

Employees Make An Operation Successful

David Nichols has kept his employee turnover low by following a few simple rules. The first: Do what's right.



When Agri-Careers, Inc., of Massena, Iowa, asked more than 600 agricultural workers why they were leaving their jobs, the first answer was not "Because of low pay." Money wasn't the second or the third answer either.

"The four things that were most important to them were achievement, growth, recognition, and responsibility," says Gary Maas of the ag recruiting firm.

David Nichols tries to make each of those possible for his employees. He invests time, money, and thought into having successful relationships with employees.

Nichols; his wife, Phyllis; his sister-in-law Lillian; and his mother, Gladys, are partners in an operation with 2,000 commercial and purebred cattle. Five employees help manage the operation in Bridgewater, Iowa.

"I believe in assigning areas of responsibility," says Nichols. "I don't care which hay field they mow first. And

I don't care if they go north and south or whether they go east or west. I measure everything by results."

He judges employee performance by the quality of the hay and how the equipment is maintained — "not by how hard they work or what time they get here in the morning, but the end results."

Each of Nichols' employees is assigned to an area within the operation. The worker then sets goals to make the area successful. One worker handles all the Angus cows and makes cropping decisions, another is responsible for hay, and another manages a portion of the beef herd. Still another is in charge of mixing of rations and feeding.

Foreman Bill Antidel appreciates his boss's vote of confidence. "I guess it would be the closest thing to being on your own farm as you can get," he says.

On Monday mornings, Nichols hosts breakfast for his employees. After the meal, the farmer and his workers discuss the operation's progress.



"We eat breakfast — scrambled eggs and ham, and fried potatoes, and two kinds of juice — really a big old breakfast," Nichols says. "But we do not talk shop during breakfast. We talk about football games or whatever."

Once breakfast is over, business begins. "We lay out our goals for the next week," the cattleman explains.

He also uses this opportunity to show employees his appreciation. "If someone has accomplished something the previous week, I express my thanks."

Low pay in agriculture is an age-old problem. One of the biggest challenges is making enough in farming to be able to pay the help more.

Most of Nichols' employees are in their midthirties and have been with him an average of 11 years. Nichols doesn't base salaries on the number of years served.

"I set salaries unilaterally," he explains. "They are based on the performance that people did last year. There are no across-the-board pay increases — none."

Because everyone has a stake in the operation, each employee knows how well the total farm is doing. "Their salaries tend to reflect how well we are doing, and I tell them that," says Nichols.

"There's one time we went for 2½ years without a pay increase. It wasn't because they were doing a bad job; it was simply because Nichols Farms wasn't doing well financially. I communicated with them."

Bonuses, incentives, special benefits, and in-kind gifts can add heft to salaries.

Ten Steps to a Good Working Relationship

1 Give your employees a chance to achieve by allowing them to complete a job from beginning to end. Don't just give them bits and pieces of a chore.

2 Provide employees an opportunity to grow. Pay for a computer course at a local college, for example.

3 Give responsibility to employees and increase it periodically. No one enjoys a dead-end job.

4 Show your employees that you appreciate them. When an outsider visits, for example, introduce them and explain how the employee's work contributes to the farm's success.

5 Put yourself in the employees' place. Family and life away from the farm are important. Try to help

them balance their commitments.

6 Praise your employees publicly, and offer constructive criticism privately.

7 If you offer incentives, make certain they are on a trial basis so you can fine-tune them without having to renege later. That way, you don't end up disappointing employees.

8 Ask employees to set long- and short-term goals. Communicate your own goals. Put these goals in order of priority.

9 Deal with employees as individuals. Different styles of communication and motivation work with different people.

10 Treat employees as you want to be treated.

Mutual Benefit — Foreman Bill Antisdel (left) and David Nichols value their working relationship.

relationships. Nichols offers no retirement program in the traditional sense, but he offers a unique alternative.

An employee can purchase one of the farm's cows, usually a purebred, for each year he works with Nichols. The cattle are raised with Nichols' own stock at no cost to the worker. "One of our employees sold a cow that brought \$30,000," he says.

He also has encouraged his employees to open Individual Retirement Accounts.

The most important gift an employer can give a worker is the one taught in Sunday School: Treat an employee like you want to be treated.

"If you think a hired man is just somebody that's getting paid \$6 an hour, who is supposed to work his guts out for you and you can fire or hire him at will because he's just like a cow, that's the kind of commitment you're going to get," Nichols says.

"My employees mean more to me than anybody except for my own family," he says. "They're responsible for the success or failure of Nichols Farm."

— Nancy Dorman-Hickson



On some farms, uniforms and laundering are pluses. Other farmers provide trucks or pay usage fees to employees who use their own vehicles.

Housing is one of the most significant perks a farmer can offer. On the Nichols operation, two employees live in homes Nichols provides.

Each of his employees owns a pickup, and Nichols Farms pays them monthly for equipment rental. Workers can also borrow the farm's livestock trailer for personal use. The computers, copy machines, and similar items can be used without charge as well.

Nichols gives his employees two weeks off every year. He asks that one week of paid vacation be taken in a single block of time. Another week's worth of paid personal days can be taken in any way the employee wants.

Even benefits that are virtually free to the employer can foster good will. For example, the children of Nichols' employees are allowed to house their 4-H animals at his place.

Nichols also helps his workers balance farm work and off-farm commitments through an uncommon arrangement.

"Anytime their children have a ballet or piano recital, a little league baseball game, or a 4-H project, they can attend those family activities and it does not count any against their vacation time," says the cattleman.

Some benefits, like health care, continue to be daunting for most farmers. Many can't afford their own insurance, much less that of their employees.

Nichols' employees share a group

plan with Nichols and his partners. "It doesn't matter to me as an employer whether I write a check to the health insurance company or whether I write it out to the employee," he says.

"Let's say I'm going to spend \$2,000 a month on an employee. It's his decision whether he gets \$1,500 in cash and \$500 in benefits or whether he gets \$1,900 in cash and \$100 in insurance," Nichols explains.

Retirement planning usually represents another gap in farmer/employee

Incentives: Hard To Design But Valuable

Incentive programs are (a) financially disastrous to employers, (b) financially beneficial to employers, (c) discouraging to employees, or (d) encouraging to employees.

Would you believe the answer is "All of the above"?

Incentive programs that are profitable for both employees and employers can be difficult to design. It takes work to plan, administer, maintain, and evaluate them. But an incentive program can also be the best thing a farmer ever does for his workers and his bottom line.

"What's right in one operation will not be right in another," says Gary Maas. Maas is co-owner of Agri-Careers, Inc., an ag recruiting firm based in Massena, Iowa.

A farmer must consider the opportunities and the problems unique to his

farm when setting benchmarks for incentives.

In a brood-cow operation, for example, the incentive goal might be to reach a point above the farm's average conception rates on first service. Row-crop farmers could start with the county average as their base for improvement.

No matter what type of farm, incentive goals should be related as much as possible to the work that is within the employee's control.

Maas advises farmers to let a third party, such as an accountant or a banker, review an incentive program before implementing it. "The cardinal rule with incentives is to introduce them on a trial basis," he notes.

The program should be explained verbally and in writing to the employee, using clear examples.