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## SAVE THE FAMILY, NOT JUST THE FARM

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### ABSTRACT

*The awareness of human resource management issues in modern farm management is essential. Each family farm has its own unique characteristics and differing roles and responsibilities of family members on and off the farm due to different factors, such as decision-making styles, knowledge base, attitudes, cultural differences and type of farm. Economic trends, demographic trends, and world markets are examples of external factors that apply pressure on farm managers, which, in turn, is reflected in their management approach.*

*In Saskatchewan, Canada, statistics are available for agricultural population, employment, industry, farm vs. off-farm income, and education levels of farmers. The focus on farm business management has tended to be on production, marketing, and financial management, with somewhat less emphasis on human resource management. In the past, many farm labourers have been in-family employees. With the transition to larger and more diversified farming styles, farm managers are recognizing relationship problems with employees, even to the point of legal action. Farm managers are now seeking information on human resource management in order to improve their management skills. Education and improved communication skills contribute to improved success both with the family and the business employees.*

*This paper examines the links between a successful agribusiness operation and human resource management skills. Farmers who have taken a goal-directed management course, such as Farming to Win, The Rural Family, Taking Care of Business, or AgDirections 2000 have indicated a difference in their farm business management skills, including a noticeable improvement in the way they deal with people.*

### Introduction

What legacy do you wish to leave your loved ones? Have you thought about this? I have, and I know what I want to leave behind. Money, land, and power... Those aren't at the top of my list. The ability to communicate is at the top of the list. Leaving my family the key to building more meaningful relationships with people is at the top of the list. Making people a priority is the priority. I want the next generation to feel the impact of effective human resource management.

What is human resource management? Why is it important to farm families? How do we improve our human resource management skills? When do we need these skills?

### **What is human resource management?**

Simply put, human resource management is the management of people and relationships. This can be in business or in family. On a family farm, it includes both.

### **Why is it important?**

Taking care of employees ensures a happy and more stable work environment. The same can be said about a family. The importance of human resource management in the family farm business cannot be over-emphasized. In the past, financial concerns have often taken precedence over the people issues. In reality, the management of the people can make or break a family business. Rarely, however, is there any formal or informal education teaching how to deal with or manage relationships, whether employees or family members.

### **So, how do you improve your human resource management skills?**

Effective human resource management is based on enhancing communication skills and knowing your personal, family and business values and goals.

### **Background**

Understanding where we've come from is as important as knowing where we are going. Part of my understanding of human resource management as it relates to farm business management was a result of questioning my upbringing. I grew up on a farm in Saskatchewan, Canada. At University, I graduated with a Home Economics degree, an Education degree, and a Business Administration Certificate. I married a farmer, and became a farmer. We have three grown kids who have all helped out on the farm over the years, but haven't indicated a desire to farm. Besides growing up on the family farm, I have lived and worked with farm people all of my adult years. This work has helped me understand the attitudes that shape farm family communication. Since 1985, I have worked part-time in farm business management. This is all part of my background, and my background leads to my personal values and goals.

### **Values and goals**

It is important to recognize your individual values and goals. This must come before discussing the goals of others on your family farm. Once you understand what you want, you can approach the rest of your family team and ask them to express their values and goals. Do you know what it is the people in your family want? Often we assume we know what each family member wants from the farm. We are not always right. Assumptions can lead to disaster.

### **Building Understanding**

This is where the importance of communication and human resource management skills comes in. When we explain our feelings and what we are thinking about, and talk about the reasons behind why we are thinking what we do, understanding starts to take place. We can all think of unpleasant examples where miscommunication has happened.

### **Effective Communication**

The key to managing relationships is effective communication. We all communicate. In order to communicate effectively, we must listen intently as well as express thoughts and concerns. Communication is real and genuine talking and sharing of feelings and ideas, sending and receiving messages that carry accurate, concise, and complete information. Giving and understanding directions is one form of communication.

Eg. During seeding, we often deal with deadlines to get crops seeded on time. If we clearly understand each other, all goes well. If not, someone may end up taking the equipment to the wrong field, or worse yet, seeding the wrong field. In a hurry this year I took a normal short cut to the field, and got the seed wagon stuck in a wet spot. With communication, this could have been avoided. Making assumptions that everyone automatically knows what to do or can read your mind can cause problems.

### **Sending authentic messages**

It is also especially important on a family farm to make sure your messages are authentic, and show caring and understanding. This helps to build healthy relationships. Once again, the people are important, and must be a priority.

### **Barriers to communication**

Sometimes, barriers can get in the way of true communication. Judging others, giving advice and using inappropriate humour hinder communication.

### **Involving all team members**

In farm business, it is important that every member of the family needs to be involved at some point in the discussion. Communication between couples and among all family members, (farming and non-farming children), is important. Sometimes we get caught up with worrying about the feelings of the farming children and completely disregard the feelings of the non-farming children. Every family member must feel valued and loved. It is also important to keep in mind the gender dynamics in the family farm settings, trying to avoid role stereotyping. It works better to accept each individual on the basis of their individual strengths and weaknesses.

During seeding this year, two of our children, Marla and Matt, were helping with the seeding. One night when we quit work about midnight, I commented that I felt both kids should get paid the same----value paid for value earned. They were doing the same job, and should get paid the same. Did I ever open an emotional can of worms! Two kids were very upset. It was all about feeling valued and appreciated for their contributions. One had helped out a lot with the cleaning of the grain and pre-seeding preparation of equipment, and felt that sacrifice. The other had stayed home on the long week-end when the friends went to the lake, and felt that was a real sacrifice. It wasn't until they had talked it out, and each had completely told their side of the story that they understood each other. They worked out a compromise. They agreed that the necessary pre-seeding work was harder and deserved more pay, and that the seeding work that they both were doing was worth the same amount. They normally get along well, and I was surprised and disturbed to hear them arguing, but was very pleased with the way they communicated with each other and worked the concerns out in a way that was agreeable to both of them. It was certainly an opportunity to learn.

### **Planning ahead**

Farm families and farm businesses can benefit greatly from setting a clear vision or mission statement, developing their goals, and working on enhancement of their communication

skills. My mission is to help individuals and families to make the best use of their resources, maximizing satisfaction with minimum use of resources based on their own priorities. This can lead to an authentic quality of life and fulfillment of personal, family and farm goals. As I see it, the key to quality of life and a successful family business is communication

### **Farming to Win**

Communication tools can be used to help families discuss values and goals. *Farming to Win* is a Saskatchewan Agriculture and Food farm business management program I worked with ten years ago. *Farming to Win* took a team approach to farm business management. Farm families worked together to establish their vision and goals. This program was very well received. Farm members first worked individually on personal goals, family goals, and farm goals. Then the couples got back together and discussed openly the results. The next step was working together to combine their results towards a common goal.

This isn't always an easy task. Many families struggled with this, but the results were well worth the effort. One example of this that comes to mind is when someone talked about spending time with their family as a high priority, and yet didn't take a day off to do this. It became obvious that there had to be some adjustments made somewhere.

When everyone is communicating well, and each member has expressed what their personal goals are, then the team set family and business goals.

### **Family meetings**

Family meetings provide an opportunity for family members to feel valued. In order to communicate, the family needs to spend time together discussing what is really important to them. No matter how congenial the family, it's important to hold family meetings at a neutral spot where everyone feels equal. If there is a controlling individual or a favored child in the family or in the business, and the meeting is held at their kitchen table, what are the chances that every individual in that family is going to feel equal? We all act with more authority in our own home. A little formality, along with respect and patience, in a neutral setting, goes a long way. When individuals feel valued equally, they are more inclined to openly share and contribute. When everyone openly and honestly contributes to the discussion of personal, family and farm goals, real communication can take place.

### **Working together**

When discussing family and business goals, some goals will coincide, some won't. It is best to first focus on the positive and the similar ideas, then discuss the issues to work on. When there is disagreement, alternatives can be worked out. Compromise may be a solution (as in the example with the kids' wages). It is a valuable exercise to discuss the strengths, weaknesses, opportunities and threats to both the family and the business. By showing appreciation and acceptance of everyone's contributions, strengths and interests, you can work together to form solutions. It's best to look on family members as valuable contributors rather than threats to the family business.

### **When there is disagreement or conflict**

Look for common ground that can be built on. It's a good idea to discuss the best thing that could happen as well as the worst thing. Ask yourselves: "What are we most afraid of?" By facing your fears, you get it all out on the table. This provides an opportunity for discussion, problem-solving and risk management. Sometimes parents are afraid to discuss land transfer to the next generation. They may be concerned about loss of control of the assets, about sibling rivalry, about divorce in the next generation, or even a lack of faith or trust in the next generation's competence to run the farm in the manner it was done in the past. These concerns need to be expressed or they will fester, and cause eventual disaster anyway. Making assumptions can be dangerous. Misunderstandings cause hard feelings. Don't assume everyone understands. Clearly getting the message across and listening well aids in communication. Body language, as well as verbal language, gives cues to the comfort level of others. When there are objections, acknowledging these concerns lets the person know you recognize his/her concerns.

Eg. "I see we don't agree. What alternatives can we come up with?"

### **Help with transitions**

Resource people, such as family farm specialists, bankers, lawyers and accountants can help pursue alternatives toward the best solution for the situation. These resource people can also help with farm succession planning or transition planning. To me, transition can be when any major change is occurring, when the family or farm is in transition, whether changing owners, enterprises or careers. This can include a death in the family, which often creates havoc in a family. John Fast, director of the New Centre for Family Business at

Conrad Grebel College, University of Waterloo, claims the pivotal event for many family farms is the death of the mother. "Mom is the glue who holds the kids together. If they haven't worked out ways of cooperating, when Mom dies, all hell breaks loose." (Financial Post, Oct., 1997).

Transition is a very important time, where communication skills can save the family and the farm. The average age of farmers in Saskatchewan is over fifty years old.. Seventy per cent of our land base will be transferred to the next generation within fifteen years. The key is how to move it without conflict! If the transition of a family business is not managed well, both the people and the business will suffer.

#### **Plan ahead to avoid mishaps**

Unfortunately, there are many cases where the family is forfeited for the farm. By this, I mean the farm may be passed on in tact, but the family isn't. The brothers and sisters don't speak, the grandparents only see one set of grandkids (the ones on the farm), or the farming family is isolated from all the disgruntled brothers and sisters.

Often, arrangements may be made, but they are never openly discussed. Assumptions may be made. Some families think that passing on the farm happens all by itself, often leaving it in their will to the farming children, with the expectation that things will continue as always. Not so—farms today are businesses worth a lot of money, and businesses don't transfer that way. They need a plan that meets the needs of all the persons involved. Some farm families fail to develop a plan because the discussion is uncomfortable, or communication is difficult. During this time it is especially important to make sure you listen to each person's goals. Then, together, try to set a united goal for the family business. Most parents feel that they want to treat all their children equally but if keeping the farm in the family is also a goal then equal may be compromised to make it equitable.

#### **How can this be achieved?**

Research shows that the most important factor in successful transitions is communication. Farming is big business. People are important. Relationships are important. Communication is the key to making it work. Communication is the grease that keeps the



wheels moving. It is as important to the farm operation as finance, production, and marketing. Without communication, the whole system breaks down.

### **Tools to help farm families communicate**

Alberta Agriculture in our neighbouring province in Canada has produced *Putting It on the Table*, A CD-ROM guide to succession planning. The CD-ROM is divided into two main sections, providing an introduction/tutorial as well as an ownership plan. It begins with a basic introduction to succession planning followed by a get-involved, real-life scenario. This is a tool that gives hands-on information to design your family's own succession plan. While many farm families face succession issues (the average age of farmers in our province is at least 50 years), few discuss them openly, perhaps afraid of conflict. Using tools such as these, families become familiar with the fact that some conflict is normal. This tool helps families understand their goals and dreams, and gives the family confidence to talk about succession.

The Canadian Farm Business Management Council has done a study on transition planning between generations, interviewing 40 farm families to gain an understanding of farm transfers. These case studies of parents, farming children and non-farming children offer understanding ideas and strategies. At present, the agriculture departments in each province have information, videos and key people with which to talk.

### **Conclusion**

Effective human resource management is based on enhancing your communication skills and knowing your personal, family and business values and goals. Human resource management can position the family business to make best use of its major resource—the people. People are what it's all about. By focusing on the human resources in farm business management, we can save the family and the farm. The legacy we leave behind can be about people, caring, and values, not just land, money and power. We are the family members. The choice is ours. It's up to every one of us!