

InnoVeg

Horticulture Australia Limited



CASE STUDY

Labour Management



Horticulture Australia

"The Vegetable Industry Development Program is funded by HAL using the vegetable levy and matched funds from the Australian Government".





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Case Study

LABOUR MANAGEMENT

Introduction

*This case study is designed to help vegetable growers understand the key aspects of **employing staff** and **labour management** in their businesses to achieve positive outcomes.*

The case study is based on our real experience in both employing staff in agricultural businesses and working with vegetable growers who employ staff. It has been compiled to help others learn from our mistakes and understand the key principles.

As vegetable businesses become larger and more efficient over time, there is an increased requirement to use people (labour) to complete the work. Growers who can attract and retain good staff who work efficiently will have an advantage over growers who struggle to employ and manage staff.

There are many examples of the great employee who returns a profit to a business worth many times their wages with their hard work and good ideas. There are also examples of the 'hopeless' employee who is lazy or breaks things and ends up being a liability.

The question we need to ask is: what can we do as employers to attract, retain and encourage our staff to be the best they can possibly be?

...the people who run a company are
its greatest asset

Employing new staff or trouble with existing staff?

Employing and managing staff can be a stressful experience for many growers, this is especially the case when a grower may need to add the first permanent (or casual) staff member in a growing business.

Some of the problems that we regularly encounter include:

Employing the wrong people.

This includes employing people who don't have the right skills for a particular job, a fear of employing 'smart' people who might identify business improvements or staff/owners who have incompatible values such as trust and honesty.

Businesses that can't keep staff or have a high turnover of staff

Some growers or businesses can't keep staff for a long period of time; some of the symptoms include unhappy staff or disgruntled staff that complain about insufficient pay.

Failure to provide a safe workplace

When employing staff there is a legal obligation to provide a safe work environment for employees, regardless of how safe you conduct your own affairs as a business owner.

Some businesses have failed to recover from a workplace accident.

Difficulty attracting the right employees

No matter what happens, it seems that the right person just doesn't want to work for a particular business. The only people who apply are not good enough for the job.

Employees don't do the right things or work hard enough

Some employers constantly complain that their staff continue to make mistakes or are lazy and incompetent. It is always the employees fault and good help is just too hard to find!

What is your philosophy?

The old saying is that **the people who run a company are its greatest asset** and that is largely true. Where a great group of people work together in different roles then that organisation can achieve great things. Where a business employs people who are less than great and don't work well together then that business will struggle.

Agricultural businesses today are becoming larger and larger. As this occurs so does the requirement for more staff and a variety of staff, from the casuals working at harvest through to finance staff managing payroll in large organisations.

Successful businesses need to attract and retain great people. Great people will make your business great.

The employment process

The first place to start is with understanding the workload of your business and the skill sets required to achieve your strategic outcomes. Do you need one or two staff? Is it a full time role for them? What will happen when they go on holidays? What will they do each week?

This process of employment needs to fit in with the wider objectives for the business of profitability and growth.

Position Description

Construct a position description that defines what the employee will do at various times of the year. Try to avoid 'general labour' terms but rather actively describe the activities that are required to achieve the outcome and describe how a really good outcome is achieved. Some items to include in a position description can include:

- The title of the position
- Who the person reports to
- Who the person has to work with
- The objective or aim of the position
- The specific tasks involved
- The training, skills, experience or licenses necessary to complete the role
- The amount of work output required
- The key result areas or what will it look like if it is done well
- The amount of work output required
- The remuneration and bonus structure (if applicable).

Advertising / Recruiting

With a clear picture of the person you are looking for as outlined in the Position Description the next step is to find the right person for the job. Some recruitment agencies can provide assistance with finding the right staff member and handling your advertising for you. Recruitment agencies normally work on a fee for service basis or a percentage of the salary on offer as a once off fee. Many job seekers look for work on internet employment sites or in local and regional newspapers – the key is to advertise where the person you are looking for will find it.

The advertisement should be a mini version of the Position Description with enough detail about the job so that the candidate can evaluate as to whether they have the right skills and experience to do the job. The less information you place in the advertisement, the more phone calls you will receive from people who are not right for the job.

In the advertisement ask the applicant for a Resume and an application letter that explains their experience and how they will go about doing the job. Past experience and achievements is a good indication of future capabilities.

Interviewing and offering a job

Interviewing staff can be a challenging process. Only interview people who you think can do the job from their application letter. It is often a good idea to get the applicants out to the farm to show them the equipment and systems that you use and also introduce them to the key people they might work with.

There are three simple criteria to use when employing staff and you can ask questions around each of these categories:

CAN DO

Does the applicant have the **specific skills** required to do the task well? For example if one of their roles is calibrating spray equipment, ask them specifically what sort of machines they have calibrated in the past, how they go about the process of calibrating it and calculating the answer.

WILL DO

Is the applicant **willing and enthusiastic** to achieve the tasks to the best of their abilities? For example you can ask questions about how flexible hours will impact them or how they have in the past achieved positive outcomes by going the extra mile for their employer. You are trying to see if the person is genuinely excited and enthusiastic about their work.

WILL FIT

Can the applicant have **positive relationships** with peers, those in authority over them and those under their authority? For example you should ask questions about how the applicant has previously related to their boss, how did they raise concerns, how did they communicate and what method they used to manage those they were responsible for (if applicable).

This basic criteria works well for many companies and can help you ask questions to find out how good an applicant really is. Also make sure you allow plenty of time for an applicant to ask questions about you and your business.

Following the interview process, call references for your top 2-3 candidates and ask similar questions of them about the applicant based on their experience. Ask them for real examples.

Once you have been through the interview process you will need to decide – have you found the appropriate person for the job? If you haven't then don't employ the wrong person because they were 'close enough'. It is better to wait to find the right person for the job.

It is also important that you notify unsuccessful applicants!

Employment Contract

It is important that you have a written contract of employment with your employee. This needs to cover items such as that described in the position description and it needs to outline all your obligations and all the employees' obligations including safety, holidays and hours of work. The conditions of employment need to be at or above the minimum wage requirements and conditions for the work to be completed as set out by Fair Work Australia. Local Farmers Federation agencies are a useful source of free information that can help you when thinking about the terms and conditions of employment for your staff.

Many employers now request a full medical check of employees, where an employee must visit a doctor for a full medical examination to determine if they are fit for the type of work. If you haven't undertaken this before it may be best to take some advice from a recruitment consultant or your business consultant. Make sure that you are not asking a person to do a job that they cannot do due to an existing injury or medical condition.

Normally there will also be a period of probation of three months for a new employee. This period allows you to determine if the applicant is really suitable for the task and meets the CAN DO, WILL DO and WILL FIT criteria.

Employment Induction

The first day on the job is critical. A formal 'induction' process occurs where you talk through all the aspects of the employment contract and issues specific to the site. For example this will include showing the new employee where the lockers and toilets are located, where any dangerous items are located on the farm and how they are delineated (e.g. with hazard tape) and introductions to other team members.

The induction process is a good time to formally write down and record the skills and competencies of the new staff member. For example you may have them read the user manual for an ATV, show them how to safely operate it and then both sign off on a 'Standard Operating Procedure' – this shows that you have instructed your new staff member on how to safely operate a piece of equipment and they sign it to show that they understand how to operate a piece of equipment.

The induction process can take a considerable amount of time depending on the role and the amount of equipment involved.

You will also need to collect employment declarations, superannuation and bank account details from the new staff member.

Ongoing management of staff

Employing staff changes your business and the approach that you take to ordinary activities. With the addition of more people power to your business comes the responsibility to ensure your staff are safe at work and that you can help them be interested, engaged and the best that they can be; sometimes in work environments that are repetitious and menial.

Health and Safety Requirements

There is a legal and moral obligation of all employers to ensure that staff are safe in their work environment. Essentially this means that each person must be adequately trained for each task and be supplied with the necessary Personal Protective Equipment (PPE).

One way to work through these issues is to have a simple 'training or activity register' for each staff member. This document outlines each task that a person is required to complete throughout the year such as:

- Loading bins onto tractors and trucks
- Driving tractor with a chaser bin
- Cleaning tractors and bins (pressure washer)
- Calibration of spray cart
- Operation of spray cart
- Cleaning spray cart.

Each one of these tasks is then linked to a staff's position description. For each task simply describe the proper and safe way to complete each of these activities including the safety equipment required. For each new staff member do an actual demonstration of the task and have them complete the task and sign off on the Training Register and Standard Operating Procedure to show they are competent and trained to complete that activity safely. Ensure that the staff continue to work safely over time and that they adhere to the safe practices you have designed.

Some specialised training is required for some practices. For example when using agricultural chemicals, a chemical users certificate is required for each staff member that handles chemical. More specific advise on these matters can be obtained from your training or business consultant. The key to promoting a safety first culture in your workplace, is to ensure that all staff regularly ask questions like 'what is the safest way for me to complete this task?' Make sure that you lead by example and don't complete unsafe work practices yourself.



Think about it from their perspective

When you employ staff take some time to think about what they see, what they think and how they might feel about their work and why (or why not) they might be motivated to do a good job for you. If you don't provide them with clean toilets, clean and tidy work areas a place to have their meals or a warm spot to escape the elements on a cold day then all they see is a 'no-one cares' attitude, and pretty soon they take on that attitude.

Alternatively you might be surprised to find how far some creature comforts (icy poles on hot summers day or a weekly BBQ in the middle of winter) can help staff see that you value them, you understand it is hard working in the elements and that you want them to make the best of their position to do a good job.

Think about what it would be like to work for you as a boss – how can you make people feel valued, appreciated and enthusiastic about working in your business.

Communication

Communication is vital to a healthy business. This comes in many forms, from the communication required between staff to effectively achieve their tasks through to the regular communication between a boss and their staff on performance, safety and workloads.

Some staff are reluctant or poor communicators and they need to be encouraged to provide their perspectives. It is important that the business listens to their viewpoint.

Each staff member should have at least a twice-yearly opportunity to sit down formally with his or her supervisor and talk about how the job is going. It is important that both the staff member and supervisor have an opportunity to talk about the positive and negative aspects of the role and communication process. When staff are not given feedback they have no chance of getting better at their task. Ensure that there is positive communication as well as negative - if you only ever complain against staff they will not last very long at all.

Share the rewards

When in private business it can be a real financial struggle from time to time. It is important to communicate the message of the business performance to your staff members so that they can influence the result. If the business is struggling financially, tell them why it is and what role they can play in helping it become stronger; alternatively if business is going well inform the staff of the role that they have played in achieving that result.

Where possible pay good staff well for their time and effort and when business is going well consider a small bonus to encourage staff and recognise that their effort is valuable to the business and has helped achieve a profitable result.

Focus on the objectives

Throughout the life of your business and employment keep all your staff aligned in their purpose. Whether you have 1 or 100 on the payroll take regular time out of the work program (either weekly or monthly) to make sure that all your staff are working towards the same objective. This means that if there is a particular time line, efficiency result, or work load that needs to be completed for your business to generate a profit, that each and every staff member knows what that item is and what they need to do to impact it.

From these types of discussions where you talk about the goals and objectives for the week/month can also come some unique perspectives about a new, different or more efficient ways to complete a task.

What do the great employers do? (3 tips)

Employing staff can be a challenging and rewarding process for your growing business. Take the necessary advice that you require from as many sources of information you can, many local government and employment agencies can help you.

At the end of the day for your business to grow you will need more people to make that occur, so here are the best three tips that we have come across in our experience:

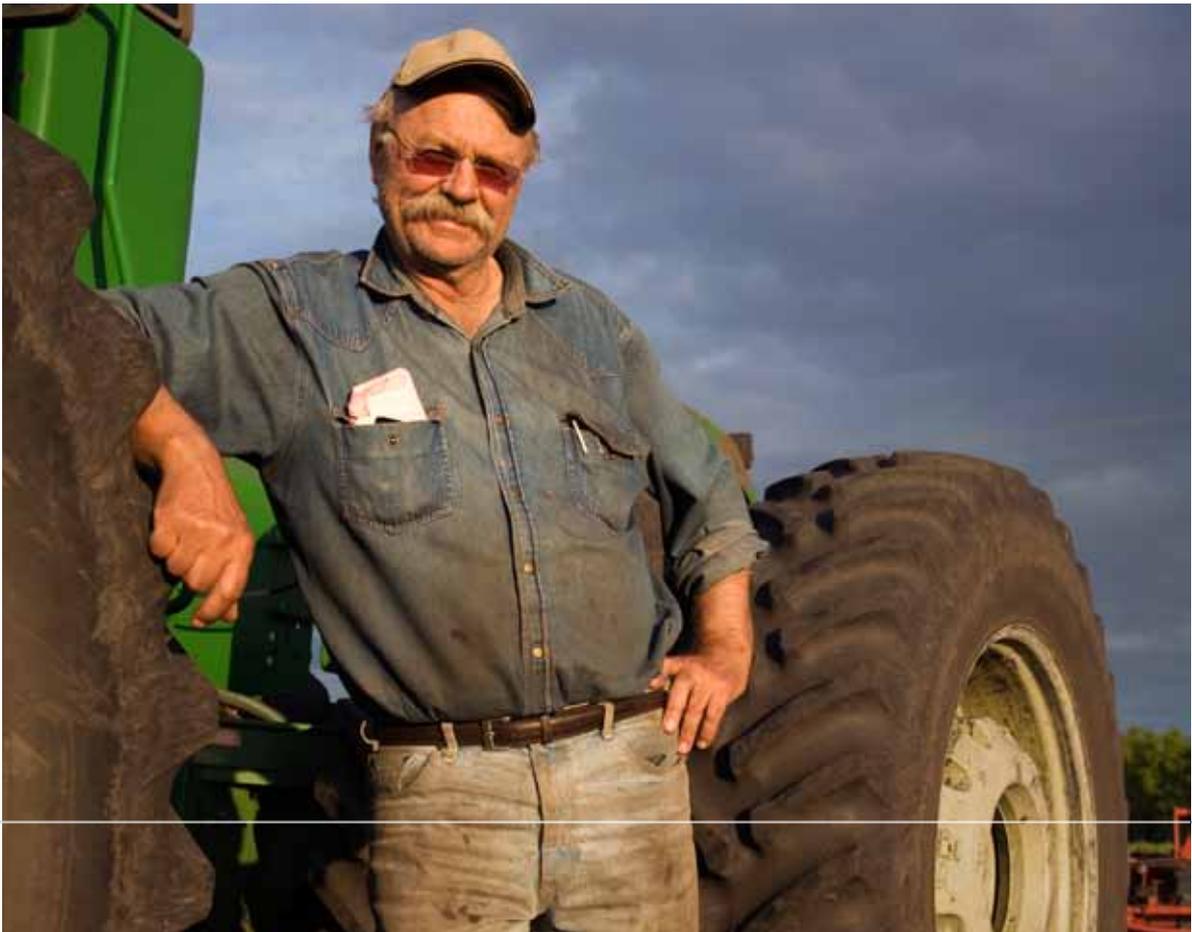
- Encourage staff to be the best they can be
- Respect and reward individuals for good performance
- Ensure that staff feel they are contributing to an overall objective.

Further information:

Some helpful resources on the internet might be:

<http://www.fairwork.gov.au/>

http://www.business.vic.gov.au/BUSVIC/STANDARD/PC_62515.html



Disclaimer

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