

Farmer-to-Consumer Marketing #5

Personnel Management

Scope of Personnel Management

Selecting the right people to meet and serve customers is an important decision in establishing and operating a direct farm market outlet. When selecting and training employees, remember that customers expect a cordial atmosphere and friendly service. You want employees who are alert for opportunities to be of service, who know about the products for sale, and who present a friendly image—all of which will build customer confidence.

It is common to begin the business with family members as the primary employees. Using family members is practical. It can reduce out-of-pocket cash costs and significantly reduce time spent locating, selecting, and training other employees. However, once the enterprise begins operating long hours, 7 days per week, it often becomes apparent that labor from outside the family also is required.

It is important that you not run up against state labor laws. Check out information provided by the agency responsible for enforcing labor laws in your state.

Idaho Department of Labor

<http://labor.idaho.gov/dnn/Default.aspx?alias=labor.idaho.gov/dnn/idl>

Click on Labor Laws.

Oregon Bureau of Labor and Industry (BOLI)

<http://www.boli.state.or.us/>

A good starting point is the About Us button on the homepage.

Washington State Department of Labor and Industry

<http://www.lni.wa.gov/>

To get started, click on the Business Links button, “Running a Business, What you need to do.”

Finding Employees

To find good employees, explore several avenues.

- Get recommendations from current employees who are doing good work. They know the job to be done and the type of person necessary to do it.
- Hire capable neighbors. If neighbors are not available, they may know someone locally who is. Local people tend to promote a rural, friendly atmosphere which will attract local business.
- Check the “job wanted” ads in the classified section of the local newspaper. This is a good bet to find individuals with flexible work schedules and may be ideal for part-time help.
- Advertise in local newspapers. Your help-wanted ads should be specific about job and employment requirements so you don’t spend time screening applicants who are looking for something else.

PNW 205-E

Farmer-to-Consumer Marketing: The Series

A successful direct farm marketing business requires knowing and understanding effective marketing and management practices.

This series of Extension publications, PNW 201–206, provides information about establishing and developing a direct farm marketing business. Production and marketing costs, management practices, personnel management, and financial management are among the topics discussed.

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- Check with your state unemployment office or with local job agencies. They may be able to provide a list of qualified people who have been prescreened to meet your specific needs.
- Job boards or school-to-work counselors at your local high school or community college may provide some useful leads.

When recruiting prospective employees, be very specific about job duties, work hours per day and days per week, and experience required. If you need or want special skills, make that clear, too. You don't need to use a formal application form, but doing so ensures you get the same kinds of information from each applicant.

Once you identify qualified applicants, set an interview place and time. Interview each applicant before making a decision. It is a good idea to have one interviewer besides yourself; you can share reactions. It's also a good idea to bring back top candidates for a second interview before making an offer.

Consider applicants' personality, appearance, intelligence, enthusiasm, experience, background, and, above all, educability. Many times the inexperienced person can be educated to do a job better and more efficiently than can a more experienced person who will not submit to new ideas.

After interviewing candidates, verify the information provided by the ones you're still considering. It is a good idea to call previous employers, school teachers, or others who may be familiar with the applicant. Some, especially previous employers, may hesitate to give much, if any, information. However, you may get interesting hints from those you are contacting.

When evaluating candidates, remember that a good employee can build sales volume and save the business money. On the other hand, unsatisfactory employees can waste time and materials and, worse yet, can drive customers away. It is important to take enough time to make the best choice.

When you decide on the best applicant, notify all applicants of your decision and thank them for their interest, time, and trouble to interview. You may benefit from keeping a list of other qualified applicants. The next-best applicant may be just the right pick at some time in the future.

Orientation and training

For employees to be efficient and effective, you must educate and supervise them adequately. The employee must understand what, when, where, why, and how you want things done. Any doubt in the employee's mind will only lead to frustration—yours and the employee's.

Ensure that new employees understand all work policies such as hours, breaks, wages, tardiness, and procedures for checking in and out. Review all safety regulations and procedures as well.

Teach each employee not only the selling operation but the production process as well. The salesperson needs to understand that it costs money for land, seed, fertilizer, irrigation, plowing, cultivating, weed and insect control, harvesting, grading, sorting, storage, labor, and the like. Only then can the employee become cost conscious and concentrate on loss prevention while



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fulfilling job requirements. Also, understanding where the product comes from, how it is grown, how it is used, and what it costs will give the employee confidence in dealing with customers' questions.

Educating employees can take from a few hours to weeks. It depends on the size of your operation and the complexity of tasks assigned. No matter how long it takes to completely prepare new employees, they should receive an adequate orientation before starting work. Some operators go so far as to take new employees on a tour of the entire farming operation, associated selling enterprises, and competing businesses. It is important for new employees to understand how each major area or activity fits into the overall scheme of things.

It also is important for new employees to understand the importance of customer flow through the displays and selling areas on into the check-out area. In addition, it is important to tell new employees how to encourage impulse purchases and repeat sales, and how to do "companion selling"—pointing out to customers the products that naturally go together.

Employee policies

Orientation can be improved by using a policy handbook. While not required, giving a handbook to new employees on the first day of orientation can be a big plus. It is a vehicle for discussion and can help to minimize misunderstandings between you and your new employee. If your business is small and employees few, then perhaps a simple handout, hand-lettered sign, or poster will suffice. Regardless, your policies and rules should be very explicit and always documented.

Typically, handbooks state that not all policy circumstance or questions are covered and that you may change handbook content at a later date. (It is important to give all employees advance warning if you do decide to change a policy.) It is appropriate to state that the handbook doesn't constitute a contract between you and your employees. Yet, all employees are expected to read, understand, and comply with all the provisions of the handbook.

A typical policy statement or handbook covers a wide range of topics, such as:

- Mission statement and business philosophy of your operation
- Compliance with state laws; e.g., immigration, equal employment opportunity, and conditions of employment
- Attendance, punctuality, and personal-appearance rules
- Benefits; e.g., use of company vehicles and other business assets, insurance, vacation and holidays, sick and bereavement leave, jury or witness duty leave, and educational assistance
- Working hours and conditions, scheduled breaks, timekeeping, payroll deductions, and payday procedures
- Safety and conduct concerns for both employees and customers
- Progressive discipline system; e.g., verbal and written suspension procedures prior to termination, grounds for immediate dismissal
- Problem resolution procedures

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Depending on your specific type of farm direct marketing business, you might want to consider including some of the following specifics.

Working hours, punctuality, and absences

- Typical hours of operation
- Hours of shifts, if any, for specific types of employees
- Basis for rotating employees from one shift to another
- Tardiness policy—an important aspect of keeping employee morale high. Punctual employees typically will be disturbed if others are routinely late for work. Employee tardiness can quickly create a management problem for you.
- Absence policy—e.g., permitted reasons for absence; whether absences are paid or unpaid; length of advance notice required, etc. Advance notice, if at all possible, should be required of all employees. Good communication between you and your employee is important to ease your management burden.

Safety rules and regulations

List and explain each. Examples include:

- Fire and water hazards at stands and markets
- Ladder concerns in u-pick fruit orchards
- Control of product pathogens
- Avoiding sick employees on the job

Lunch and rest breaks

- Length of each type of break
- Where employees may spend breaks
- Importance of scheduling breaks so to ensure proper customer service
- Whether breaks are allowed for personal phone calls (some employers forbid calls; others consider it a nonissue if customer service is not impeded and the employee has a personal phone)

Employee appearance

- Policy on personal cleanliness and grooming
- Detailed description of acceptable and/or required dress. Consider providing a hat, shirt, and/or apron that distinctively identifies your employees as belonging to your farm direct marketing outlet. Creating a logo can be a great help in this regard.

Behavior on the job

- Emphasis on “customer first” and on importance of becoming acquainted with customers and their needs and preferences
- Warnings against day-dreaming, gum chewing, horseplay, boisterous conversation, applying make-up, etc.
- Perhaps give examples of things *not* to do, such as taking care of displays while customers wait for help. Customers seeking help become quickly agitated if they perceive that employees have more important concerns than customer service.

Smoking

Increasingly, direct farm marketers prohibit smoking by both employees and customers. Smoking detracts from the healthy image that farm direct marketers attempt to cultivate. If you allow employees to smoke, designate a smoking area that is far away from customers and the sales area, and require employees to use it. Be sure that your smoking area conforms to municipal and state rules that restrict smoking in public areas.

Honesty

- Policy on proven theft of cash or product (e.g., grounds for immediate dismissal)
- Policy on employees’ giving free products to friends or family. This can disturb paying customers who see this happen.
- Policy on accepting tips from customers

Suggestion box

It is a good idea to make one available to all employees. It provides another outlet for employees to share ideas with you. Sometimes employees are hesitant to talk with you, especially if the comment has an element of criticism. You may receive ideas that can materially improve your operation.

Putting your policy handbook in a loose-leaf folder can help you incorporate changes without reprinting the entire handbook. Some employers number their handbook copies and ask new employees to sign them as an indication that they have read, understood, and agreed to abide by the policies of the business. If loose-leaf, asking employees to return the book when leaving your employment can save you the expense of printing new handbooks.

Employee management

It is important to show a continuing interest in employees’ well-being. Be sure to keep them informed on changes taking place or contemplated. Solicit feedback from them on various aspects of your business. Good ideas, not readily apparent to you, may be forthcoming.

Express your satisfaction in employees’ good work and progress. Likewise, it is important to take corrective action at the first sign of a continuing mistake, a critical oversight, or failure to meet realistic management goals and policies. On-the-spot correction that is constructive and delivered quietly and privately (not in front of other employees or customers) will be acceptable to good employees.



Emphasize to new employees the importance of putting the customer first.

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This approach also eases your job as a manager. Each individual has an ego that must be fed. If egos are fed regularly, your employees will work hard to please both you and your customers.

Find ways to make your employees proud of their work and offer incentives to assume greater responsibilities. Incentives may take the form of a promotion, a new title with more pay, greater fringe benefits, or more pay. Some operators use bonuses, profit sharing, or commissions as work incentives. Employees want to improve themselves, so find ways to provide continuing education for them. The cost will be well worth it to you.

Employee evaluation

As employee education continues, so should employee evaluation. As managers and teachers, employers are responsible for letting employees know how they are doing, how they have excelled, and how they can improve themselves. It is important to find ways to offer constructive suggestions for improvement. Evaluation, if carried out correctly, is an important part of the ongoing educational process. The payoff to you can be substantial. Try to make this a two-way-street by soliciting ideas from your employees for business improvements.

Summary

Owner-operators of direct farm-to-consumer marketing enterprises must select employees carefully and conduct an ongoing educational and evaluation program for them. Although employees may work only part-time, they still want recognition, praise, and an honest evaluation of their efforts to make the business successful. The greatest work incentives include fair treatment and greater take-home pay. Proper attention to personnel management can well be the difference between success and failure for your direct market enterprise. There is ample evidence that incompetent managers are the leading reason that employees leave a business.