

The Five Functions of Management

Our Management Excel student:

- A manager who happens to manage a farm or horticultural business.
- A manager challenged to make efficient use of resources.
- A manager challenged with getting things done through people.
- A manager who has opportunity to use of all the tools of management that any other manager uses.
- A manager who has a way of life like any other manager.

Management Excel is about changing people not about changing businesses. We change people by helping them improve their management skills. Our expectation is that with these tools, they are then likely to change their businesses.

Management

In Management Excel, we start with an assumption of the universality of management. Management is management. Management is generic. Management principles are general rather than specific to a type of firm or organization. However, management is universal only if the manager has become familiar with the specific situation in which it is applied. Production technology, customer characteristics and the culture of the industry are examples of specifics that managers need to learn to be effective in applying their generic management skills.

A definition:

Management is creative problem solving. This creative problem solving is accomplished through four functions of management: planning, organizing, leading and controlling. The intended result is the use of an organization's resources in a way that accomplishes its mission and objectives.

In Management Excel, this standard definition is modified to align more closely with our teaching objectives and to communicate more clearly the content of the organizing function. Organizing is divided into organizing and staffing so that the importance of staffing in small businesses receives emphasis along side organizing. In the management literature, directing and leading are used interchangeably. (Note figure of Management Excel wheel)

Planning is the ongoing process of developing the business' mission and objectives and determining how they will be accomplished. Planning includes both the broadest view of

the organization, e.g., its mission, and the narrowest, e.g., a tactic for accomplishing a specific goal.

Organizing is establishing the internal organizational structure of the organization. The focus is on division, coordination, and control of tasks and the flow of information within the organization. It is in this function that managers distribute authority to job holders.

Staffing is filling and keeping filled with qualified people all positions in the business. Recruiting, hiring, training, evaluating and compensating are the specific activities included in the function. In the family business, staffing includes all paid and unpaid positions held by family members including the owner/operators.

Directing is influencing people's behavior through motivation, communication, group dynamics, leadership and discipline. The purpose of directing is to channel the behavior of all personnel to accomplish the organization's mission and objectives while simultaneously helping them accomplish their own career objectives.

Controlling is a four-step process of establishing performance standards based on the firm's objectives, measuring and reporting actual performance, comparing the two, and taking corrective or preventive action as necessary.

Each of these functions involves creative problem solving. (Figure 4.2 from Higgins, page 118) Creative problem solving is broader than problem finding, choice making or decision making. It extends from analysis of the environment within which the business is functioning to evaluation of the outcomes from the alternative implemented.

An Important Qualification to Success

Management success is gained through accomplishment of mission and objectives. Managers fail when they do not accomplish mission and objectives. Success and failure are tied directly to the reasons for being in business, i.e., mission and objectives. However, accomplishing mission and objectives is not sufficient. Success requires both effectiveness and efficiency. Managers who accomplish their mission and objectives are said to be effective. Efficiency describes the relationship between the amount of resources used (input) and the extent to which objectives were accomplished (output). If the cost of accomplishing an objective is prohibitive, then the objective is not realistic in the context of the firm's resources. Additional planning is necessary.

Management Skills

Management Excel concentrates on building management skills. There are three basic management skills: technical, human and conceptual. A technical skill is the ability to use tools, techniques, and specialized knowledge to carry out a method, process, or procedure. (Higgins, page 13) Much of the technology that farmers know and can use so

well comes under this management skill. Human skills are used to build positive interpersonal relationships, solve human relations problems, build acceptance of one's co-workers, and relate to them in a way that their behavior is consistent with the needs of the organization. Conceptual skills involve the ability to see the organization as a whole and to solve problems in a way that benefits the entire organization. (Higgins, page 15) Analytical, creative and intuitive talents make up the manager's conceptual skills.

Introductory Management Excel programs (Managing for Success) pay little attention to technical skills. Most managers in attendance have developed these skills far beyond their human and conceptual skills. In some advanced Management Excel programs, e.g., animal nutrition and financial management, the emphasis is on integration of technical, human and conceptual skills rather than on a more traditional technical approach.

The relative importance of conceptual, human and technical skills changes as a person progresses from lower, to middle, to top management. (Figure 1.4, Higgins, page 20) Although all three management skills are important at all three levels of management, conceptual skills become relatively more important at the top level of management. The consistently high level of importance of human skills helps us understand why people problems are so often cited as a core cause of business failure.

A Guarantee of Success?

Management Excel does not and can not guarantee management success. As excited as we may be about the progress being made by some Management Excel graduates, the reality is, "Sometimes the Dragon Wins!" (Note figure.) Both factors external to the firm uncontrollable by managers and internal factors not perfectly controllable frustrate a manager's use of her or his management skills. Nevertheless, Management Excel remains firmly grounded on the teaching of five functions of management with the conviction that these functions define well what it is a manager must do to maximize the chances of success.

Planning

Planning is concerned with the future impact of today's decisions. It is the fundamental function of management from which the other four stem. The need for planning is often apparent after the fact. However, planning is easy to postpone in the short-run. Postponement of planning especially plagues labor oriented, hands on managers.

The organizing, staffing, leading and controlling functions stem from the planning function (Higgins, Figure 6.1.) The manager is ready to organize and staff only after goals and plans to reach the goals is in place. Likewise, the leading function, influencing

the behavior of people in the organization, depends on the goals to be achieved. Finally, in the controlling function, the determination of whether or not goals are being accomplished and standards met is based on the planning function. The planning function provides the goals and standards that drive the controlling function.

Planning is important at all levels of management. However, its characteristics vary by level of management. (Figure 6.2) Note in this figure that the characteristics of the world being simple, certain, structured and short-term often become rationalizations for top managers not to plan. Top managers acting as if they are lower level managers plague planning.

Planning Terminology

Basic planning terminology is illustrated in Figure 6.3. The order from general to specific is: vision-mission-objectives-goals (Figure 6.4.) (Note-->In Management Excel practice established before the use of Higgins as the basic reference, we adopted the order: vision-mission-objectives-goals. The Higgins text switches the order of objectives and goals. In reading the Higgins text, simply substitute the term objective for goal and the term goal for objective.) The key terms are defined as follows:

Vision: Nonspecific directional and motivational guidance for the entire organization. Top managers normally provide a vision for the business. It is the most emotional of the four levels in the hierarchy of purposes.

Mission: An organization's reason for being. It is concerned with scope of the business and what distinguishes this business from similar businesses. Mission reflects the culture and values of top management.

Objectives: Objectives refine the mission and address key issues within the organization such as market standing, innovation, productivity, physical and financial resources, profitability, management and worker performance and efficiency. They are expected to be general, observable, challenging, and un-timed.

Goals: Goals are specific statements of anticipated results that further define the organization's objectives. They are expected to be **SMART: Specific, Measurable, Attainable, Rewarding, and Timed.**

Development of tactics is a fifth level of planning. Tactics, the most specific and narrow plans, describe who, what, when, where and how activities will take place to accomplish a goal.

Strategic Planning

Strategic planning is one specific type of planning. Strategies are the outcome of strategic planning. An organization's strategies define the business the firm is in, the criteria for entering the business, and the basic actions the organization will follow in conducting its business (Higgins, Page 229.) Strategies are major plans that commit large amounts of the organization's resources to proposed actions, designed to achieve its major objectives and goals. Strategic planning is the process by which the organization's strategies are determined (Figure 7.3.) In the process, three basic questions are answered:

1. Where are we now?
2. Where do we want to be?
3. How do we get there?

The "where are we now?" question is answered through the first three steps of the strategy formulation process: (1)perform internal and external environmental analyses, (2)review vision, mission and objectives, and (3)determine SWOT: **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats. SWOT analysis requires managers to be honest, self-disciplined and thorough. Going on to strategy choices without a comprehensive SWOT analysis is risky.

Strengths and weaknesses come from the internal environment of the firm. Strengths can be exploited, built upon and made key to accomplishment of mission and objectives. Strengths reflect past accomplishments in production, financial, marketing and human resource management. Weaknesses are internal characteristics that have the potential to limit accomplishment of mission and objectives. Weaknesses may be so important that they need to be addressed before any further strategic planning steps are taken.

Opportunities and threats are uncontrollable by management because they are external to the firm. Opportunities provide the firm the possibility of a major improvement. Threats may stand in the way of a firm reaching its mission and objectives.

Organizing

Organizing is establishing the internal organizational structure of the business. The focus is on division, coordination, and control of tasks and the flow of information within the organization. Managers distribute responsibility and authority to job holders in this function of management. [\(1\)](#)

Organizational Structure

Each organization has an organizational structure. By action and/or inaction, managers structure businesses. Ideally, in developing an organizational structure and distributing authority, managers' decisions reflect the mission, objectives, goals and tactics that grew out of the planning function. Specifically, they decide:

1. Division of labor
2. Delegation of authority
3. Departmentation
4. Span of control
5. Coordination

Management must make these decisions in any organization that has more than two people. Small may not be simple. Note Dan and Nancy's organizational alternatives in the third transparency for this section. Dan and Nancy have three organizational chart alternatives for their two person business. As shown on the page following Dan and Nancy's organization charts, who reports to whom and why may not be apparent in a slightly more complex business with three employees and five family members involved.

Organizational structure is particularly important in family businesses where each family member has three hats (multiple roles): family, business and personal. Confusion among these hats complicates organizational structure decisions.

Division of Labor

Division of labor is captured in an organization chart, a pictorial representation of an organization's formal structure. An organization chart is concerned with relationships

among tasks and the authority to do the tasks. Eight kinds of relationships can be captured in an organization chart:

1. The division/specialization of labor
2. Relative authority
3. Departmentation
4. Span of control
5. The levels of management
6. Coordination centers
7. Formal communication channels
8. Decision responsibility

Organization charts have important weaknesses that should be of concern to managers developing and using them:

1. They may imply a formality that doesn't exist.
2. They may be inconsistent with reality.
3. Their usual top down perspective often minimizes the role of customers, front-line managers and employees without management responsibilities.
4. They fail to capture the informal structure and informal communication.
5. They often imply that a pyramidal structure is the best or only way to organize.
6. They fail to address the potential power and authority of staff positions compared with line positions.

Delegation of Authority

Authority is legitimized power. Power is the ability to influence others. Delegation is distribution of authority. Delegation frees the manager from the tyranny of urgency. Delegation frees the manager to use his or her time on high priority activities. Note that

delegation of authority does not free the manager from accountability for the actions and decisions of subordinates.

Delegation of authority is guided by several key principles and concepts:

Exception principle - Someone must be in charge. A person higher in the organization handles exceptions to the usual. The most exceptional, rare, or unusual decisions end up at the top management level because no one lower in the organization has the authority to handle them.

Scalar chain of command - The exception principle functions in concert with the concept of scalar chain of command - formal distribution of organizational authority is in a hierarchical fashion. The higher one is in an organization, the more authority one has.

Decentralization - Decisions are to be pushed down to the lowest feasible level in the organization. The organizational structure goal is to have working managers rather than managed workers.

Parity principle - Delegated authority must equal responsibility. With responsibility for a job must go the authority to accomplish the job.

Span of control - The span of control is the number of people a manager supervises. The organizational structure decision to be made is the number of subordinates a manager can effectively lead. The typical guideline is a span of control of no more than 5-6 people. However, a larger span of control is possible depending on the complexity, variety and proximity of jobs.

Unity principle - Ideally, no one in an organization reports to more than one supervisor. Employees should not have to decide which of their supervisors to make unhappy because of the impossibility of following all the instructions given them.

Line and staff authority - Line authority is authority within an organization's or unit's chain of command. Staff authority is advisory to line authority. Assume a crew leader reports to the garden store manager who in turn reports to the president. Further assume that the crew leader and store manager can hire and fire, and give raises to the people they supervise. Both the crew leader and store manager have line authority. To contrast, assume that the president has an accountant who prepares monthly financial summaries with recommendations for corrective action. The accountant has staff authority but not line authority.

Departmentation

Departmentation is the grouping of jobs under the authority of a single manager, according to some rational basis, for the purposes of planning, coordination and control. The number of departments in an organization depends on the number of different jobs, i.e., the size and complexity of the business.

Farm businesses are most likely to have departments reflecting commodities and services. For example, a large dairy farm might be organized into dairy, crop, equipment and office departments. The dairy department might be further divided into milking, mature animal and young stock departments.

Informal Structure

The formal structure in each organization that has been put in place by management has an accompanying informal structure. Management does not and cannot control the informal structure.

The informal structure has no written rules, is fluid in form and scope, is not easy to identify, and has vague or unknown membership guidelines.

For management, the informal structure may be positive or negative. Positive qualities include the ability to quickly spread information and provide feedback to the information. The informal structure gives people a sense of being in the know. Management can feed information into the informal structure at very low cost. The informal structure can also help satisfy employees' social needs.

The negative qualities of the informal structure mirror the positive qualities in several ways. The juicier a rumor, the more likely is the informal structure to repeat it, expand it and make it into the "truth." Management may not know what information is flowing through the informal structure. Employees can waste a great deal of time nurturing and participating in the informal structure. Finally, the informal structure can fence out new employees, "rate breakers," and change agents no matter the extent to which the formal structure makes them a part of the organization.

Staffing- Part I

There are three parts to the staffing function.

Management teams on successful farms excel at many human resource management skills. Staffing (including recruiting, selecting, hiring and training of employees) is among the skills that become more important as the complexity and overall level of performance of a farm business increases. With increasing size and improving performance comes people complexity: more things accomplished through employees, more delegation to key employees and more reliance on employees to maintain a routine

that assures superiority. Any cynical attitudes managers have about employees need to be replaced with positive attitudes.

The organizing function of management defines each position or category of positions on the farm. Staffing follows with the filling and keeping filled all positions on the farm. Recruiting a pool of applicants for a position, selecting new employees from among the pool of applicants, training new employees and retraining experienced employees are the key elements of the staffing function. Managing resignations and discharges is also part of staffing. Staffing may be mistakenly limited to regular employees. Instead, staffing includes all personnel categories: managers, working managers and laborers; family and non-family; paid and unpaid; and full-time and part-time.

Practically all farms function without a personnel department. This means that management generalists rather than personnel specialists handle staffing. The farm human resource managers must deal with factors external to the farm such as labor laws and regulations, labor markets, practices of other employers and stereotypes of farm employment. Internal factors such as policies regarding family members entry into the business, conflict between family and business goals and limited opportunities for promotion because of flat organization charts must be dealt with. Staffing has both short-run and long-run ramifications. In the short-run, positions must be kept filled with qualified people who can get the work done. In the long run, development of top and middle level management personnel for business continuity into the next generation tops the list of staffing challenges.

Staffing success depends heavily on the planning and organizing functions of management. In planning, both farm goals and employees' goals are considered. A business functions best when business and employee goals are compatible. Job analysis leads to job specifications and job descriptions. In developing job specifications, the necessary knowledge, skills and abilities for each position are determined. Job descriptions identify specific tasks for each position. Full success in staffing rarely comes without analyzing the jobs on the farm, determining what is needed for success in each job and writing a description of the job.

Regardless of size, each farm has an organizational structure. The structure may be the result of careful planning. It may be highly formal with an organization chart well known and understood. On the other hand, structure may be the result of tradition and happenstance. It may be so informal that employees and family members are unsure of their roles, to whom they report and how they are to relate to other people on the farm. Ideally, the organizational structure provides a guide to the roles that people perform to help the farm business achieve its goals. An effective organizational structure results in everyone on the farm working together as a team.

Work is directed to accomplishing both the farm's goals and the personal goals of employees. Organizing must result in tasks being done as a means to an end rather than an end. Structuring the business to create a positive environment for people and ultimately a high quality of work life is equally important to getting the tasks done.

Staffing is best done with attention to recruiting, selecting and training employees to help them satisfy their goals and the goals of the business.

The following assumptions provide the context for our discussion of staffing:

1. The mission for the farm has been given careful attention by top management and distributed to the management team and all employees, i.e., the reasons the farm is in business are known.
2. A management team is in place and able to divide up responsibilities. Top management is willing and able as needed to delegate responsibilities and authority.
3. Key positions, e.g., a herdsman, head milkier, full-time crops and machinery person, or a full-time office person are being filled. The process for filling key positions can be modified for part-time and temporary positions.
4. The person hired will be trained to carry out the responsibilities of the position, i.e., it is not necessary to hire a person who already knows how to do the job.
5. No selection process can guarantee selection success. Even if the "right" person was hired based on all the information available to the employer at the time the decision was made, six months, a year or three years later, it may seem that the "wrong" person was hired.

Staffing Success -- More Than Luck

Staffing success is having the "right person" in a position, rather than simply filling a position. Too often there is an assumption that luck is a key element in staffing. Consequently, a labor manager may place too little emphasis on what can be accomplished through improved recruitment, interviewing, selection and training. The following comment by an agricultural employer illustrates this point:

"We spent more than one week selecting a truck and body. We spent almost no time at all selecting or training a driver for this truck even though the driver's wages are the largest single cost of operating the truck. In addition, the driver could cause an accident resulting in a financial loss many times greater than the cost of the truck."

Hiring a full-time farm employee or a key part-time employee should be considered a major decision, ranking in importance with decisions on purchase of machinery and land, and construction of facilities. This suggests that a farm manager should carefully plan a staffing strategy following some specific guidelines rather than simply "hoping for the best."

Starting With A Self-Assessment

The following guidelines can help a farm manager evaluate his or her recent staffing efforts and improve in the future: (1) Know yourself, (2) Know your business, and (3) Know the strengths and weaknesses of farm employment.

Know Yourself

Knowing oneself can be an important self-improvement aid. Self-analysis is difficult and fraught with error. No simple written tests exist to provide easy improvement in staffing effectiveness. Nevertheless, an honest agree or disagree reaction to each of the following ten statements should provide some assistance in self-analysis:

- *1. I am the kind of person I would like as a "boss."*
- *2. I don't like to be thought of as the "boss."*
- *3. I am highly respected by the people I supervise.*
- *4. I enjoy conversation.*
- *5. I am a good teacher.*
- *6. I am a good listener.*
- *7. I have little trouble being understood by others.*
- *8. I trust the people I supervise.*
- *9. I believe most of the people I supervise like having some responsibility.*
- *10. I believe farm workers regularly need a pat on the back.*

The first three statements are concerned with self-image. Statements four through seven focus on communication. The last three statements are concerned with a labor manager's attitude toward employees. Statements with which a labor manager disagrees may suggest areas for improvement. Analyzing and altering the personal characteristics associated with each of the statements could be helpful. Understanding his or her strengths and weaknesses can change what the labor manager considers desirable and undesirable characteristics of employees.

Total success in staffing escapes even those labor managers who can "agree" with all ten statements. The best "people" persons, best communicators, and those with the most positive attitudes toward their employees still have disappointments in getting and keeping their farms staffed with the "right people". Working to know oneself better simply provides part of the foundation for improvement in staffing.

Comparison to other managers also helps a manager better understand himself or herself. Two hypothetical employers, Miser and Max, provide a standard for employer self-evaluation.

Miser - Farmer Miser wants to minimize the time spent in filling a position. The position is vacant because an employee resigned unexpectedly and left the next day. Miser heard that Joe, a person reputed to be an outstanding employee, is unhappy with his job on a neighboring farm. Miser called Joe and asked if there was anything to the rumor that he is unhappy. Joe said he was unhappy but the problem has been resolved. Miser replied that that was too bad because he would have offered him a good job. The same day, one of

Miser's employees told him that his brother-in-law needs a job. Miser responded with enthusiasm, "Bring him by tonight so I can talk to him." Before Miser finished eating lunch that same day, the phone rang. The person introduced himself as Kevin, a friend of Joe from the neighboring farm. Kevin asked if Miser's position was still open. Miser replied that it was. Kevin asked if he could come by for an interview that afternoon. Miser smiled as he suggested 2:00 p.m. By 3:00 p.m. that day, Miser was thinking that this was one of his truly lucky days. Kevin was hired and started working the following day.

Max - Farmer Max wants to maximize the chances of filling each position with the "right person." He will have a position open in 30 days. The position will be vacant because one of the current employees has an opportunity to become "orchard manager" on a nearby farm. Max has placed a help wanted ad in two newspapers. He has heard that Joe, an outstanding employee working on a neighboring farm is unhappy. He called Joe and asked if he was interested in submitting an application for the position. Max also talked to his four employees about the upcoming opening and encouraged them to think about people who might be interested in applying. Within three weeks, Max had 12 applicants. Based on applications and references, he selected seven to be invited for interviews. Four were no longer interested in the position. Three were interviewed. The two most promising were invited back for a second interview that included the other four employees. After extensive discussion with the people who had done the interviewing, Max selected a person who is working in a small factory nearby. The new employee will not start for two weeks. He wants to be fair to his current employer by giving her two weeks notice of his leaving. Max and his four employees look forward to having an outstanding person join them to learn the new job.

Know Your Business

An understanding of the goals for the farm business and its current and long run constraints to progress will help in identifying desirable characteristics for employees. Goals and performance standards for the enterprises with which the employee will have direct contact should be specifically addressed before the search for a new employee is started or a training program implemented. This helps identify those specific things expected to be accomplished through hired farm employees in general and new employees in particular. For example, if an objective is to decrease machinery repair costs, one alternative is to look for a person who has excellent mechanical skills from a previous position. An alternative is to hire an inexperienced person who has a willingness and desire to master the needed mechanical skills. A follow up training program for such a person can result in a high quality employee.

Clearly, the farm management team has the responsibility for addressing the farm's key problems. These responsibilities cannot be delegated to labor. However, a farm can benefit a great deal from emphasizing complementarities of knowledge, skills and abilities in the labor force rather than settling for duplication and competition.

Know the Advantages and Disadvantages of Farm Employment

Farm employment has advantages and disadvantages. No one position has all the advantages or disadvantages. Positions on some farms may have few of the typical disadvantages. Nevertheless, the farm manager is likely to encounter the following kinds of preconceived notions about the disadvantages of farm employees as positions are discussed with potential and current employees.

Typical advantages of farm employment are:

- 1. *Work with plants and modern machinery.*
- 2. *Work varies during the year.*
- 3. *Both indoor and outdoor work are included.*
- 4. *Sense of accomplishment through observing the farm's progress.*
- 5. *Little chance of unemployment.*
- 6. *Little or no time spent commuting to work.*
- 7. *Easy to find a different farm job.*

Typical disadvantages are:

- 1. *Low income relative to non-farm employment.*
- 2. *Length of work day and work week.*
- 3. *Different benefits than non-farm workers receive.*
- 4. *Greater likelihood of injurious accidents.*
- 5. *Difficult to advance without changing jobs.*
- 6. *Low prestige.*
- 7. *Social isolation.*

Good labor management involves trying to overcome as many of the disadvantages of farm employment as is feasible while capitalizing on the advantages. For example, one may be able to rotate work schedules so that all employees have at least one day off each week. One may also be able to offer an employee the choice of higher cash wages and the opportunity to rent a house from the employer rather than making the house and lower cash wages a required part of the compensation package. Job titles, trips out of the county for production and seminars, and employee's names printed on their work shirts increase the prestige of farm employment.

Steps for Filling a Position

Following some proven guidelines increases the chances of finding and keeping desirable employees. However, no process can guarantee selection success. Even if the seemingly "right" person was hired six months, a year or three years ago, now it may seem that the "wrong" person was hired. The following eight-step process increases the chances of hiring success:

- 1. *Determine the business' labor and management needs*
- 2. *Develop a current job description*
- 3. *Build a pool of applicants*

- 4. *Review applications and select those to be interviewed*
- 5. *Interview*
- 6. *Check references*
- 7. *Make a selection*
- 8. *Hire*

Preliminaries to Implementing the Eight Steps

The process for filling a position varies from farm to farm. Previous experiences, nature of the positions being filled, expertise of the selection team, budget for the selection process and time made available for selection are examples of the kinds of factors that affect the design of the selection process. Top management answering the following questions should result in a workable process:

1. To whom, if anyone, is responsibility and authority for filling positions being delegated?

Top management, e.g., the owner/operator of the farm, may retain responsibility and authority for filling positions. On the other hand, it can be delegated to a herdsman, an assistant farm manager or some other key management person. Someone must have the explicit responsibility and authority. Everyone being responsible often means the task is treated as if not one were responsible.

2. When and how are the persons responsible for selection and hiring to be trained?

One can not expect to do well in selection and hiring of employees without training in how to do it. "Learning by doing" can result in many potentially valuable employees being lost to other employers who do selection and hiring in a more professional manner. "Learning by doing" can also result in being fooled by unqualified applicants who are expert in talking about their many farm skills and experiences.

Step 1: Determine the Business' Labor and Management Needs

The labor and management needs of the business should guide its hiring decisions. An understanding of the goals for the farm business and its current and long run constraints to progress helps identify desirable employee characteristics. Goals and performance standards should be specifically addressed before the search for a new employee begins. This helps identify those specific things expected to be accomplished through hired farm workers in general and new employees in particular.

Clearly, the management team has the responsibility for addressing the farm's key problems. These responsibilities cannot be delegated to labor. However, a farm can benefit a great deal from emphasizing complementarities of knowledge, skills and abilities in the labor force. It makes little sense to hire new people with unneeded strengths and interests that will cause unproductive competition for favored tasks.

Step 2: Develop a Current Job Description

Job descriptions help both the employer and employees by answering three questions: What does the jobholder do? How is it done? Under what conditions is it done? The job description has at least four parts:

- 1. *Job title,*
- 2. *A brief one or two sentence summary of the job,*
- 3. *A detailed listing of the major tasks involved in the job summarized under three to seven general headings, and*
- 4. *A listing of the knowledge, skills and abilities necessary to do the job.*

Job descriptions are typically one page long. The brevity requires a terse, direct writing style. Simple words with single meanings should be used. Action verbs in the present tense should be used in defining the job duties, e.g., milks twice per day five days per week, complete a performance evaluation at least annually for each employee supervised. The specifics of the job should be clear from the job description. The job title, job summary and description of duties should be completely consistent. To illustrate, the job title of herd manager is inconsistent with a list of job duties that includes only labor tasks such as milking, cleaning, feeding, moving, loading, and repairing.

Managers working closely with employees should update job descriptions at least annually. The important tie between job descriptions, performance evaluation and merit pay increases is lost when job descriptions are hid away in a forgotten file.

Step 3: Build a Pool of Applicants

Although there are many methods of getting job applicants, word of mouth and help wanted ads are likely to generate the most applicants. Word of mouth involves current employees, neighbors, agribusiness contacts, veterinarians and others who come in contact with potential employees. Word of mouth is fast and low cost. However, it limits the scope of the job search because qualified applicants may not hear about the position. Current employees enthusiastic about their jobs can become highly effective recruiters.

Help wanted ads can be placed in newspapers and magazines known to be read by potential employees. Help wanted ads have the potential of expanding the applicant pool beyond the local community. The ads may increase the pool of applicants to the point that screening based on their application forms will be necessary. Only well prepared help wanted ads are likely to be effective. Following a seven-step process should result in an effective want ad:

- 1. *Lead with a positive statement or job characteristic that attracts attention*
- 2. *Give the job title*
- 3. *Say something positive about the farm*
- 4. *Describe the job*
- 5. *Explain qualifications necessary for success in the position*

- 6. Provide information on wages and benefits, as appropriate
- 7. Indicate how to apply for the job

Traditional help wanted ads like the following prepared without the seven-step process are unlikely to expand the pool of qualified applicants for the farm:

- *Wanted: Full-time worker for local dairy farm. Call 888-9953.*
- *Help Wanted: Positions available immediately for full and part-time milkers. Call 888-9953.*
- *Experienced and reliable person needed for general work on a dairy farm. 888-9953.*

The following creative ads are much more likely to catch the attention of qualified applicants:

- *Looking for a change? Like farm work and animals but not the extra long hours? We are a modern dairy farm looking for an ambitious individual to care for young dairy animals. You can start at 9:00 a.m. and be home with your family by 4:00. Good wages, benefits and five work days per week. Call 888-9953.*
- *Want to supplement your family income? We are looking for ambitious people who like animals. We will provide training to help you become a competent milking technician. We are a modern and expanding dairy farm that provides excellent working conditions for part-time employees. We will schedule your 20-30 hour work week around your family commitments. Excellent wages and four work days per week. Submit application at Gerken Family Farms, Mon 4pm-6pm or Sat 1pm-6pm.*
- *Want to advance your career in the dairy industry? An assistant farm manager position for a modern and expanding dairy farm will be available in two months. Current assistant manager is moving to a highly attractive dairy farm manager position. Responsibilities will include training and supervision of milking crews, routine maintenance of milking equipment, care of dry cows, dairy records, occasional milking and operation of harvest equipment and regular participation in the management team's decision making. Experience in employee supervision is highly desirable. Attractive wages and fringe benefit package. Submit application at Sunrise Farms, Mon-Fri 4pm-6pm.*

Each applicant should fill out an application form. Taking time to develop an application form or modify one used previously forces identification of important characteristics to look for in applicants. An application form provides a common base of information about all employees being considered. It also provides an important source of questions to be followed up on during the interview.

Step 4: Review Applications and Select those to Be Interviewed

Some applicants will be excluded from further consideration based on the application form. A pre-interview can also be used to help identify applicants to be invited for a formal interview. Having interested people visit the farm to fill out an application form can provide opportunity for a few general questions about experience and interest in the job. Promising candidates can be given a mini-tour of the farm providing opportunity for general conversation about the dairy industry, livestock, farm work and machinery. The objective of the pre-selection step is to reduce the applicant pool to the most promising candidates. However, the applicant pool should not be reduced to fewer than three people. You may not be successful in hiring the best person in the pool of applicants. Interviewing may dramatically change the pre-ranking of applicants you have made. Also, some applicants will withdraw. Most important, the person hired should know that he or she is a winner having been selected over other qualified people.

Step 5: Interview

Farm employers use applicant interviews more than any other selection tool in deciding whom to hire. Employers can lose outstanding applicants through poor interviewing. On the other hand, they can use excellent interviewing skills to help sell a job opportunity to applicants.

Use these questions to guide preparation for interviewing:

- 1. *Who will be on the interview team?*
- 2. *How will we divide time between the formal interview and informal discussion including a farm tour?*
- 3. *What questions will we ask in the interview?*
- 4. *How will we record our evaluations of each interviewee?*
- 5. *Where will we conduct the interview?*

Avoid questions that can be answered yes or no. Some examples are:

- *Do you like cows?*
- *Can you drive a tractor?*
- *Are you afraid of cows?*

Instead of these yes/no type questions, use open-ended questions that encourage applicants to explain experiences, characteristics and ideas in their own words. The open-ended questions should be geared toward the following general areas: previous job accomplishments and achievement; non-job accomplishments and achievements; motivation and ambition; hobbies and use of leisure time; and "what if" Some examples are:

- *What has been your most important accomplishment in your current position?*
- *What are you looking for in an ideal job?*
- *When you are working on a project, how do you know you are doing a good job?*

- *Outside your work, what has been your most important accomplishment thus far in your life? How could this accomplishment help you help our farm?*
- *What hobbies and spare time activities do you have that would help you help our farm?*
- *What is your most important strength that would help our farm?*

"What if" questions should also be included. They present the applicant a practical problem situation for solution. An applicant for a herd manager position might be given a "sick cow" situation, an applicant for a machinery operator position might be given a "tractor won't start" situation, and an applicant for a position with supervisory responsibilities might be given an "employee not cleaning the equipment" situation.

Do not ask questions about: race, color, religion, national origin, marital status, number and care of dependents, height, weight, education unrelated to the job, friends or relatives who have previously worked on your farm, age, arrest or conviction records, U.S. citizenship, credit ratings, handicaps or disabilities, person to notify in case of emergency, sexual orientation, non-business-related references, social clubs and organizations, and military experience in the armed forces of another country. A general guideline is to ask only about those things that are unquestionably related to the job and any applicant's ability to do the job.

It is possible to get necessary information without asking improper questions. It is legitimate to ask about availability for work on weekends and staying late during planting and harvest seasons. However, these questions should not be asked in terms of family responsibilities, children or religious practice. It is important to know if an applicant is a U.S. citizen or whether the applicant meets immigration law requirements. These questions can be asked without reference to national origin.

Directing

Directing is influencing people's behavior through motivation, communication, group dynamics, leadership and discipline. The purpose of directing is to channel the behavior of all personnel to accomplish the organization's mission and objectives while simultaneously helping them accomplish their own career objectives.

Managers give this function a variety of names. Higgins calls it leading. Other labels are: influencing, coaching, motivating, interpersonal relations, and human relations.

The directing function gives the manager an active rather than a passive role in employee performance, conduct and accomplishments. Managers accomplish their objectives through people. In blaming others for her or his human resource problems, a manager is denying the management responsibilities inherent in the directing function.

The directing function gives managers a second responsibility: helping people in the organization accomplish their individual career goals. Organizations do not succeed while their people are failing. Helping people in the organization with career planning and professional development is an integral part of the directing function.

In Management Excel, the directing function in Managing for Success has included: motivation, communication, performance appraisal, and discipline and conflict management. Several Management Excel teams have offered situational leadership as an advanced course for Managing for Success graduates. Management Excel team leader in-services have included group dynamics and team building.

Motivation

Selection, training, evaluation and discipline cannot guarantee a high level of employee performance. Motivation, the inner force that directs employee behavior, also plays an important role. Highly motivated people perform better than unmotivated people. Motivation covers up ability and skill deficiencies in employees. Such truisms about motivation leave employers wanting to be surrounded by highly motivated people but unequipped to motivate their employees. Employers and supervisors want easily applied motivation models but such models are unavailable.

Motivation probably tops the list of complex activities with which labor managers deal. Their intuition suggests an easy answer, "I want everyone around here to be motivated." They often blame employees for their lack of motivation and performance problems. Employees on the other hand often blame any performance problems they may have on external factors - their supervisors, equipment, training, co-workers, weather, unrealistic demands made on them, pressures at home, lack of recognition etc., etc. Despite the conflicting perceptions held by employers and employees, employers must deal with employee motivation.

Three ways of looking at motivation are: needs, rewards and effort. The needs approach stems from the notion that peoples' unsatisfied needs drive their behavior. Figure out a person's needs, satisfy the needs and the person will be motivated. For example, a person with a high need to satisfy goals is motivated by production targets. The rewards approach is based on the expectation that rewarded behavior is repeated. Giving a person a bonus for excellent performance during a difficult harvest period encourages the person to make a special effort during the next difficult harvest. The effort approach to motivation is based on the expectation that effort brings the worker what he or she wants. The thought that working hard leads to advancement and new career opportunities are consistent with the effort approach. The effort approach includes a presumption that the employer is fair, i.e., effort is recognized and rewarded. Managers cannot reduce motivation to a simple choice of one of these approaches. Each of the three approaches contributes to an understanding of motivation and how motivation varies person to person and over time.

The most effective motivation for employees comes from within each employee, i.e., self-motivation. Possible indicators of self-motivation include: past accomplishments in school, sports, organizations and work; stated career goals and other kinds of goals; expertise in one or more areas that shows evidence of craftsmanship, pride in knowledge and abilities, and self-confidence; an evident desire to continue to learn; and a general enthusiasm for life.

Threats, bribery, manipulation and coercion have only limited usefulness beyond the very short-run in changing behavior in the farm environment. More effective employer action responds to employee needs, making their work useful to satisfying their needs, helping employees understand the relationship between their contribution to success of the farm and rewards received, and creating an atmosphere of equity and fairness.

Removing Barriers to Communication in the Family Business

Communication plays a major role in the family business. It affects the relationships among family members on the management team and their relationships with employees. Although effective communication does not guarantee the success of a farm business, its absence usually assures problems. A communication problem may soon become a crisis or it may linger on for years.

More specifically, communication influences the day-to-day relations among family members. Communication also affects the willingness of family members to provide useful suggestions. Making employees outside the family feel a part of the business requires communication. In fact, for employees to make the important evolution from "workers" to "working managers" requires effective communication between supervisors and employees.

Family members are typically hesitant to state their goals, their concerns and their disappointments. Of course, a family member may be a complainer and share views to the point other family members silently beg for less "communication." Much more common is the need to understand better what family members are "really thinking."

This paper is about improving communication skills. Removing barriers to communication is one of the easiest ways to improve communication. Removing these barriers starts with an understanding of a communication model. This paper is designed to help managers think about their own communication skills and the way communication is done day-to-day back home.

Communication Model

The model in Figure 1 identifies the major components in the communication process. The process starts with a **sender** who has a **message** for a **receiver**. Two or more people are always involved in communication. The sender has the responsibility for the message.

The sender's message travels to the receiver through one or more **channels** chosen by the sender. The channels may be verbal or nonverbal. They may involve only one of the

senses, hearing for example, or they may involve all five of the senses: hearing, sight, touch, smell, and taste. Nonverbal communication, popularly referred to as body language, relies primarily on seeing rather than hearing.

Communication Model

The sending of a message by an appropriate channel to a receiver appears to have completed the communication process or at least the sender's responsibility. Not so! After sending the message, the sender becomes a receiver and the receiver becomes a sender through the process of **feedback**. Feedback is the receiver's response to the attempt by the sender to send the message. Feedback is the key to determination by the sender of whether or not the message has been received in the intended form. Feedback involves choice of channel by the receiver of the original message. The channel for feedback may be quite different from the original channel chosen by the sender. A puzzled look may be the feedback to what the sender considered a perfectly clear oral instruction.

Effect on the receiver completes the communication process. Effective communication is the original sender having the desired effect on the receiver. Communication at its best minimizes misunderstanding between sender and receiver. The sender cannot transplant a message or idea. Ineffective communication means there was no effect on the receiver or the effect was unexpected, undesired and/or unknown to the sender.

This simplified version of a complex process can be a powerful tool for thinking about one's communication skills, diagnosing communication problems and developing plans for improvement of communication. The good news about communication is that improvement is almost always possible. The bad news is that perfection in communication escapes everyone.

Barriers to Communication

Problems with any one of the components of the communication model can become a barrier to communication. These barriers suggest opportunities for improving communication.

1. **Muddled messages** - Effective communication starts with a clear message. Contrast these two messages: "Please be here about 7:00 tomorrow morning." "Please be here at 7:00 tomorrow morning." The one word difference makes the first message muddled and the second message clear.

Muddled messages are a barrier to communication because the receiver is left unclear about the intent of the sender. Muddled messages have many causes. The sender may be confused in his or her thinking. The message may be little more than a vague idea. The problem may be semantics, e.g., note this muddled newspaper ad: "Dog for sale. Will eat anything. Especially likes children. Call 888-3599 for more information."

Feedback from the receiver is the best way for a sender to be sure that the message is clear rather than muddled. Clarifying muddled messages is the responsibility of the sender. The sender hoping the receiver will figure out what was really meant does little to remove this barrier to communication.

2. **Stereotyping** - Stereotyping causes us to typify a person, a group, an event or a thing on oversimplified conceptions, beliefs, or opinions. Thus, basketball players can be typed as tall, green equipment as better than red equipment, football linemen as dumb, Ford as better than Chevrolet, Vikings as handsome, and people raised on swine farms as interested in animals. Stereotyping can substitute for thinking, analysis and open mindedness to a new situation.

Stereotyping is a barrier to communication when it causes people to act as if they already know the message that is coming from the sender or worse, as if no message is necessary because "everybody already knows." Both senders and listeners should continuously look for and address thinking, conclusions and actions based on stereotypes.

3. **Wrong channel** - "Good morning." An oral channel for this message is highly appropriate. Writing "GOOD MORNING!" on a chalk board in the machine shed is less effective than a warm oral greeting. On the other hand, a detailed request to a contractor for construction of a furrowing house should be in writing, i.e., non-oral. A long conversation between a pork producer and a contractor about the furrowing house construction, with neither taking notes, surely will result in confusion and misunderstanding. Similarly, several conversations between a father and son concerning a partnership and long-term plans for the business, with neither taking notes, surely will result in confusion and misunderstanding. It will also likely result in other family members not understanding what father and son have agreed to. These simple examples illustrate how the wrong channel can be a barrier to communication.

Variation of channels helps the receiver understand the nature and importance of a message. Using a training video on cleaning practices helps new employees grasp the importance placed on herd health. A written disciplinary warning for tardiness emphasizes to the employee that the problem is serious. A birthday card to a daughter-in-law is more sincere than a request to a son to say "Happy Birthday" to his wife.

Simple rules for selection of a channel cause more problems than they solve. In choosing a channel, the sender needs to be sensitive to such things as the complexity of the message (good morning versus a construction contract); the consequences of a misunderstanding (medication for a sick animal versus a guess about tomorrow's weather); knowledge, skills and abilities of the receiver (a new employee versus a partner in the business); and immediacy of action to be taken from the message (instructions for this morning's work versus a plan of work for next year).

4. **Language** - Words are not reality. Words as the sender understands them are combined with the perceptions of those words by the receiver. Language represents only part of the whole. We fill in the rest with perceptions. Trying to understand a foreign

language easily demonstrates words not being reality. Being "foreign" is not limited to the language of another country. It can be the language of another farm. The Gerken house may be where the Browns now live. The green goose may be a trailer painted red long after it was given the name green goose. A brassy day may say much about temperature and little about color.

Each new family member and employee needs to be taught the language of the farm. Until the farm's language is learned, it can be as much a barrier to communication as a foreign language.

5. Lack of feedback - Feedback is the mirror of communication. Feedback mirrors what the sender has sent. Feedback is the receiver sending back to the sender the message as perceived. Without feedback, communication is one-way.

Feedback happens in a variety of ways. Asking a person to repeat what has been said, e.g., repeat instructions, is a very direct way of getting feedback. Feedback may be as subtle as a stare, a puzzled look, a nod, or failure to ask any questions after complicated instructions have been given. Both sender and receiver can play an active role in using feedback to make communication truly two-way.

Feedback should be helpful rather than hurtful. Prompt feedback is more effective than feedback saved up until the "right" moment. Feedback should deal in specifics rather than generalities. Approach feedback as a problem in perception rather than a problem of discovering the facts.

6. Poor listening skills - Listening is difficult. A typical speaker says about 125 words per minute. The typical listener can receive 400-600 words per minute. Thus, about 75 percent of listening time is free time. The free time often sidetracks the listener. The solution is to be an active rather than passive listener.

One important listening skill is to be prepared to listen. Tune out thoughts about other people and other problems. Search for meaning in what the person is saying. A mental outline or summary of key thoughts can be very helpful. Avoid interrupting the speaker. "Shut up" is a useful listening guideline. "Shut up some more" is a useful extension of this guideline. Withhold evaluation and judgment until the other person has finished with the message. A listener's premature frown, shaking of the head, or bored look can easily convince the other person there is no reason to elaborate or try again to communicate his or her excellent idea.

Providing feedback is the most important active listening skill. Ask questions. Nod in agreement. Look the person straight in the eye. Lean forward. Be an animated listener. Focus on what is being said. Repeat key points.

Active listening is particularly important in dealing with an angry person. Encouraging the person to speak, i.e., to vent feelings, is essential to establishing communication with an angry person. Repeat what the person has said. Ask questions to encourage the person

to say again what he or she seemed most anxious to say in the first place. An angry person will not start listening until they have "cooled" down. Telling an angry person to "cool" down often has the opposite effect. Getting angry with an angry person only assures that there are now two people not listening to what the other is saying.

7. Interruptions - A farm is a lively place. Few days are routine. Long periods of calm and quiet rarely interrupt the usual hectic pace. In this environment, conversations, meetings, instructions and even casual talk about last night's game are likely to be interrupted. The interruptions may be due to something more pressing, rudeness, lack of privacy for discussion, a drop-in visitor, an emergency or even the curiosity of someone else wanting to know what two other people are talking about.

No matter the cause, interruptions are a barrier to communication. In the extreme, there is a reluctance of employees and family members even to attempt discussion with a manager because of the near certainty that the conversation will be interrupted. Less extreme but nevertheless serious is the problem of incomplete instructions because someone came by with a pressing question.

8. Physical distractions - Physical distractions are the physical things that get in the way of communication. Examples of such things include the telephone, a pick-up truck door, a desk, an uncomfortable meeting place, and noise.

These physical distractions are common on farms. If the phone rings, the tendency is to answer it even if the caller is interrupting a very important or even delicate conversation. A supervisor may give instructions from the driver's seat of a pick-up truck. Talking through an open window and down to an employee makes the truck door a barrier. A person sitting behind a desk, especially if sitting in a large chair, talking across the desk is talking from behind a physical barrier. Two people talking facing each other without a desk or truck-door between them have a much more open and personal sense of communication. Uncomfortable meeting places may include a place on the farm that is too hot or too cold. Another example is a meeting room with uncomfortable chairs that soon cause people to want to stand even if it means cutting short the discussion. Noise is a physical distraction simply because it is hard to concentrate on a conversation if hearing is difficult.

Facilitating Communication

Beyond removal of specific barriers to communication, the following general guidelines may also help communication.

1. Have a positive attitude about communication. Defensiveness interferes with communication.
2. Work at improving communication skills. It takes knowledge and work. The communication model and discussion of barriers to communication provide the necessary knowledge. This increased awareness of the potential for improving communication is the first step to better communication.

3. Include communication as a skill to be evaluated along with all the other skills in each person's job description. Help other people improve their communication skills by helping them understand their communication problems.
4. Make communication goal oriented. Relational goals come first and pave the way for other goals. When the sender and receiver have a good relationship, they are much more likely to accomplish their communication goals.
5. Approach communication as a creative process rather than simply part of the chore of working with people. Experiment with communication alternatives. What works with one person may not work well with another person. Vary channels, listening techniques and feedback techniques.
6. Accept the reality of miscommunication. The best communicators fail to have perfect communication. They accept miscommunication and work to minimize its negative impacts.

Summary

Communication is at the heart of many interpersonal problems in family businesses. Understanding the communication process and then working at improvement provide managers a recipe for becoming more effective communicators. Knowing the common barriers to communication is the first step to minimizing their impact. Managers can reflect on how they are doing and use the ideas presented in this paper. When taking stock of how well you are doing as a manager and family member, first ask yourself and others how well you are doing as a communicator.

Performance Appraisal

No employee escapes performance appraisal. As a minimum, each employee receives informal messages from his or her supervisor and co-workers. The messages may be carefully calculated or emotional outbursts, frequent or infrequent, helpful or hurtful, understood or misunderstood, consistent or inconsistent, fair or unfair. They may improve performance or cause additional performance problems. They may motivate an employee or leave the employee discouraged and disgruntled.

Turning performance appraisal into a positive force challenges even the best farm personnel manager. Three steps are necessary:

1. Establish written standards for employee performance
2. Develop both supervisor and employee understanding of these standards
3. Regularly inform employees of how they are performing relative to the established standards

Effective performance appraisal moves beyond informal communication but does not exclude it. Planned and formal performance evaluation interviews complement spontaneous informal employer-employee interaction about performance.

Few farms have formal employee performance programs. Spontaneous and informal comments about performance are the norm. Too often, employees are left guessing about

the quality of their performance or underrate their performance because of the sharing of negative but not positive evaluations.

Performance evaluation is a complex activity. A formal performance evaluation system can be a realistic long-term goal to work toward. In the short-run, farm employers can take helpful steps toward the long-run ideal. The first step is to develop job descriptions for everyone with everyone's help. These job descriptions evolve continuously rather than being done once and for all. Job descriptions have value only if they are current, in writing, and used regularly to clarify job content, the organizational structure of the business and as a basis for evaluation.

In the short-run, the following statements and questions can guide performance evaluation, counseling and planning discussions with each employee:

1. I see the following three things as your most important strengths.
2. I see the following two things for us to work on improving during the next six months.
3. What do you see as your most important strengths?
4. What would you like to learn or work on improving?
5. How should I work on improving?

Intermediate steps could include clear communication of expectations for employees, regular feedback to employees about their performance, providing employees opportunity to respond to their supervisor's comments and additional training for employees based on needs identified through performance appraisal. The notion of catching people doing things right should be an important part of employee evaluation and improving performance appraisal.

Discipline

High quality farm worker performance requires implementation of carefully made tactical plans. Deviations from the plans by employees results in standards not being met and goals not being accomplished. Managers must deal with employees' deviation from rules, procedures and expected behaviors. Employees coming late to work, not following safety procedures when working alone, not properly cleaning equipment in their rush to get home, and using wrong or wrong amounts of medication are examples of unacceptable behavior that should be addressed rather than ignored. A cautionary note is in order. Employers can easily confuse discipline problems with selection, training and communication problems. This discussion of discipline applies to those cases in which the employee can reasonably be expected to perform or behave according to established standards, norms or rules, i.e., they have been carefully selected, well trained and are regularly evaluated.

A disciplined person exhibits the self-control, dedication and orderly conduct consistent with successful performance of job responsibilities. This discipline may come through self-discipline, co-workers or the supervisor/employer. Self-discipline is best and most

likely to come from well selected, trained, and motivated people who regularly have feedback on their performance.

An employee not performing up to the agreed upon standards or not following the understood rules is subject to punishment, i.e., disciplinary action. Punishing or disciplining employees falls among the least pleasant activities in human resource management. In the short-run, doing nothing or ignoring errant actions and behavior almost always comes easier than taking the needed action. Not disciplining when needed sends confusing messages to the errant employee, other employees and other managers in the farm business. If starting work at 6:30 a.m. rather than 6:00 a.m. draws no reaction from the employer, does this mean the starting time has been changed to 6:30?

Several guidelines help reduce the compounding of discipline problems with problems in disciplining. Both employers and employees need to know the rules and performance expectations. An employee handbook or other form of written statement provided each employee is basic. Rules should be uniformly enforced among all employees. If special rules apply to a certain employee, e.g., use of the pickup truck without asking permission, other employees need to be so informed. Punishment should be based on facts. All parties should be heard rather than depending on one person only for facts. Action should be taken promptly. "Saving up" a series of minor problems and infractions for a grand explosion is poor disciplinary practice. All discipline other than discharge should have the objective of helping the employee. Permit the employee to maintain self-respect by disciplining the employee's behavior or act. Do not berate the person.

Keeping punishment consistent with the severity of an offense challenges all labor managers. Being thirty minutes tardy for work the fourth time in two weeks has to be handled differently from being thirty minutes tardy for the first time in two years. Theft of tools has to be handled differently than tardiness for work. Progressive discipline provides a formal structure within which errant employees can be handled. In progressive discipline, the severity of punishment increases in relation to the seriousness of the offense or the number of times an offense is repeated. Typical levels in progressive discipline are: informal talk and counseling, oral warning or reprimand, written warning, disciplinary layoff and discharge.

Both employers and employees usually react negatively to the atmosphere of conflict and parent disciplining child inherent to progressive discipline. High priority placed on selection, training, informal communication and performance appraisal reduces the need for punishment of employees. Treating employees as adults, expecting them to rely on self-assessment for correcting problems and relying on informal counseling rather than formal reprimands provides an atmosphere of positive discipline.

Controlling

Controlling is a four-step process of establishing performance standards based on the firm's objectives, measuring and reporting actual performance, comparing the two, and taking corrective or preventive action as necessary.

Performance standards come from the planning function. No matter how difficult, standards should be established for every important task. Although the temptation may be great, lowering standards to what has been attained is not a solution to performance problems. On the other hand, a manager does need to lower standards when they are found to be unattainable due to resource limitations and factors external to the business.

Corrective action is necessary when performance is below standards. If performance is anticipated to be below standards, preventive action must be taken to ensure that the problem does not recur. If performance is greater than or equal to standards, it is useful to reinforce behaviors that led to the acceptable performance.

Characteristics of the Control Process

The control process is cyclical which means it is never finished. Controlling leads to identification of new problems that in turn need to be addressed through establishment of performance standards, measuring performance etc.

Employees often view controlling negatively. By its very nature, controlling often leads to management expecting employee behavior to change. No matter how positive the changes may be for the organization, employees may still view them negatively.

Control is both anticipatory and retrospective. The process anticipates problems and takes preventive action. With corrective action, the process also follows up on problems.

Ideally, each person in the business views control as his or her responsibility. The organizational culture should prevent a person walking away from a small, easily solvable problem because "that isn't my responsibility." In customer driven businesses, each employee cares about each customer. In quality driven dairy farms, for example, each employee cares about the welfare of each animal and the wear and tear on each piece of equipment.

Controlling is related to each of the other functions of management. Controlling builds on planning, organizing and leading. (Figure 18.2)

Management Control Strategies

Managers can use one or a combination of three control strategies or styles: market, bureaucracy and clan. (Figure 18.3) Each serves a different purpose. External forces make up market control. Without external forces to bring about needed control, managers can turn to internal bureaucratic or clan control. The first relies primarily on budgets and rules. The second relies on employees wanting to satisfy their social needs through feeling a valued part of the business.

Self-control, sometimes called adhocracy control, is complementary to market, bureaucratic and clan control. By training and encouraging individuals to take initiative in addressing problems on their own, there can be a resulting sense of individual empowerment. This empowerment plays out as self-control. The self-control then benefits the organization and increases the sense of worth to the business in the individual.

Designing Effective Control Systems

Effective control systems have the following characteristics:

1. Control at all levels in the business (Figure 19.1)
2. Acceptability to those who will enforce decisions
3. Flexibility
4. Accuracy
5. Timeliness
6. Cost effectiveness
7. Understandability
8. Balance between objectivity and subjectivity
9. Coordinated with planning, organizing and leading

Dysfunctional Consequences of Control

Managers expect people in an organization to change their behavior in response to control. However, employee resistance can easily make control efforts dysfunctional. The following behaviors demonstrate means by which the manager's control efforts can be frustrated:

1. Game playing--> control is something to be beaten, a game between the "boss and me and I want to win."
2. Resisting control--> a "blue flu" reaction to too much control
3. Providing inaccurate information --> a lack of understanding of why the information is needed and important leading to "you want numbers, we will give you numbers."
4. Following rules to the letter--> people following dumb and unprofitable rules in reaction to "do as I say."
5. Sabotaging --> stealing, discrediting other workers, chasing customers away, gossiping about the firm to people in the community
6. Playing one manager off against another --> exploiting lack of communication among managers, asking a second manager if don't like the answer from the first manager.

Creative Problem Solving

A manager's primary function is to solve problems. A manager's understanding of his or her approach to problems and problem-solving style most often used is an essential early step to becoming a more effective creative problem solver.

Managers tend to deal with problems in one of three ways:

1. Avoid them - refuse to recognize that a problem exists
2. Solve them as necessary - deal with the urgent
3. Seek them out - anticipate to avoid them becoming urgent

Managers tend to one of two basic problem-solving styles: systematic or intuitive. Systematic thinkers are logical and rational. They prefer narrow and focused problems, step by step processes, rules to be followed, and computer programs that grind to a recommendation. Intuitive thinkers are more comfortable with solutions that just "came to" them. Compared with systematic thinkers, for the intuitive thinker, data are less

important, complexity is less bothersome, changing external and internal environments are expected rather than assumed away, and being more or less right is more important than being precisely wrong.

Paradigms

Paradigms are the strongly held beliefs and assumptions we use to "filter" incoming information. They are the eyeglasses through which a manager "sees" problems and potential solutions to those problems. A manager suffering from paradigm paralysis fails to change his or her beliefs and assumptions when new information shows a change is needed.

Paradigms may be long standing:

"Salespeople are only interested in selling me something."

They also may be new:

"The web makes hard copy obsolete."

In their most constraining form, they appear to be completely consistent with common sense and the decision maker's life experiences. Note the following paradigms about management succession - the challenge of transferring management to a new generation of people that every family business eventually faces.

The paradigms labeled as "new" avoid an artificial separation of family and business. The paradigms labeled "old" summarize the more traditional views that have dominated thinking about management succession. Imagine two families each facing similar management succession challenges. The first family has all the old paradigms. The second family has all the new paradigms. Undoubtedly their management succession problems solving would differ markedly.

New: Some families will decide, for good and justifiable reasons, to liquidate their successful businesses rather than pass them to the next generation.

Old: Managers of successful family businesses oppose liquidation in their life times and believe they owe the next generation the opportunity to continue their businesses.

New: In management succession, family and business concerns are overlapping and inseparable.

Old: In management succession, the business concerns dominate and family matters are secondary and separate.

New: Mission and goals for the family business continuously address management succession.

Old: Management succession, retirement planning and estate planning are relevant issues only at the end of the business founder's career.

New: Planning of management succession encompasses the extended family.

Old: Planning of management succession concerns only the people directly involved in ownership and operation of the business.

New: Successful management succession does not guarantee the long-run viability of a founder's thriving family business.

Old: A family business thriving in this generation depends primarily on management succession to be successful in the next generation.

New: Employment outside the family business may provide essential perspective, maturity and experience necessary for success in the family business.

Old: Haste in joining the family business is essential because the opportunity may be lost.

New: Joining the family business as an employee in a non-management capacity with a formal job description and regular performance evaluations provides a beneficial testing period both for the family and the family member employee.

Old: Family members come into the business as managers and co-owners so that they have an immediate sense of responsibility, importance and commitment.

Problem Solving Steps

The following five questions provide a systematic step-by-step approach to problem solving: 1. What is the problem?

2. What are the causes of the problem?
3. What are the possible solutions to the problem?
4. Which is the best solution to the problem?
5. What action(s) do we take?

1. What is the problem?

A problem occurs when accomplishment is less than expected. The expectation may be a goal, a standard of performance, a rule or a policy. Even if performance is greater than expected, a manager may still see room for improvement. This form of a "problem" is called an opportunity.

Managers have little opportunity for success if they cannot distinguish problems from symptoms of problems. Working on symptoms rather than the base problem rarely leads to problem solution.

Problem identification requires continuous surveillance of the internal and external environments within which the business operates. Attention to bits and pieces of information from various sources in combination with experience, judgement and intuition are all part of problem identification.

2. What are the causes of the problem?

More than a careful statement of the problem is necessary to solve it. The manager needs to know the underlying causes of the problem.

A great urge to jump to a problem solution often follows problem identification. Limited understanding of what caused a problem constrains finding a solution to the "real" problem. Solving an "easy symptom" of the problem leaves the "real" problem waiting to happen again. To illustrate, an offer of a ride from a neighbor fails to solve the real problem of a vehicle not starting on a cold morning.

Problem diagnosis requires getting from the simple why (a symptom) to the management why. The management why searches out the management causes of a problem. These management causes usually go beyond technical reasons. Management causes are best found by the repeated asking of why as we dig deeper and deeper into a problem.

The following list of questions should be helpful for problem diagnosis and discovering the causes of a problem:

- When did the problem occur?
- Where did it occur?
- Who was involved in the problem?
- Were the people involved carefully selected, trained and motivated?
- What equipment and facilities were involved in the problem?
- What events or conditions were connected to the problem?
- What were the hints of an impending problem?
- What calamities, crises and/or unusual events contributed to the problem?

3. What are the possible solutions to the problem?

Creative problem solving requires careful attention to possible solutions for the problem. A paradigm of "many possible solutions" differs dramatically from satisfaction with the easy and familiar.

Generating multiple solutions tests the creativity of decision makers. Consequently, close mindedness, traditionalism and fear of the unusual limit managers. Brainstorming is a proven tool for expanding the range of solutions considered. In brainstorming, the

emphasis is on spontaneous suggestion of ideas for problem solution. Brainstorming rules include:

- No evaluation of ideas presented.
- No consideration of likelihood of implementation.
- Build on what others have suggested.
- Grope for the completely new and unusual.
- When in doubt, say what you are thinking.
- Laugh and have fun.

4. Which is the best solution to the problem?

From the list of possible solutions, one must be selected. The size of the problem and complexity of the problem's causes determine how much effort the manager can justify for choice of a solution. Criteria for choice of a solution should reflect the organization's mission, goals and culture.

Two managers facing the same set of possible solutions can make quite different choices depending on their propensity to assume risk. Generally speaking, greater potential return is accompanied by greater risk. Creative solutions with high potential for payoff may be rejected simply because of their risk.

5. What action(s) do we take?

The first four steps are for naught if the chosen alternative cannot be implemented. Implementation requires resources, courage, persuasion, attention to detail, evaluation of progress and corrective action.

Teaching Problem Solving

A recent opportunity to teach Creative Problem Solving in Farm Management Excel caused me to rethink the topic. I was delighted to have the opportunity because I consider problem solving one of the most important topics in Management Excel.

I developed a new set of materials for the Farm Management Excel notebook. (If you want a copy, please contact me.) In developing these materials, I organized my thinking about creative problem solving under three headings: (1) managers understanding themselves as problem solvers, (2) steps in problem solving and (3) exercises and examples to help the participants internalize the problem solving concepts we teach. Throughout, I kept the focus on problem solving as the core function of management around which the other functions (planning, organizing, staffing, directing and controlling) are developed.

Self-Understanding

Managers easily recognize that they differ greatly from each other. Some tend to be systematic problem solvers and some tend to be intuitive problem solvers. Regardless of

their preferred orientation, our objective is to help managers anticipate and face problems rather than avoid them until they become urgent.

I encouraged the managers in Farm Management Excel to identify who on their management team tend to be systematic thinkers and problem solvers and who tends to be intuitive thinkers and problem solvers. A key point is that both systematic and intuitive thinking is important. A manager's intuition about his or her business helps in each step of the problem solving process. Sometimes, pure intuition about a situation or opportunity turns out to be key to the right decision being made. On the other hand, a manager's systematic addressing of problems is also important. Extremes in either approach are problematic. We all know "fly by the seat of my pants" managers and "I'm still analyzing" managers who have major management problems.

Steps in Problem Solving

A step-by-step approach to problem solving is well known. There are many versions of the approach. Some approaches involve as many as ten or more steps. I chose a narrow approach assuming that analysis of the environment in which the problem is being addressed is known from the planning function. Further, I assumed that the evaluation of the decision and acceptance of the responsibility for the decision come under the controlling function. Therefore, the five steps I included were the same as or similar to what several others in Management Excel have used: (1)What is the problem? (2)What are the causes of the problem? (3)What are the possible solutions to the problem? (4)Which is the best solution to the problem? and (5)What action(s) do we take?

I like limiting the number of steps as much as can be justified and keeping the statement of each step as simple as possible. However, I recognize that other Management Excel teachers of problem solving may be uncomfortable with as few as five steps or wording as simple as what I used. Each of us teaching problem solving needs to conceptualize this core function of management in a way that we are comfortable.

Exercises and Examples

Here for me is the most challenging part of teaching problem solving. I wanted completely new examples that made each step crystal clear to the participants. Instead, I had to settle for re-using old examples and slight modification of some other examples. I used a forage quality example that leads to the conclusion that a plan for backup labor rather than forage quality is the problem. I also used the car won't start example which shows that execution of a routine maintenance program rather than a cold morning or the need for a ride is the problem. It seems to me that we need additional creative thinking to come up with better exercises and examples than we have had to date.

Conclusion

Our teaching of problem solving will continue to be critical to the success of Management Excel. What we have done thus far is good. Our challenge is to do better.

The challenge rests more with our exercises and examples than with the content. It is not enough that our participants recognize the importance of problem solving, better understand themselves as problem solvers and know the five steps in problem solving. We want them to actually be better problem solvers on a day-to-day basis back home in their businesses. Our teaching coming alive with exercises and examples they will remember seems to me to be the best way of accomplishing this goal.

Managers Tend to Deal with Problems in One of Three Ways

1. Avoid them - refuse to recognize that a problem exists
2. Solve them as necessary - deal with the urgent
3. Seek them out - anticipate and face now in order to avoid their becoming urgent

Objective: Make the third our usual approach to problems

Exercise

Managers tend to use one of two basic problem-solving styles:

1. Systematic problem solvers

They prefer a logical and rational approach to problems. They prefer narrow and focused problems, step by step processes, rules to be followed, and computer programs that grind to a recommendation.

2. Intuitive problem solvers

They are more comfortable with solutions that just "come to" them. Compared with systematic problem solvers, intuitive thinkers find: data less important, complexity less bothersome, continuous change expected, and being more or less right less scary than being precisely wrong.

A manager finds very helpful an understanding of his or her approach to problems and usual problem-solving style. This understanding is an essential early step to becoming a more effective problem solver.

1. Who on your management team tend to be systematic thinkers and problem solvers? List an example to illustrate.

2. Who on your management team tend to be intuitive thinkers and problem solvers? List an example to illustrate.

Important Note ---> Both systematic and intuitive problem solvers can be successful managers.

A paradigm is the strongly held beliefs and assumptions we use to "filter" incoming information.

Paradigm paralysis is failure to change our beliefs and assumptions when new information shows a change is needed.

Paradigm Work Sheet This exercise will help you identify paradigms within your industry or organization.

Step 1. Select an industry or organization with which you have extensive experience.

Step 2. List three paradigms from this industry or organization. Reminder:

A paradigm is a strongly held belief or assumption we use to "filter" incoming information. A paradigm is the eyeglasses through which a manager "sees" problems and potential solutions to these problems.

- a.
- b.
- c.

Step 3. For each one of these old paradigms, list a new paradigm that could replace it.

- a.
- b.
- c.

Steps in Problem Solving

1. What is the problem?
2. What are the causes of the problem?
3. What are the possible solutions to the problem?
4. Which is the best solution to the problem?
5. What action(s) do we take?

1. What is the problem?
"I have a problem!!"

It is 7:00 a.m.

The temperature is 4 degrees below zero.

I have an important appointment at 8:00 a.m.

It will take me fifty minutes to get there.

The only vehicle available to me won't start.

1. What is my immediate problem?
2. What is my longer-run problem?

2. What are the causes of the problem?

Problem Diagnosis Answers the Question: A great urge to jump to a problem solution often follows problem identification. Limited understanding of what caused a problem

constrains finding a solution to the "real" problem. Solving an "easy symptom" of the problem leaves the "real" problem waiting to happen again. To illustrate, an offer of a ride from a neighbor doesn't solve the real problem of a vehicle not starting on a cold morning.

Problem diagnosis requires getting from the simple why (a symptom) to the management why. The management why searches out the management causes of a problem. These management causes usually go beyond technical reasons. Management causes are best found by the repeated asking of why as we dig deeper and deeper into a problem.

Imagine a dairy farm manager who had a goal of producing haylage with 20 percent protein. Instead the manager's haylage had only 15 percent protein. The problem is low quality forage. Problem diagnosis might go as follows:

WHY does the haulage have only 15 percent protein?

The weather didn't cooperate.

WHY was the weather a problem?

The rain damaged the hay.

WHY did the rain damage the hay?

We were unable to harvest the hay quickly.

WHY were you unable to harvest the hay quickly?

We were a person short during harvest so the person driving the chopper had to stop to haul the hay to the barn.

WHY were you a person short during harvest?

We have no plan for backup labor when an employee quits or is sick.

WHY don't you have a plan for backup labor?

No one has been given the responsibility for developing and implementing a plan for backup labor.

So the "real" cause of the problem is neither the weather, nor getting the hay harvested quickly, nor being a person short. The management why suggests that the cause of the problem is lack of a plan and follow through to assure that backup labor is available in emergency situations.

Problem diagnosis starts with the assumption that there can be multiple causes for a problem. There can also be short-run as well as long-run implications. Most importantly, problem diagnosis requires a commitment to finding the "real" problem so that its reoccurrence can be prevented.

"I have a problem!!" It is 7:00 a.m.

The temperature is 4 degrees below zero.
I have an important appointment at 8:00 a.m.
It will take me fifty minutes to get there.
The only vehicle available to me won't start.
What are the causes of my problem?

**What are the possible solutions to the problem? Brainstorming Exercise
Situation**

You employ four year-around full-time and twenty seasonal employees in your landscape contracting business. The seasonal employees are divided into four crews with full-time employees as their supervisors. Motivation of the seasonal employees is a major challenge. They work about sixty hours per week often in hot or wet weather. Their work is physically demanding. A crew meets its productivity goals only if all employees are cooperative and take initiative without explicit instructions from a supervisor. You pay the seasonal employees about 20 percent more than they could earn in their next best alternative to working for you.

You are seeking ways to use recognition and reward to motivate these seasonal employees without increasing wages paid. You have considered offering paid vacation, health insurance, paid sick days and retirement benefits. You have concluded that none of these alternatives would be cost effective.

The question

What are twenty-five possible ways that the seasonal employees can be recognized and rewarded without increasing their cash wages and employee benefits?

**Which is the best solution to the problem?
What action(s) do we take?**