

Labor Management on Dairy Farms: The Interface Between the Employer and the Employee

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Introduction

Dairy farming is a multi-faceted enterprise wherein producers confront a myriad of challenges as they seek to maintain sustainability and grow in operations and profitability. Among the top challenges facing dairy producers is the difficulty of hiring and retaining qualified employees (Timms et al., 2012). An additional challenge is the increasing cost of labor – a dairy farm's second greatest expense (behind feed expense) – which continues to rise (Laughton, 2014). Overall, dairy farm profitability is impacted by the close relationship between labor productivity and cow productivity; in other words, those operations that increase labor productivity see increased profits (Laughton, 2014).

The single factor with the greatest impact on dairy labor productivity is employee turnover. The costs of turnover can be staggering, with research showing that losses can be measured in multiple categories: productivity; recruitment, selection, and hiring; safety issues; and investment in new employee orientation and training (Billikopf and Gonzalez, 2012). Some labor experts estimate the cost of turnover at 150 to 250% of an employee's annual wages.

Employee exit interviews and follow-up surveys categorize reasons provided by

former employees for leaving employment with compensation and benefits topping the list.

Employees may also cite employment conditions, including working schedules and lack of time off (National Center for Farmworker Health (NCFH), 2014; Harrison, et al., 2009). There is no doubt that the dairy farm employer should give proper weight to such factors cited by departing employees as their reasons for leaving. Working conditions related to wages, benefits, schedules, housing, transportation, job duties, and general job satisfaction should be regularly reviewed and adjusted as appropriate (Moore, 2012).

Research indicates that employees tend to make early decisions regarding whether to make a long-term commitment to an employer (Aberdeen Group, 2006). In fact, this research shows that as many as 5% of workers make the decision to stay with an employer on the first day, and another 20% make this decision within the first week of employment. Overall, 90% of employees make their decision to stay at an employer within the first 6 months (Aberdeen Group, 2006). In light of this research, the real significance of reasons later given by departing employees as the impetus for leaving is somewhat decreased. Rather, it appears that the employer needs to take early action that persuades a new employee to make a long-term commitment at the earliest stages of employment.

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Employee orientation is generally thought of as those activities which take place in the initial moments and days of employment, which activities tend to socialize the new employee and prepare the individual for ongoing training activities. Another term for the process is “onboarding” – defined as: “[A] support process for new employees designed to manage a variety of tasks and requirements initiated when a new applicant is hired and has accepted the position” (Aberdeen Group, 2006). Further:

“New employees often feel that the attention they receive during the pre-hire stages is abandoned once they are onboard. As a result, these individuals are left with a negative impression of their new work environment. In order to improve retention rates and time to productivity, [employers] need to focus on developing a comprehensive onboarding process” (Aberdeen Group, 2006).

While it is impossible to control for all factors during the early days of employment, research indicates that significant reduction in employee turnover can be achieved through effective employee orientation programs (Nobel, 2013). This research involved dividing entry-level customer service employees into 2 groups (herein Alpha and Beta) and providing those two groups with similar but distinctive orientation and socialization experiences during the first minutes or hours of employment. The key elements of these early orientation exercises are described herein:

Alpha group – early orientation exercises

- The senior leader spent 15 minutes with the Alpha Group, discussing ways in which “working here will enable you to express your individuality.”
- Alpha Group employees were asked to complete an exercise ranking the individual strengths they would exhibit if stranded on a life raft at sea. Group members spent time discussing and considering how their responses might differ from those of their colleagues.
- Alpha Group members answered questions about their individual strengths. A representative question would be, "What is unique about you that leads to your happiest times and best performance at work?" Alpha Group members then spent time discussing and sharing responses to these individual strength questions.
- At the end of this session, Alpha Group members were presented with new fleece sweatshirts. These shirts were embroidered with the new employee’s individual name. Each Alpha Group member was also provided with an organization name badge. The new employees were asked to wear the shirt and name badge throughout the initial orientation and training period.

Beta group – early orientation exercises

- In the Beta Group, a Senior Leader plus a lead worker spent 15 minutes talking to the new employees about “why our company is a great place to work.”
- Beta Group members were presented with a set of written questions and asked to spend 15 minutes writing answers. A representative question would be, "What did you hear about our Company today that you would be proud to tell your family about?"
- Beta Group members then spent time discussing their answers to the written questions.

- Beta Group employees were given fleece sweatshirts embroidered with the company name. They were also presented with a company name badge. Beta Group members were asked to wear the shirt and name badge throughout the initial orientation and training period.

Results for Alpha Group and Beta Group, Application

While similar, the initial orientation and socialization experiences of the Alpha and Beta employee groups varied in the focus. Alpha Group activities focused more on the employee, while Beta Group experiences focused on the company and why the employee should be happy to work there.

Alpha and Beta Groups were tracked over the next 7 months. Turnover rate in Beta Group was 47.2% higher than that of the Alpha Group. Also of note is that the Alpha Group earned significantly higher customer satisfaction scores during the 7 months than those in the Beta Group (Cable, 2013; Nobel, 2013).

These results can be applied to the dairy farm setting. A dairy farm that is able to significantly reduce worker turnover by a basic change in focus will likewise reduce the high labor costs associated with turnover. Similarly, increased customer satisfaction rates, a result of higher worker satisfaction and better training can translate into better cow care conditions and improved key performance indicators (**KPI**).

Establishment of Orientation and Training Protocols

Farm employers spend significant efforts and resources to carefully recruit candidates, interview, check references, evaluate, and select a new employee. Best practices in regard to the

hiring process are beyond the scope of this paper, but such protocols should be established and followed to increase the likelihood that the best candidate is found for the dairy farm position. However, assuming that goal is achieved, these efforts can quickly dissipate without making the effort to get that new employee off to a good start on the very first day (or before) through a carefully planned orientation and training plan.

When the employment offer has been accepted, a start date should be agreed upon as soon as possible. Inform the employee of what will happen on the first day of work. Clearly communicate when they are expected to arrive.

While it may seem fundamental to the dairy farm employer, new workers are assisted by providing the answers to basic questions common among new employees. The farm employer should send new employees a letter by US mail or an e-mail with the answers to what might seem like very elementary questions such as the following:

(1) **What should I wear?** Provide guidelines on footwear, gloves, or other appropriate attire. More and more, new farm employees do not have farm backgrounds and need guidance so that they arrive for the first day of work appropriately attired. Particularly in dairy operations, there are biosecurity guidelines, and some attire may be provided. Inform the new employee that they will be trained on these biosecurity procedures. Dairy farm employers should not assume that new employees know what they should wear to work.

(2) **Should I bring my lunch or snacks and beverages?** Some farm work sites provide a noon meal, or snacks and beverages. Others do not. Some groups of farm workers stop in town for lunch each day. Let that new employee know what the practice is at the farm and what they should bring to work.

(3) Vehicles and parking questions: If the new employee is expected to have a vehicle to use in the position, this should have been communicated during the pre-employment process. Other employees may have concerns as basic as where they are expected to park at the farm site. Provide this information.

(4) What documents should I bring on my first day of work? The new employee will complete a Form I-9, as well as other basic forms on the first day of work. Inform the new employee of what documents should be brought to work on the first day to assist in completing these forms necessary for compliance with state and Federal law. Consult the US Citizenship and Immigration Services (USCIS) website: http://www.us-immigration.com/?utm_source=bing-yahoo&utm_medium=cpc&utm_campaign=uscis-srch&utm_term=usci for the most current I-9 forms and instructions. Note however, filling out forms and paperwork should not be the first on-the-job activity. Instead, follow the protocols of the Alpha and Beta Group research – focus on the new worker, what skills they bring to the workplace, and the personal satisfaction they will achieve on the farm. Paperwork and forms can be completed later.

(5) What should I bring (or not bring) to work? If the employee is expected to have a cellphone, that should be communicated. Some employees may need to be instructed that electronic music devices cannot be used on the job. Likewise, if the farm is tobacco or smoke-free, the new employee should be so instructed.

(6) What will I do on my first day of work? Tell the new employee what they will do on the first days (or weeks) of work. Confirm that work hours (including break policies) have been clearly communicated. Provide a general outline of initial orientation and training activities. This

will decrease the new employee's apprehension or confusion and help to get the new employee off to a good start with a planned orientation program, as well as initial and ongoing training opportunities.

First Day on the Dairy Farm

The new employee should be promptly greeted on the first day of work. Employers should not make the mistake of saying to the new employee – in essence – “we forgot you were coming, we’re not really prepared for you, just follow this guy around today, and we’ll check back with you later.” Introduce the employee to other workers and family members. Nametags can be very helpful to the new person, as it can be very confusing when meeting multiple people in the early days of employment. Immediately, show the new worker the location of restrooms and break areas. Until the employer is certain that the new employee has been thoroughly trained in farm safety practices and procedures, the new employee should be accompanied by a properly trained person.

Name tags/badges:

Even smaller dairy farm employers should consider having laminated clip-on photo identification name badges for all owners and employees. Recall the Alpha Group orientation protocols. There are a variety of systems that can generate badges. Such identification increases worker socialization, and farm security and biosecurity protocols are enhanced when each individual present on the farm is clearly identified.

The First Day of Work – Expectations of Millennials

There is an increasing volume of research regarding the expectations of millennials

(defined as persons born during the period 1981 through 1996) in the workplace (Friedell et al., 2013). One commentator summarized the expectations of millennials after the first day on the job in the form of 4 key questions to which these new workers should have good answers. (Chester, 2013).

1. Why did they hire me for this job?
2. Will I enjoy working here?
3. Are any of my coworkers “friend” material – or in other words, have I made a personal connection with someone else who works here?
4. Who can I talk to about my general questions and concerns?

The dairy farm employer should plan the first hours of the employment experience so that the new worker has positive answers to these questions at the end of the day.

In summary, at the end of the first day, the new employee should be asked if there are any questions or concerns. Offer the new employee assurances about how the first day went, and again offer information about what will happen in those early days of orientation and training.

Further Planning: Orientation and Training Programs

Orientation programs

All employees need orientation and training as they begin new employment. While training is an ongoing process that continues throughout employment, the orientation phase begins with the first day on the job and is generally completed within the first week or so of employment. That first day on the job will fly by quickly. The smart farm employer will have a plan in place for employee orientation and training.

Purposes of farm employee orientation

Employee orientation helps employees become socialized to the farm business which helps to reduce a new employee’s natural anxiety that comes with starting any new job. A new employee who becomes comfortable in the workplace is more likely to develop and maintain a positive attitude toward the job and the employer. This positive attitude translates into earlier and higher productivity. When the new worker is assisted in becoming quickly familiar with the work environment, the stress level decreases and the individual is better able to learn new job duties, skills, and expectations. This socialization aspect of employee orientation prepares a new worker for job training. If a new employee is relieved of general stress and worry, that individual is able to concentrate and absorb substantive information about new job assignments and tasks.

Planning and content of the orientation program

If the dairy producer has not previously conducted an employee orientation program, planning may seem like an overwhelming task. One way producers can think about orientation is to consult with current employees for input. Current employees should be surveyed regarding what they wish they had been told when they first started working on the farm. The producer should ascertain what current employees view as important information for newcomers. Every farm business is different, but some possible content areas to consider including the following:

Farm Background and Overview:

Provide new employees with the dairy farm’s story – the history and development of the farm business. This should include information about key people in the farm’s history, as well as present-day leadership. Share the dairy

farm's mission statement, goals, and objectives. While a dairy farm tour may have been part of the pre-employment process, this should be repeated, perhaps over a series of days as the new employee is introduced to the layout of facilities, fields, and operations. Throughout the process, emphasize the role and importance of the employee in the farm's success.

Employee Policies: Even the smallest dairy farm should consider development of an employee handbook or policy document. As part of the employee orientation process, all key policies, compensation, and benefits information should be reviewed. Producers should not just present a new employee with stacks of documents and instructions to read. Orientation is the farm employer's opportunity to review the policies, explain rationale, and provide opportunities for questions or clarification.

Introductions: As mentioned earlier, employee identification badges (or even embroidered shirts/apparel) can be very helpful in the farm workplace. Provide new employees with an organizational chart. Provide names of people who visit the farm on a regular basis, such as drivers, veterinarians, suppliers, service personnel, neighbors, or relatives.

Job Duty Information: While a position description was most likely discussed during the employment process, this is a key part of the new employee orientation phase. Producers should provide the written position description, and use it as a guide to discuss specific tasks, including training that will be provided to the new employee. Emphasize basic safety and indicate the importance of ongoing safety training and awareness. New employees should be assisted to understand the relationship and importance of the position to other jobs and functions on the farm.

Who Should Conduct New Employee Orientation?

To assure a consistent message to new employees, it is useful to have the same person conduct orientation. However, identifying other supervisors or more experienced co-workers to participate in the process will also assist in the socialization aspect of orientation. All members of the farm orientation team should be those who will share a positive attitude with the new employee. Especially during the early days of employment, the new worker needs to hear constructive, upbeat messages geared toward making those good, early impressions.

Outcomes – Conclusion

A well-planned orientation program takes an investment of time and effort on the part of the dairy farm employer. Providing a positive orientation experience during the early hours and days of employment sets the stage for a satisfying, long-term employment relationship on the farm. Surveys show that employees find job satisfaction when they feel that they are being treated with respect. The dairy producer who treats the new employee with respect from the very beginning will reduce turnover and labor costs while increasing productivity and profits, resulting in long-term employment relationships of benefit to all, especially the cows.

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