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Assessing Personnel Management Skills

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Introduction

As farms continue to consolidate it becomes increasingly important to assess a farm's management skills. At a certain farm size, it is no longer easy or feasible for the manager or managers to wear every management hat. How does the management team determine when to focus on professional development, delegate management tasks among managers, and seek outside assistance? This is the fourth article in a series of articles pertaining to the assessment of management skills. The topic of this article is the assessment of personnel management skills.

Personnel Management Skills Assessment

Table 1 presents important personnel management skills. Skills listed include utilizing job descriptions; providing training and orientation to employees; developing a compensation package based on job responsibilities and performance; utilizing formal interview and search procedures when hiring employees; conducting formal performance appraisals; identifying, developing, and promoting top performers; delegating authority and responsibility to others; and offering strong reasons for talented people to join the farm. Each farm operator should rank their ability with respect to each skill using a 1 to 5 scale with 1 be relatively weak and 5 being relatively strong with respect to that skill. The idea behind checklists such as that presented in Table 1 is to assess whether a farm has a skills gap, which is defined as the difference between skills that a farm needs and the skills of their current workforce (operators and employees). Conducting a skills gap analysis helps a farm to identify skills that will be needed to become more efficient and expand. It can also be an important input into hiring programs, employee development plans, or hiring outside consultants.

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Table 1. Personnel Management Skills						
Weak to Strong						
(Check the Appropriate Box)						
		1	2	3	4	5
1	Utilize job descriptions for each employee.					
2	Provide organized training to employees to develop their skills and abilities.					
3	Offer a compensation package based on job responsibilities and performance.					
4	Use formal interview and search procedures when hiring employees.					
5	Conduct formal performance appraisals based on previously determined criteria.					
6	Identify, develop, and promote top performers.					
7	Delegate authority and responsibility to others.					
8	Offer strong reasons for talented people to join the firm.					

The checklist in Table 1 does not include a final tally score, nor does it address tradeoffs in various skill or ability areas that may lead to success. Rather, the checklist helps farm operators evaluate their skills and abilities in areas critical to long-term financial success. As farm operators fill out the checklist, they should try to determine which of the skills listed are most essential to improving efficiency and expansion plans.

The Functions of Management

The five functions of management include planning, organizing, controlling, staffing, and directing. Planning provides direction for the business. Organizing involves grouping the tasks to be done and then assigning individuals or groups to accomplish these tasks. The control function examines how well actual farm performance relates to business plans and goals. Staffing relates to hiring employees and developing them to achieve goals and objectives. Directing involves supervising and guiding employees so that the employees can successfully complete their assigned tasks.

Staffing and directing are related to the skills listed in Table 1. Before discussing these two management functions, it is important to note that managing both family and non-family employees is essential for business success (Erven, 2000; Erven and Milligan, 2000; Lencioni, 2002). As farms grow, they often need to hire additional employees. In tight labor markets, farms must compete with non-farm businesses for quality employees. We encourage farms to answer the following question. Is my farm a highly desirable place of employment?

Staffing

The staffing management function includes employee recruitment, employee selection, training and orientation, and managing employee performance (Milligan and Maloney, 1996). When recruiting employees, a farm needs to assess the external environment, identify long-term personnel needs, and develop a recruitment plan. The selection process involves developing an application, setting up an interview process, checking references, and determining whether a trial period is needed for a particular job. Effectively training an employee can help avoid error and poor performance. Part of the training process is to develop an orientation program, particularly pertaining to the first few days of employment. Performance management involves establishing performance expectations, providing regular coaching and feedback regarding employee performance, and conducting a performance appraisal interview.

Directing

The directing management function includes leadership, employee motivation, communicating, employee discipline and discharge, and total quality management (Milligan and Maloney, 1996). Leadership

dimensions include vision, motivation, integrity, and knowledge. A motivational work environment can be accomplished by hiring individuals with the potential to achieve, considering individual wants and needs, and setting a good example. Part of motivation is related to compensation (wages, benefits, and perks). However, compensation is not the “be all and end all” when it comes to motivating employees. In addition to oral communication, good communication involves listening and effectively managing conflict. To attain peak productivity of employees, the supervisor needs to have a vision of what success means, communicate that vision to employees, create performance standards, and provide the training and resources needed for employees to meet performance standards. Discipline occurs when an employee’s performance is not consistent with established standards. Total quality management involves managing quality, technology, changing work force expectations, and competitiveness. Successful supervisors have a commitment to success, accept that people are a critical asset to the business, and are committed to providing the training and support needed for employees to improve on the job.

Concluding Comments

Assessing management skills is an important part of benchmarking farm performance and figuring out where improvements may be needed. If the operators on the farm identify management areas which are not currently being addressed, they will need to determine whether someone is going to get up to speed with regard to these areas or outside help is going to be sought to address weaknesses.

Personnel management skills help ensure that all individuals in the organization understand their roles, be trained to perform them, and work effectively as a team. Good human resource managers are not born. Rather, they learn their personnel management skills over time through effort and attention. Learning these skills can reap rewards such as employee retention, low turnover, and improved productivity.

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