

# Managing Employee Performance

**P**erformance management is a broad concept that encompasses all communication between a manager and an employee. It must include exchanges about what to do, how to do it, how well it was done, and how to improve on the performance next time.

Most individuals want to do a good job. Poor performance can usually be traced to past experiences or current conditions that include some dimension of inequity, fatigue, failure, or mixed messages. Agricultural employers generally see better employee performance through proactive control of the organizational structure, supervisory processes, and other work conditions.

## Enabling and Building High Performance

Performance that fails to meet expectations can be sorted into three causes: (1) “don’t know,” (2) “can’t do,” and (3) “won’t do.” The first is a matter of understanding, the second a lack of ability, and the third a matter of attitude. If workers are unsure about what is expected of them or do not know enough about other aspects of the operation, the manager must find ways of delivering the missing information. Opportunities to inform can be found in employee orientation, job descriptions, an employee handbook or written notices, rotation of job assignments, crew or staff meetings, and ongoing, informal communications.

If employees do not have the ability to work effectively and reliably, the manager might consider restructuring recruitment and selection processes or providing better training (after hire) for the marginally qualified and for people whose jobs have changed. When workers know what to do and are able to contribute up to par but do not, the issue is rightly viewed as a lack of effort or motivation. Most employees work harder to obtain higher pay, greater job security, coworker esteem, appreciation, or a kind word.

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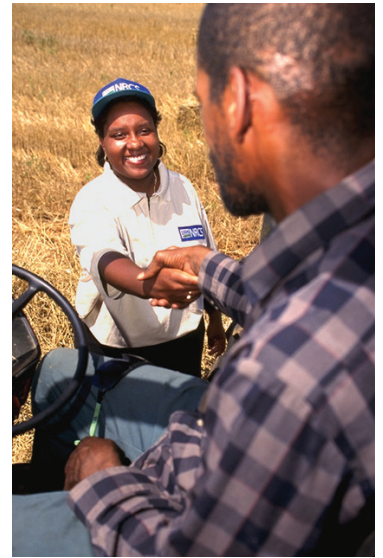
**AG HELP  
WANTED HIGHLIGHTS**

## Enhancing Employee Ability

Matching employee ability with job requirements is a key part of personnel management. Knowing the requirements of an open position, developing an accurate job description, recruiting through the appropriate channels, and following a rational selection process all increase the chances of hiring employees with adequate ability.

However, no matter how thorough the recruitment and selection process, new employees need some training when they come to the job. Some employee training, such as in injury and illness prevention, is specifically required by law, but most training is simply a matter of operational necessity. Introductory training is virtually essential, even for seasonal and part-time employees.

Once the level of employee knowledge and skills for a job has been compared with job requirements, training can be designed to address real needs. Training that combines explanatory instruction, practical demonstration, and hands-on experience is often best to ensure that employees are able to apply the new information to their jobs.



## Motivation and Work

Motivation is, by definition, that which causes action or movement. What action or movement is evidence of motivation among agricultural employees? Employers associate “motivated behavior” with those actions of workers that serve their business interests, including: accepting a job offer, staying in the job, producing high-quantity and high-quality results, coming to work reliably, working safely, cooperating with supervisors and coworkers, and offering useful ideas. If these behaviors are not in evidence, are workers unmotivated?

Differences in the quality and rates of performance of equally-able workers are usually attributed to their motivation. Nearly everybody is motivated, but not necessarily to do what is in the best interest of the ranch or farm. Managers are challenged to tap their employees’ motivation by arranging job content and context so that workers’ pursuit of their own objectives naturally serves those of the business.

## Pay and Performance

Most people think of money and motivation as closely related in businesses. Employers pay dollars and expect employee motivation in return. But many employers feel they are not getting what they pay for, and many employees have problems with what they receive. Pay is not simply a cost, however; it is also a management





tool for influencing the performance of employees on the job.

Although money is a valued incentive to action for workers, that does not necessarily mean it always stimulates the action managers want. What a compensation system actually pays for is what rational people work toward. For pay to motivate performance, the compensation system must be structured to provide more dollars for the desired performance.

Cases where employers pay for one thing but expect another are too common. Employers who want to get more of what they are paying for need to think about whether they are paying for what they really want. Examples of alternative pay systems include: time-based pay structures or incentive pay plans, such as individual piecework, sharing plans, and group output plans.

## Benefits

Fringe benefits are a form of non-wage compensation for employee services. While employers are generally required by law to provide a few “mandatory benefits,” most farmers and ranchers offer one or more others. Benefits most often offered in addition to monetary wages include food, housing, heat, pension plans, flexible work hours, sick leave, holidays, vacation time, medical insurance, dental insurance, vision care, paid utilities, free lunches, gasoline and car repairs, interest-free loans, term life insurance, and use of vacation homes. These “optional benefits” are more frequently provided to year-round employees than to seasonal workers.

Other employee costs, commonly viewed as benefits by employers, include: worker’s compensation insurance, health care insurance, and on-farm labor housing. Requirements for workers’ compensation coverage of agricultural employees vary by state. The decision of whether to offer health insurance or housing might be viewed as purely economic, until the employer realizes that this is often the impetus for an employee to leave for another job.

## Assessing Employee Performance

Agricultural business operators cannot afford to be unconcerned with people's performance, and most people want to improve their own work and their lot. Accurate appraisals can help both employers and employees to pinpoint areas for extra effort and development.

Even on farms and ranches without a "performance appraisal system," managers pay attention to performance. The organization may not have a system, but it does have a performance appraisal. As such, management's decision is not whether to have a performance appraisal, but rather what form the appraisal takes.

Monitoring performance is an ongoing responsibility of all first-line supervisors. Many companies also provide for a regular periodic evaluation of each employee's work—a relatively formal process of evaluating performance, clarifying expectations for the future, and soliciting the employee's ideas for improving the business. There are three major decisions to make when structuring a performance appraisal system: (1) who appraises, (2) when to appraise, and (3) what and how to measure. Assigning responsibilities for these areas ought to relate back to what the performance appraisal is intended to achieve.

Perhaps the single most common defect in performance appraisal systems is weakness of the measuring instrument. All too often the instrument, or rating form, focuses on areas other than work performance and therefore increases the opportunities for rater biases to operate. The structure of the appraisal instrument influences the likelihood of biases emerging. Clear definitions of not only the dimensions of performance but also different levels of performance help to minimize the occurrence of errors from appraiser bias.

*Ag Help Wanted* is a full-color, 250-page agricultural labor handbook that presents principles, practical examples, legal considerations, and offers additional references in six chapters: Roles and Responsibilities of an Agricultural Employer; Organizational Planning; Staffing the Farm Business; Supervising Agricultural Work; Managing Employee Performance, and Communication and Problem Solving. The text is designed for use in a variety of ways. It can serve as a reference to help cope with problems that arise, a source of ideas for improving management policies or practices, and a base for systematic study of human resource management in agriculture.

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