

LETTING TRAINING FALL THROUGH THE CRACKS is a behavior that leads to employee turnover and one the surveyed managers warned others to be aware of.



What's the value of being a good boss?

The reduction in stress is a significant benefit of being a “good boss.” Then there’s the fact that well-trained employees take better care of cows and equipment.

by Simon Jetté-Nantel, Jennifer Blazek, and Trisha Wagner

WHAT'S the best strategy when it comes to hiring staff and subsequent employee supervision? Some producers end up being very talented and successful personnel managers. They have high praise for their employees, achieve high productivity, and show interest in employee supervision and human resource management. On the other hand, many dairy producers are uncomfortable or disinterested by employee management.

It's not surprising. Dairy farm managers turn out to be very similar to most other business managers. In his book *The Advantage*, Patrick Lencioni tries to explain why many business leaders have yet to embrace organizational health or developing a great team atmosphere. Lencioni, a high-profile consultant who has worked with many Fortune 500 companies, said that addressing this challenge takes time and doesn't yield immediate results. These results are often intangible and hard to quantify, too.

Who wants to spend their time tackling challenges that won't give short-term and tangible results?

Two strategies prevail

We found out that one of two main human resource strategies seem to be implemented by most farms. The first strategy consists of adopting a “low intensity” approach where minimal managerial resources are devoted to employee supervision. This results in higher employee turnover. The theory is that the savings on wages and supervision time will make up for turnover costs.

The second strategy is a “high intensity” approach that requires a lot more managerial resources to supervise and train employees. This results in lower employee turnover.

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We decided to ask some dairy managers that adopted the “high intensity” approach of becoming a better employer. By sharing their perspectives, the benefits become more tangible and help other managers decide how much time and resources they should invest in employee supervision and organizational health.

Why put time and effort in becoming a better employer?

Each farm manager had different reasons to pay more attention to human resources. Some did it out of necessity because the farm grew and they needed to remain efficient.

One said that he realized that he was trying to manage 700 cows all by himself, and it was tiring and stressful. Instead, he started to focus on people, training them and giving them more responsibilities. Another said they simply wanted to work with happy people and in a positive environment, because that makes everything else easier.

What are the monetary benefits?

Turnover is the biggest cost, most respondents agreed. Considering the time needed to hire and train a new employee, the normal slump in their performance, and the stress on other employees, one farm manager estimated the cost of turnover at a minimum of \$2,500 to \$3,000 per employee leaving the farm. As one manager said, each time you have a new employee, you must take the time to get to know and understand him or her, and that can take a full year.

Farms with a high turnover are likely to suffer more in tight labor markets. One farmer using robotics emphasized the value of experience. When it comes to employees working with this kind of technology, each year of experience is valuable. When they go, it's really hard to replace those years of experience.

A few of the managers told us that without regular and consistent training, employees will improperly use equipment, causing higher repair costs due to accidents. Turnover creates hiccups in performance, too. In the end, there

will be more mastitis and herd health issues as employees drift from protocols.

One manager shared his experience of a recently hired milker on his farm. The employee didn't know how to operate the parlor gate properly, causing lameness in a number of cows and forcing premature culling. The manager openly took the blame for the untrained employee.

The managers emphasized that it takes time for employees to understand why things need to be done a certain way. And the less they understand why, the less they are willing and likely to follow standard operating procedures (SOPs). Less turnover means more productive employees. Inexperienced employees slow the process down and create bottlenecks.

One particular manager offered this example: Compared to new employees, his experienced milkers can get through 100 more cows during a shift, all the while doing a better quality job. In his mind, that experience is valuable and worth a higher pay rate.

Working with Latino/Hispanic employees offers other challenges that run along cultural lines. One manager related how Latino/Hispanic employees may have a certain level of fear of the boss. Often they will not make eye contact when they first arrive on the farm, instead looking down at the ground. Also, they tend to follow orders without asking questions in an attempt to make sure the manager is happy.

With trust and time, the manager explained how employees will learn to take the initiative and use their own judgment in their position. He gave an example of when an employee asked for his help and ended up telling the manager how to do the task. The manager saw that the employee knew what he was doing and recognized that since the employee is the one doing it daily, he has the skills and creativity to accomplish his responsibilities well.

Keep in mind, as many managers told us, the employees get to know more than the managers about what is going on and what works best. If employees perceive that the manager trusts them, their fear and stress is reduced, thereby supporting the employee in performing better.

Manager-employee trust also tends to offset even lower pay rates because it helps employees to feel valued and cared about. One manager told us how he had succeeded in retaining one of his good employees despite paying a salary that was \$3 per hour lower than the nonfarm job the employee was offered. He felt it was due to offering a good working environment and being considered a “good boss.”

Establishing trust will help to reduce the cost of employee turnover and better retain good employees. The financial value of these savings by implementing good human resource skills on your farm can positively affect your bottom line.

What are the nonmonetary benefits?

All of the managers emphasized an overall lower level of stress in their job as managers of a dairy farm. This is a nonmonetary benefit of being a “good boss,” which is often unexpected by new managers.

One manager told us how the farm once had “no-shows.” Employees would simply not show up one morning, causing stress among other employees and the manager. This changed in the last few years when employees started giving him at least a two-to-three-week notice. Being able to plan ahead helps everyone limit stress on a dairy farm.

Another benefit mentioned by many was the overall positive impact on their health and well-being. One simply said, “I'm having a blast running my farm!” The peace of mind brought on by knowing you have a reliable and well-trained workforce is worth its weight in gold. 🐄