

LABOR MANAGEMENT

By Charles Contreras

Investing in people management training to grow a business

PeopleFirst™ Human Capital Solutions

As part of Pfizer Animal Health's PeopleFirst™ team, every day I have the privilege and honor of working with the world's best dairies, feedlots and animal clinics. I get to explore the challenges managers face every day to increase employee productivity.

The fundamental challenge for business owners is their hard-working history. As farms grow, farm owners need to find ways to work through others, instead of doing it all themselves. The same is true for the people promoted to manage or supervise employees. You may ask: "What is wrong with working hard?" To which I say, nothing if you can keep doing it forever, and increase the amount of output as your company grows. But what happens if you want a day off, or if you get sick, or if you just want to attend your son's baseball game?

One of my favorite books is *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It* by Michael Gerber. The phrase I quote most is: "It's time to stop just work in your business and start working on your business."

The way I see it, most owners are still plowing away at day to day emergencies and putting out fires working really, really hard. Instead, they should take time to think about how the business should run, what could work better, and how to develop the talent needed for the business' future.

Think of the best employees you have. The ones you wish you had twice as many of. They are reliable, they care and they show initiative. We call them engaged employees.

To get more engaged employees:

1. Know where you are going. Be able to tell someone in two or three sentences your company goals, what separates you from the company down the road, and what inspires employees to help get you there.
2. Define clear expectations. Make sure employees understand how their job helps you accomplish those goals.
3. Create an environment where your employee wants to do what's best for your company. This is a "biggy" and is much different than letting an employee push you around.
4. Provide opportunities for your employee to grow.

Let's look at each one of these in a little more detail:

Know where you are going

The first element is about strategic alignment. Most owners and their managers can't tell you concisely where they want their company to be in three to five years besides "I hope we are still in business." Hope is not a strategy. Closing your eyes and hoping it all turns out for the best will lead to a lot of wasted hard work, with a low chance of success. Even the simplest decisions become divisive. These are time-eating dilemmas when you are not clear about what your future looks like.

How does this affect employees? When employ-



FYI

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ees can't see how what they do affects the goal, because there is no goal, then work just becomes a monotonous set of tasks with no end in sight. With clear goals, employees know whether or not what they did yesterday, or last week, works. The scoreboard becomes clear. Have you ever watched a group of guys play a pick-up game? It's casual, with lots of jogging. What happens if you add a scoreboard, some cheerleaders and some fans? Do you think they would try just a little harder? That's what happens at work too. First you need to know what you're going to keep score on before you can evaluate whether or not you're getting there.

Once you know where you want to be, the next element is how are you going to do that? Do you understand what makes you different than the business down the road that does the same thing as you?

As employees come into your dairy, be able to explain to them why you are better than the dairy down the road and why they would be lucky to work with you. Your operation does a lot of things well, but not all of them. Why do your employees stay and enjoy working for your operation? The best place to start is to ask your current engaged employees. It could be pay, it could be their relationship with you and how you treat them. Whatever the reason, promote that. The key is that it has to be based on reality. Most employees decide the first week if they are going to stay or if this will just be a pit stop on the way to something else. A new employee will quickly assess if what you are promoting is real or not. Just being able to explain your future direction and how you will get there is a start.

Define clear expectations

Picture this: you are asked to put a blind fold on and someone turns you in circles, spinning and spinning, and then hands you a ball and says "hit that target!" You might ask "What target? Where is it? How far away is it? Am I going to hit something I am not supposed to?" So you throw, and surprise, you miss, and then someone yells at you or says "What's wrong with you? Why didn't you hit that target?"

This is what we ask new employees to do every day. We bring them in and say "OK, go do what John is doing and ask John if you have any questions." And, John thinks, "Heck no one told me what to do and I figured it out." So, John doesn't really give him all the information he needs, either. And the new guy thinks, "Well, I am going to really mess something up and they are going to fire me. Maybe this is not the job for me." And the downhill slide starts on day one.

Explaining to new employees what is expected of them up front, before they mess up, is an important part of making them feel confident and engaged. Have you ever figured out how much it costs to keep doing this over and over again? This cost includes administrative time, supervisor time, training time, paperwork time, mistakes and wearing out the rest of the crew. Dairy farms have a \$5,000 minimum cost per turnover event. So, a dairy that turns over 10 people a year loses about \$50,000 a year. By the way, people usually

don't leave companies, they leave their bosses.

Create an environment where your employee wants to do what's best for your company

If the employee is lucky enough to figure it all out in a timely enough manner, then they turn their attention to the relationship with their boss. In smaller operations the boss is also the owner. That accounts for up to 70% of why an employee decides consciously or subconsciously to go above and beyond. In other words, be engaged. Again, the fundamental challenge comes from a hard-working history, and after growth finding ways to work through others instead of doing it all yourself. The same goes for the people you pick to manage or supervise your employees. An employee who is great at doing a task is often promoted and asked to manage other employees to do that task. The only problem is that a hard-worker is used to, and prefers doing things him or herself, and probably did not communicate that much because they were so busy working. What are the main responsibilities in their new position as a manager of people? Communication, delegation, training and performance management. These skills are not what tend to come naturally to most. But there is good news, if you teach these new managers time-tested people- management techniques and apply their incredible work ethic, they can flourish.

Provide opportunities for employee growth

If the employee feels he knows his way around pretty well and has a good relationship with and respects his boss, then he or she looks for opportunities to grow. This could mean to rise up the ranks of the company, but it can also mean to do their current job better. In our PeopleFirst Supervisory certificate programs, people managers often say that simply knowing the company thought enough of them to invest and send them to training made them feel more engaged. And, the same goes for your front-line employees. Take time to talk to them about how they are doing is very important. It means a lot to discuss not just their weaknesses, but also their strengths, and to say thank you.

I say quite often to people managers: Pretend for a moment you had to run an all-volunteer company. In this company you cannot pay people, but you still have to get work done. How would you say hello to the volunteers every morning? How would you ask them to do something for you? How would you thank them after they finished the job? I would venture to say very different than the way you currently do with your employees. But the simple fact is, the extra effort that your best employees give, and that you hope more employees will give, is still volunteered. When a paycheck is given, all of a sudden the thinking changes. Now we pay them to show up, so no need to say hello? Now we pay them to work, so no need to ask respectfully? Now we pay them to do a good job, so no need to say thank you? If we want to get more out of our employees efforts, there still is that need. □