WHAT ARE YOU THINKING?
MANAGING EMPLOYER AND EMPLOYEE
EXPECTATIONS ON THE DAIRY FARM

Conference & Annual Meeting
March 8-9, 2017    Liverpool/Syracuse, New York

Melissa O’Rourke  B.S., M.A., J.D.
Attorney –and– Farm & Agribusiness
Management Specialist
www.extension.iastate.edu/agdm
morourke@iastate.edu    563-382-2949
@MelissaISU

Top challenges on the dairy?

• Difficulty of hiring and retaining qualified employees.

Dairy Farm Challenge:

• Increasing cost of labor.
• Second greatest expense – just behind feed expense.

Dairy Farm Challenge:

• Interface between labor productivity and cow productivity.
• Increased labor productivity = Increased cow productivity.
Challenge to Dairy Labor Productivity?

• **Turnover!**
• Turnover is the single factor with the biggest impact on dairy labor productivity.

Costs of Turnover?

Losses can be seen and measured in multiple categories:

• Productivity
• Recruitment
• Selection, hiring
• Safety issues
• Investment in employee orientation and training

Turnover rates?

• Employee turnover = # of employees leaving divided by the average total number of employees, multiplied by 100 (to give a percentage value).

Turnover Cost Calculations?

• Estimates are 150 to 250 percent of an employee's annual wage.
• Employee making $10-12/hour
• Turnover cost = $37,500 to $45,000 at 150%
Add it up:

- Dairy farm with 20 employees and 10% turnover...
- Cost is $75,000 to $90,000 per year.

Reasons for Turnover?

- Research = Exit interviews and follow-up surveys
- Top reasons given?
  - Compensation and benefits top the list
  - Working conditions
  - Lack of time off

How accurate are these reasons?

All dairy producers should give due attention to working conditions, communication, employee motivation – to retain workers.

But when do employees make a decision to leave?

- Research:
  - 90% of employees make their stay-or-go decision within the first six months.
Recruitment and Hiring?

- Significant investment in the processes of recruitment, interviewing, reference checks, evaluation, selection

Without a good start on Day One . . .

. . . all those hiring efforts can quickly go “down the drain.”
What difference does Orientation really make?

• They were hired to do a job.
• Shouldn’t we just get them working and productive as quickly as possible?
• Research says otherwise:

Orientation Group A:

• Senior leader spent 15 minutes discussing ways in which “working here will enable you to express your individuality.”
• New employers ranked their individual strengths they would exhibit if stranded on a life raft at sea; spent time discussing /considering how their responses might differ from colleagues’.
• New employees answered questions about individual strengths such as, “What is unique about you that leads to your happiest times & best performance at work?” – then spent time discussing and sharing this.
• New employees were given fleece sweatshirts embroidered with their individual names, along with a name badge. They were asked to wear them throughout training.

Seven Months Later . . .

• Turnover rate in Group B was 47.2% higher than that of Group A.
• Group A earned higher customer satisfaction scores during the seven months than those in Group B.

Orientation Group B:

• Senior Leader and a lead worker spent 15 minutes talking about why this is a great place to work.
• New employees spent 15 minutes writing answers to questions such as, "What did you hear about our Company today that you would be proud to tell your family about?"
• They discussed their answers.
• New employees received fleece sweatshirts embroidered with the company name, along with a badge. They were asked to wear them throughout training.

What difference could it make to your cows? – to the KPIs on your dairy? Productivity?
What **Four Questions** do Millennials* ask after the **First Day on the Job**?

- Why did they hire me for this job?
- Will I enjoy working here?
- Are any of my coworkers friend material?
- Who can I talk to about . . .?

*18 to 33 years old, born 1981–1996

**Orientation Starts Early:**

**Establish the Start Date**

When the employment offer has been accepted, a start date should be agreed upon as soon as possible.

**Before that start date . . .**

**Inform** the new employee of what will happen on the **first day of work.**

**Clearly Communicate . . .**

What time they are expected to arrive – **plus** other basics!
It may seem fundamental to the producer --
-- but, focus on the new worker.
► Reduce nervousness, apprehension.
► New employees have common questions.
► Send a “Frequently Asked Questions” (FAQs) letter – by US Mail and/or email.

What should I wear?
• Many new farm employees do not have farm backgrounds, need guidance.
• Footwear, gloves, other appropriate attire.
• Biosecurity guidelines – some items may be provided.
• Inform new employee that they will be trained on biosecurity procedures.

Lunch, snacks, beverages?
• Noon or evening meal provided?
• Snacks, beverages?
• Go to town for lunch?
• Inform the new employee of your farm practices and what they should/may bring to work.
• “Welcome” lunch?

Vehicles and Parking
• Vehicle required for job?—should have been communicated during the pre-employment process.
• Where do I park?
• Areas reserved for visitors, vendors, family?
• Employee of the month?
What documents should I bring?
- Form I-9 as well as other basic forms.
- What documents will be needed to complete these forms for compliance with state and federal law.
- Consult USCIS website for the most current I-9 forms and instructions
  - www.uscis.gov

What else should I bring (or not bring) to work?
- Cellphone?
- Other electronic devices?
- Tobacco-free workplace?
- Weapons?

What will I do on my first day?
- First day(s) or week(s)
- Clearly communicate work hours, break policies
- General outline of initial orientation and training activities.
- Decreases apprehension or confusion
- Helps to prepare them for a planned orientation program as well as initial and ongoing training opportunities

The First Day
- Greet & Welcome Promptly
- Introductions – with connections
- Nametags, list, organizational chart
- Restrooms, break areas
- Key supervisor, mentor, partner
- Safety, biosecurity? New employee accompanied by a trained person.
Name Tags—Employee Badges

• Consider laminated clip-on photo ID badges for owners & employees.
• ID fosters worker socialization
• Farm security and biosecurity protocols are enhanced

Shirts—Uniforms
or other printed wear?

• Identifies employees
• Pride
• Farm publicity!

At the end of the first day . . .

• Any questions?
• Offer assurances.
• Offer information, reminders about the days to come.
• Ask yourself: How did you do on those 4 Questions?

Are there good answers to those Four Questions?

• Why did they hire me for this job?
• Will I enjoy working here?
• Are any of my coworkers friend material?
• Who can I talk to about . . . ?
After Day One: Do you have an Orientation program in place?

- Enhances socialization, reduces natural anxiety.
- **Research:** Orientation results in an employee who develops and maintains a positive attitude toward the employer.
- Positive attitude = earlier & higher productivity, longer retention, less turnover.
- Less stress = better concentration, learning, absorbing substantive information about job tasks.

Planning & Content of Orientation Program

- Planning may seem overwhelming, but resources are available.
- Ask current employees for input.
- “What do you wish you had been told when you first started working here?”
- “What do you view as important information for newcomers?”
- Every farm business is different . . . but possible content areas include

Background, History, Overview of Your Farm

- Your dairy farm’s story
- **Key people in history to present-day**
- Your farm’s mission statement, goals and objectives.
- **Farm Tours** – repeated – perhaps over a series of days
- Throughout process -- emphasize role & importance of employees (this employee in particular) in the farm

Farm Employee Handbook or Policy Documents
Don’t make a mistake with an employee handbook!

The money a producer spends having a competent employment lawyer review employment documents and procedures may be the best money spent.

An employee handbook is – in essence – a contract with the employees.

• Producers should expect to be legally held to the language, promises made in that handbook.
• Be sure that statements made in an employee handbook is what was intended to be said.

Job Descriptions

• Orientation: Use the job description as a guideline for discussion.
• Discuss tasks including future training.
• Emphasize basic safety & importance of ongoing safety training, awareness.
• Discuss relationship and importance of position to other jobs & functions on the farm.
Who is on the Orientation Team?

- For consistent messages -- have the same person conduct orientation.
- Identify supervisors or more experienced co-workers to participate in the process.
- Assign a key Mentor
- All orientation team members should share a positive attitude.
- Constructive, upbeat messages geared toward positive, early impressions.

Orientation: From Day One

- Well-planned orientation requires time & effort.
- Sets the tone for a positive employment relationship on your farm.
- Employees treated with respect have greater job satisfaction.
- Translates into productive, long-term employees – good for the farm, good for the cows!

Thank-you!
Please see ISU Extension and Outreach websites for Farm and Dairy Management resources!

Melissa O’Rourke  B.S., M.A., J.D.
Attorney –and– Farm & Agribusiness Management Specialist
www.extension.iastate.edu/agdm
morourke@iastate.edu  563-382-2949