



Enterprising Rural FamiliesTM

This newsletter is an instrument of the *Enterprising Rural Families: Making It Work* program of the University of Wyoming Cooperative Extension Service. For further information concerning the Enterprising Rural Families program or on-line course contact information@eRuralFamilies.org or go to <http://eRuralFamilies.org/>.

TIP OF THE MONTH:

MORE WAYS TO HELP YOUR BOSS HELP YOU

- Manage their time: prepare, summarize, synthesize information and options. Don't confuse frequent problems with important ones.
- Asking their opinion: does their opinion become an order? Focus on the big issues and choose the moment. Prepare. Show the forest before the trees.
- Information: Give them good news as well as bad. Make sure they get important news from you—not others. Round off numbers and summarize data. Participate in their network and let them participate in yours.
- Don't just come with problems—also bring solutions.
- Assumptions: don't assume they know what you do, educate them, create understanding and trust.
- Continually determine what is delegated to you and what is held in reserve.
- Don't promise anything you can't deliver.
- Recognize personality, cultural and generational differences—your boss may operate differently than you do.
- Follow through: can your boss trust you to complete the details properly?

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Recognizing and Managing Labor-Related Risks

Managers stand to gain from periodically examining their own human resource management methods and options. Doing so can help keep employee relations compatible with ownership philosophy and values, adjust to changes outside the business, reduce the potential for internal conflict and other wastes of resources, and improve overall efficiency and market competitiveness. All can be seen as reducing labor-related risks.

In plain terms, risk can be seen as the chance that something will go wrong, that something “bad” will happen, and more precisely, the expected cost of such an event. With respect to labor, there is a large assortment of possibilities. From a manager's perspective, employing personnel carries risks of various conditions and outcomes that translate into lower revenues, higher costs, or both. Among these risks are:

1. insufficient labor to perform tasks when needed;
2. poor quality work that raises per unit costs or lowers product value;
3. excessive turnover and absenteeism, avoidable injuries, and high indirect-labor expenses;
4. conflicts with and between employees, whether expressed in formal complaints and litigation or hidden in quiet disgruntlement; and
5. fines and other penalties imposed by government agencies for violations of law.

Labor availability: The first risk most managers think of, and the one that's always lurking, is the chance that essential tasks will not get done. This could happen if there are fewer workers than jobs in the local labor market, specific jobs are not attractive to workers who have alternatives, or ineligible employees are abruptly removed from the workplace. Not having people around to do the work certainly alleviates costs, but it is murder on revenues.

Work quality: A second risk is that the work will be completed but poorly or not on time; raising unit labor costs or lowering product value. The possible causes? Instructions may be unclear, workers lack essential job skills, tools and equipment are outdated, the pay system is designed to reward the wrong kind of performance, or employees try to get even for a real or perceived injustice.

Non-wage expense: Third is the risk of incurring high indirect-labor expenses, often associated with turnover, absenteeism, or mandatory benefits. Instability of the workforce increases total costs of finding, hiring, orienting, and supervising personnel. In addition, frequent turnover and accidents raise experience ratings that affect workers' compensation and unemployment insurance premiums for years.



Internal conflict: Workers have many legal grounds on which to base charges of employer wrongdoing and defending against them is costly, win or lose. Inattention to employees' needs for basic information, lack of or blockages in communication channels, unrealistic performance expectations, abusive first-line supervisors, and ignorance of legal mandates and prohibitions can all give rise to dysfunctional conflict.

Legal infraction: Finally is the risk of the government taking your time, requiring physical changes in the operation that you see as useless, assessing fines, or imposing other penalties for a violation of laws and regulations. Some penalties are the results of complaints filed by employees, and others are strictly between employers and agencies.



Management decisions and practices can change both the odds of these outcomes occurring and the costs of bearing those that do. When staffing with direct employees and family members, key decision include which tasks and duties to combine into jobs, how to group jobs within crews or other organizational units, what rates of pay and fringe benefits to offer, and how to select employees for specific positions and assignments. Once employees are hired, managers and supervisors need to decide how to orient them to work conditions and expectations, help them to develop skills, keep them informed, act on their ideas and complaints, and correct performance problems.

Personnel management is part of a large, dynamic professional field. The people who practice it have to understand human behavior, organizations, laws, labor markets, technologies, and the whole of their business situations. They need information beyond what they can acquire through firsthand experience.

An excellent resource for the agricultural and family business manager is *AgHelp Wanted: Guidelines for Managing Agricultural Labor*. This book presents principles, practical examples, regulatory considerations, and links to more references that all help equip managers to make choices that are reasonable, legal, and ultimately effective for both their businesses and the people they employ. Information about this book and ordering instructions can be found at <http://www.aghelpwanted.org/>

Edited by Randolph R. Weigel, professor and extension specialist, University of Wyoming.

Reference:

Rosenberg, H.R., Carkner, R., Hewlett, J.P., Owen, L., Teegerstrom, T., Tranel, J.E., & Weigel, R.R., (2002). *AgHelpWanted: Guidelines for managing agricultural labor*. Greeley CO: Western Farm Management Extension Committee.



Don't let money go down the drain, know your business risks ..

- 1. Labor availability**
- 2. Work quality: expectations, etc.**
- 3. Indirect (non-wage) expenses**
- 4. Internal conflict: communications, performance questions, etc.**
- 5. Legal infractions**

... study managing labor related risk resources!



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