization.

### **Setting Some Standards**

As the manager of an agribusiness firm, you must always recognize that your own actions establish a set of standards against which your employees judge themselves. If your own work habits appear careless, irregular, and lacking in enthusiasm, then your employees will likely reflect similar actions. On the other hand, if your own actions set a high standard for the firm, in all likelihood your employees will be eager to follow. Just remember, there are no standards more influential on your personnel than those that you set for yourself. Lead by example. Although written standards of conduct are helpful, they prove effective only if your employees believe that such standards are universally applicable, from the top to the bottom of the rank-and-file.

### **Attempt To Know Your Workers**

Effective personnel management is not a finite science. Neither is it a static practice that never changes. If you are to get things done through people, you must conduct a continuous study of those people, their motives, and attitudes. Since your complement of employees will change over time, you must continuously respond to their expressed needs and concerns.

Job security, of course, is always a major concern to employees in this time of downsizing and reductions in force. Providing recognition of the

contributions of others no matter how minor, and their critical role in your firm are useful starting points in addressing this prevailing concern.

Remember that individuals react differently to recognition. Praise and support may encourage one person to reach new heights of achievement while serving only to inflate the ego of another. In addition, somewhere along the line “constructive criticism” may be called for. Some individuals will handle this process well while others will wilt under the pressures. Under the circumstances, the skilled manager will always attempt to know well their employees and select that procedure which best suits the individual needs of the employee. Whether you use the “carrot” or the “bullwhip” will depend on the situation and your knowledge of the individual employee.

Be sure to remember that a person’s motives and attitudes are generally linked to factors beyond your firm’s time card clock. You must be tactful and courteous as you attempt to secure information on your employee’s private lives. Always be respectful and remember that people may react on emotional or non-logical grounds even though they perceive their actions to be perfectly logical.

### **Establishing A Sense Of Direction**

Nothing is more frustrating for an employee than an employer who lacks a general sense of direction. If their current and future role in the firm remains unclear, an employee’s sense of self-esteem is adversely impacted. Employees should have some sense of direction. They should know where they’re going, what they’re contributing, and why they’re doing it. Good employees do not just work day-to-day, they do not work in a sensual vacuum, and they do not work just for the paycheck. Effective personnel managers, therefore, focus their efforts on an attempt to link otherwise mundane employee tasks to larger and more important company objectives.

Consider for a moment the young woman who works at the grading table for a large apple-packing warehouse. Her “assigned” duties may first appear mundane and highly repetitive. It is easy to see why her sense of contribution may be minimal or non-existent. However, if the packing foreman explains to her the impact of grades and standards on the consumers, apple growers, marketers, and the firm’s bottom line, she will soon develop an understanding that her job is

important, or even critical to the total warehouse operation. Employers must also be educated as to the connection between seemingly unrelated tasks. Show them that marketing performance is linked to fruit quality that quality relates to grading and that grading requires a learned skill held in high esteem by the employer.

### **Become A Good Listener**

If you really want to know your employees -- listen! Listen well and listen often. Your employees’ habits, concerns, ambitions, sensitivities, and points of pride will rapidly surface as you practice the simple act of listening. You will soon better appreciate why people behave as they do, as well as what motivates or depresses them. Encourage your employees to talk freely without ridicule or disapproval. Be respectful of personal confidences and try to schedule private discussions with employees on a regular basis. Avoid any suggestion that you are prying into their affairs by permitting such discussion to proceed in any direction the employee chooses. Try to understand their feelings even if you do not share their views. If you wish to solicit responses, make sure your questions are unbiased and open-ended. Never dominate the discussion.

A common objection to being a good listener is that it takes so much time to draw out people. It is true that natural reticence will always exist, but once an employee is convinced that he/she is not being singled out or being exploited for an ulterior motive, they will speak freely. Therefore, the time invested will reap big dividends.

### **Personal Consideration**

We have all known managers who are hard-nosed, dispassionate, and iron-willed. They exploit their position of dominance and function via threats, intransigence, apathy, and a naturally combative attitude. Employees respond in a perfectly human fashion by working with reluctance, apprehensiveness, and possibly even fear. Employee performance under these conditions will suffer, particularly over the long run.

Conversely, few things will contribute more towards the creation and nurturing of a hardworking team of employees than a manager who displays a deep sense of personal consideration towards his/her employees. This is not to suggest that all managers must become

'marshmallow' personalities. Instead, effective personnel managers need only convey basic courtesies to their employees. Before making a decision, this manager always considers first the impact on their employees. The most effective manager is the person who treats individual employee characteristics as assets and is careful and considerate in the use of those personal assets.

I'm reminded of a farm supply store manager whose bookkeeper seemed to be continuously discussing personal matters on the telephone on company time. This young lady clearly enjoyed the telephone and her verbal skills were notable, except that her assigned duties were suffering. An adroit manager discussed the problem with the employee. Her communication skills were noted and the manager suggested a change in assignment that would employ the young lady as an office receptionist and a dispatcher for a fleet of bulk fuel truckers. What was first perceived as a problem was transformed into an asset that served well the interests of the firm and capitalized on the employee's communication skills.

### **Consistency, Consistency, Consistency**

Are you one of those managers who occasionally "fly off the handle" and suddenly disrupt the tranquility of your surroundings? If these outbursts are characteristics of your management style, you will probably find your employees frightened or driven into a protective shell. An elderly agribusiness manager who once attended one of my management training seminars readily admitted that to his employees he was commonly referred to as "old nine-eleven" because of his indifference to his employee's threats to dial the "911" emergency number when he blew his cool, disrupting the decorum of the entire office. Indeed, his personality and demeanor oscillated so widely that his employees were bewildered and sometimes even frightened by his outbursts.

The inconsistency in behavior between calm and the occasional outbursts was this manager's problem. Such inconsistent behavior cannot possibly win the confidence and cooperation of your employees. As a manager, you must function as a leader. Employees want to follow a leader whose course is steady and whose supervisory actions are predictable. Consider for a moment that you are flying commercially between San Francisco and Los Angeles and

your pilot repeatedly announces that your flight path is being altered en route. After the fifth or sixth such announcement, what happens to your confidence in that pilot's professional abilities? Now the seventh such announcement is delivered with a flustered and highly aggravated voice. You might just be inclined to ask to utilize the exit!

### **Provide Direction - Politely**

Clearly delivered commands serve well the interests of the military, but serve poorly the interests of most agribusiness firms. An effective personnel manager must provide direction, of course, but should give directions in terms of polite suggestions and/or requests. Assuming your employees have an adequate amount of personal initiative, suggestions and/or requests will solicit the best and most appropriate response. If you find that it becomes necessary to repeatedly issue commands, then you need to re-evaluate your management style or seek a different set of employees. Be sure to remind your employees why you want certain things done. Informal verbal explanations are satisfactory as long as employees understand the reasons behind the request. As a young farm hand working for my grandfather, I learned quickly to respond appropriately to his requests. Such statements as "Why don't you finish the milking before leaving for the basketball game?" were always politely delivered, well understood, and required no rebuttal on my part. The message was clear, priorities had been established, and the objectives were well in mind as I returned to the milking parlor.

### **The Ability To Delegate Responsibility**

As noted above, my grandfather's request to complete the day's milking was always politely delivered. That message also conveyed a deep sense of responsibility. I was 'responsible' for the completion of that evening's milking. The ability to delegate responsibility to others is basic to competent management and at that task; my grandfather was a true master. Had I failed to address my responsibility, grandfather would have had to cover for me, thereby being unable to complete his own more important functions.

Managers who fail to delegate responsibility and attempt to do everything themselves, close out the prospects that assistants or subordinates can learn to complete new and more challenging tasks. Capable employees who are denied this opportunity to demonstrate the depth and breadth

of their individual skills will soon quit and search for more rewarding opportunities. Ultimately, that do-it-all manager will find inadequate time to perform the more important managerial tasks such as planning, budgeting, and coordinating the work of others.

### **Always Show Good Faith**

Employees most often perform at a level consistent with the expectation made of them. Management, therefore, should show "good faith" and convey to its employees this sense of confidence and first-class expectations. Very often your employees will "rise to the occasion" and perform at a level never previously demonstrated.

One such act of good faith is to bring your employees into the active decision-making process. This not only bestows a sense of belonging, it also serves to build self-confidence. Once involved, employees will often work harder and contribute good ideas that would otherwise fail to surface.

Keep your employees informed and apprise them in advance whenever changes are being contemplated. Their active participation in the deliberative process will create a flexible attitude in place of opposition that might otherwise evolve.

Some business plans simply cannot be discussed openly well in advance. Yet, at some point prior to the final decision, employees should be involved, consulted, and their views solicited. If such a plan does involve employee participation, they will take a personal responsibility for its success and strive to carry out the new program with greater rigor and proficiency.

### **PROVIDE A STATUS REPORT TO EMPLOYEES**

Quite simply, every employee, regardless of position in the organization, deserves to know where he/she stands. In an earlier era, employees were treated with a "tell them nothing" attitude. A system wherein employees are given an annual review is now more common. The full value of such a system can be realized only if the results of that review are discussed individually so that each employee can attempt to address the weaknesses noted.

A formal rating system is sometimes recommended, but my experience suggests that

this is not necessary as long as the manager talks at least once a year with each employee about his/her performance.

When such an annual review requires a reprimand, the manager must do so in private. Reprimands issued in the presence of other employees cause humiliation and build resentments. Public chastisement serves only to undermine employee morale and reduces his/her desire to correct the deficiency.

In advance of the annual review, make sure that you gather all the facts and remove elements of sentimentality that might bias the findings. Before addressing the employee be prepared to suggest a constructive course of action. When you do criticize, concentrate on results and not personalities. If you can preface the critique with legitimate praise, do so. Such praise, however, should not be superficial, as it will lose its effectiveness over time. While public reprimands have negative payoffs, public compliments may very often have positive results. Most people thrive on being valued or appreciated. Public praise increases morale, prestige, and builds self-esteem. For junior level managers, such acts are particularly welcome. Praise must be genuine and not used to gain the favor of one or more employees.

### **LOOK TO EMPLOYEES FOR IDEAS**

As noted earlier in this paper, your employees are your firm's most important assets. Like all such assets, they should be fully utilized. Your employees comprise a pool of ideas waiting to be exploited. Openly solicit those ideas. Keep in mind, however, that there's no better way to discourage original thinking by your employees than to ridicule or discount their suggestions. Not every idea will have merit and not every suggestion will prove applicable; however, occasionally a truly superb and insightful suggestion will surface.

When ideas or suggestions are provided, tell the originator what action was taken to test it. If the idea proves acceptable, the originator will take pride in seeing the appropriate action tested. If the idea is shown to be unacceptable, the employee will learn from the process and he/she will analyze the next problem more fully. When an employee's idea proves worthy, make sure that appropriate credit is accorded. Giving fair credit when it is truly deserved will produce a double

benefit. The employee receives recognition for doing a good job and the firm gains the support of a loyal contingent of employees.

Occasionally, it may even be wise to allow the originator of the idea the opportunity to test its applicability. Having a personal stake in proving the idea is workable will show to other employees that management's acceptance of such ideas is both real and genuine. It also demonstrates your willingness to have employees work out their own solutions to problems in their own operating areas of the business.

### **SUMMARY**

Managing an agribusiness firm is filled with many challenges and demands a broad range of skills and abilities. Perhaps the most challenging task

is that of building and sustaining a happy and productive group of employees. Managing personnel is not a natural talent. It is a learned skill and requires both hard work and dedication. Successful management entails getting things done through people. This paper is designed to expand and improve a manager's people-oriented skills. At the same time, it recognizes that employees represent a firm's most important asset. Unlike physical assets, however, employees require a treatment more cognizant of basic human values.

*Ken D. Duft*

Ken D. Duft  
Extension Marketing Economist