

UPDATE

Roles and Responsibilities of an Employer of Family Labor in Agriculture

Success as an agricultural business operator takes more than the knowledge and tools farmers have traditionally used in shaping the growth and sale of commodities. Hard work and smart decisions about managing biological production processes in agriculture are not enough to ensure good operating results. A business owner may make the big decisions about crops, animals, facilities, supplies, and money. However, in most agricultural firms the staff working with these inputs actually produce what generates revenue. More importantly, the business will not be successful if those folks are not working well.

Many agricultural businesses have a labor force that includes members of their family. Some owners add hired personnel as their operation grows or demands on their own time prove overwhelming. They tend to see themselves primarily as business people and give little thought to their roles as employers until the idea is triggered by a current or impending crisis.

For a large and increasing share of farm and livestock firms, hiring and managing labor is basic to the nature and technology of the business. Managers do not choose to employ, rather they take it as a given that they need hired workers. The choices they face are about how to find, engage, and deal with people performing work essential to the enterprise.

Business policies are often described in an employee handbook. Such a handbook will often provide extensive information about business history and purpose, goals and values, administrative policies, organizational structure, procedures, rights and responsibilities. The existence of a handbook, however, does not make its policy content either logical or effective.

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Managing Farm or Ranch Family Employees

Nearly every family farm business moves through phases as it grows and develops. Often the business structure is simple with the team consisting of only Mom and Dad at the beginning. Then, as the farm grows, it begins to encompass siblings and their families, employees, and sometimes, grandparents. Thus begins a dynamic business state.

The complexities that come with growth (ownership issues, roles and responsibilities, who decides, etc.), strongly suggest a need for formalized management. The family farm business is likely to experience a greater probability of continued success through the introduction of organized systems (policies and procedures based on collective input).

Every business and every family have roles and responsibilities that need to be filled. It is important that a clear understanding of the roles family and non-family

members play in both the business and the family be spelled-out, along with clear definitions of responsibilities. Where jobs and responsibilities are not clearly defined, misunderstanding, friction, and poor performance often result. For family farm businesses, an absence of effective communications and business skills are two of the greatest causes of failure. Helen's story below illustrates a classic example of overlapping confused family/business roles.

As nearly everyone knows, a manager has practically nothing to do except: to decide what is to be done; to tell somebody to do it; to listen to reasons why it should not be done, why it should be done by someone else, or why it should be done in a different way; to follow-up to see if the thing has been done; to discover that it has not; to inquire why; to listen to excuses from the person who should have done it; to follow up again to see if the thing has been done, only to discover that it has been done incorrectly; to point out how it should have been done; to conclude that as long as it has been done, it may as well be left where it is; to wonder if it is not time to get rid of a person who cannot do a thing right; to reflect that he or she probably has a family, and that certainly any successor would be just as bad, maybe worse; to consider how much simpler and better the thing would have been done if one had done it oneself in the first place; to reflect sadly that one could have done it right in 20 minutes, and, as things turned out, one had to spend two days to find out why it had taken three weeks for somebody to do it wrong.

—Anonymous



Assessing Roles and Assignments

An assessment of the roles family and non-family members play is essential to managing business employees. The first step is to identify the roles that people have the skills to fit into in the business. The second step is to match the people involved with the necessary roles. The third step is to assess how well people are performing in their roles, what critical roles are left unfilled, the level of understanding by the people involved, and the degree of harmony among team members. The fourth step is to make appropriate changes to the roles assigned to individuals. The final step is to conduct a review of the process and outcomes. The form included below may be useful in conducting such an assessment.



Helen had spent many hours during her childhood at her father's side as he worked in his fledgling nursery business. She asked a constant stream of questions and readily fetched him anything he needed – a particular tool, a drink, or a snack.

As she grew up, so too did the business. By the time she had graduated with a university degree and gained some experience away from the farm, the business had become large and successful and was being run by a team of senior managers.

Helen felt proud when her father invited her into the business, asking her to join the management team. She enjoyed the challenge of working in her family's business. One thing that bothered her, however, was her father's habit of asking her to get him coffee in the middle of management meetings. While in her role as his daughter, she had no problem getting him coffee. However, she felt that in her role as a manager, the request was inappropriate. Because she loved and respected her father, she was not inclined to challenge him as her boss.

ASSESSING THE ROLES OF PEOPLE INVOLVED ON THE FARM/RANCH BUSINESS

The following is a list of roles that people can play in the family and/or business.
Add other roles as appropriate for your family and family business.

| | | | | |
|---------------------------|---------------------------|----------------------|---------------------------|-------|
| <i>Owner</i> | <i>Social butterfly</i> | <i>Idea person</i> | <i>Devil's advocate</i> | <hr/> |
| <i>Visionary</i> | <i>Favored Child</i> | <i>Rebel</i> | <i>Inventory manager</i> | <hr/> |
| <i>Manager</i> | <i>Caretaker</i> | <i>Savior</i> | <i>Marketing manager</i> | <hr/> |
| <i>Thinker</i> | <i>Hard worker</i> | <i>Risk taker</i> | <i>Purchasing</i> | <hr/> |
| <i>Organizer</i> | <i>Bookkeeper</i> | <i>Compliant one</i> | <i>manager</i> | <hr/> |
| <i>Super achiever</i> | <i>Trouble maker</i> | <i>Detail person</i> | <i>Production manager</i> | <hr/> |
| <i>Good business head</i> | <i>Problem identifier</i> | <i>Fun lover</i> | <i>Process analyst</i> | <hr/> |
| <i>Decision maker</i> | <i>Problem solver</i> | <i>Negotiator</i> | <i>Legal advisor</i> | <hr/> |
| <i>Comptroller</i> | <i>Peace maker</i> | <i>Scapegoat</i> | <i>Financial advisor</i> | <hr/> |
| <i>Successor</i> | <i>Employee</i> | <i>Attacker</i> | <hr/> | <hr/> |
| | | | <hr/> | <hr/> |

In the table below, write the name of all people involved in the family and in the business, whether or not the person is a family member, and the family and business roles each person plays.
Add additional pages as needed.

| Person: | | Person: | | Person: | |
|----------------|--------------|----------------|----------------|----------------|----------------|
| Family Member? | Y N | Family Member? | Y N | Family Member? | Y N |
| Family Roles | Family Roles | Family Roles | Business Roles | Family Roles | Business Roles |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Each of the following questions should be answered after identifying the roles each person fills in the family and the business.

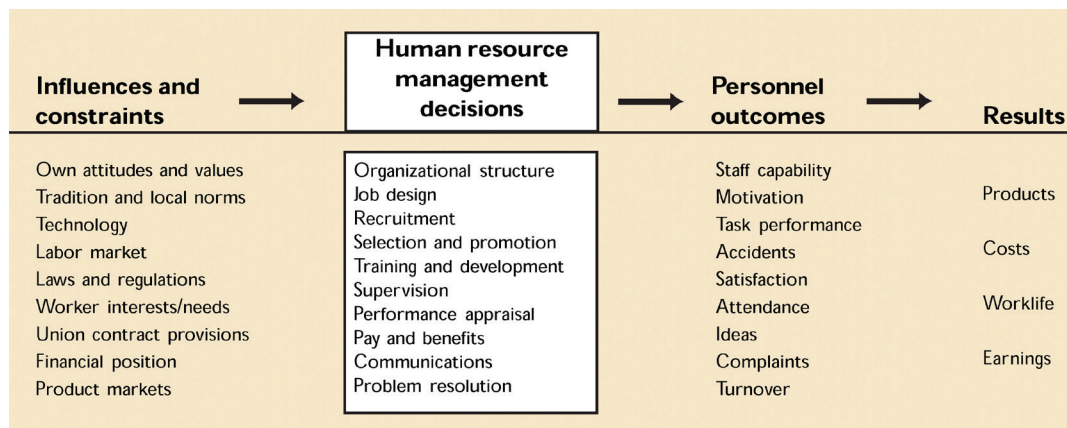
1. How do these roles affect the family and the business?
 - a. Positive results:
 - b. Negative results:
 - c. Other results:
2. Are there roles that are needed in the business or the family that are not being filled?
3. Are there roles which are being duplicated, causing inefficiency?
4. Are positions held by the most qualified people?
5. Do family members know their specific roles?
6. Do family members understand their responsibilities?
7. Do family members understand how their responsibilities affect the entire operation?
8. Do family members understand how their responsibilities impact the rest of the team?
9. Does harmony exist amongst and between all the team members?

Adapted from *Managing the Multi-Generational Family Farm*, published by Agriculture and Agri-Food Canada, and *A Guide for Developing Best Practices for Farming with Family* by Jim Soldan and Lorne Owen.

Getting up and Keeping Up as a Manager of People

Agricultural personnel management is part of a large, dynamic professional field. The people who practice it must understand human behavior, organizations, laws, labor markets, technologies, and the whole of their business situations. Managers of farms and ranches with family members as employees need to clearly define everyone's roles and responsibilities, engage in clear communications, and act fairly in order to develop a profitable and sustainable business.

Individuals interested to advance their education as agricultural labor managers can tap a wealth of resources. The references suggested in *Ag Help Wanted: Guidelines for Managing Agricultural Labor* and its companion website (aghelpwanted.org) include links to: (1) magazines, newsletters, and journals with substantial, regular coverage of personnel management topics, some produced by professional associations; (2) government fact sheets and guidance primarily on regulatory topics; (3) classic and contemporary books on management; and (4) websites providing access to material that corresponds to any or a combination of all these.



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Ag Help Wanted: Guidelines for Managing Agricultural Labor is an educational guidebook designed to assist every person who currently manages or expects to manage human resources on farms, ranches, nurseries, dairies, and other agricultural operations. The text includes chapters covering:

- Roles and Responsibilities of an Agricultural Employer | Types of Activity in Managerial Roles;
- Roles and Responsibilities of an Agricultural Employer | Essentials for the Manager; and
- Roles and Responsibilities of an Agricultural Employer | Getting up and Keeping up as a Manager of People.



RESOURCES:

AG HELP WANTED: Guidelines for Managing Agricultural Labor | Chapter 1: Roles and Responsibilities of an Agricultural Employer. <https://AgHelpWanted.org>. (accessed May 2021).

Billikopf, Gregorio. *Managing People on the Farm*. University of California, Berkeley. <https://nature.berkeley.edu/ucce50/ag-labor/7labor/01.htm> (accessed May 2021).

Hofstrand, Don. *Assessing Personnel Management Skills*. Ag Decision Maker. Iowa State University Extension. <https://www.extension.iastate.edu/agdm/wholefarm/pdf/c6-62.pdf> (accessed May 2021).

O'Rourke, Melissa. *Farm Employee Management: Do We Need an Employee Handbook*. Ag Decision Maker. Iowa State University Extension. <https://www.extension.iastate.edu/agdm/wholefarm/pdf/c1-70.pdf> (accessed May 2021).

Soldan, Jim and L. Owen. *A Guide for Developing Best Practices for Farming with Family*. BC Ministry of Agriculture, Food, and Fisheries and the Canadian Farm Business Management Council.

Soldan, Jim and L. Owen. *Managing the Multi-Generational Family Farm*. BC Ministry of Agriculture, Food, and Fisheries and the Canadian Farm Business Management Council.

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