

## Frank's Note

Day in and day out producers and allied industry work to find ways to improve pig health, well-being and productivity. However, recruiting, retaining and leading employees is a less-natural fit. But it's the people that are vital to achieving a business's continued growth and success.

The reality is that with changing population demographics and an already tight workforce supply, finding and retaining the best and the brightest employees will be a monumental issue facing pork producers and their supporting industries in the years ahead.

Just as we all seek new ideas and information on production techniques, we need to make that same commitment to learning and adopting leadership skills to best meet the needs of our workforce. While we tend to look for big actions, no gesture is too small. For example, knowing employees' names and understanding what motivates them are among the most important things you can do. Making yourself available and open to ideas and suggestions further builds that relationship.

A few things that work for us at *Farmweld*: Every time I'm on site, I make sure to walk through the office and manufacturing floor and talk to everyone individually. I thank them for their hard work. At *Farmweld*, we celebrate employee birthdays, milestone anniversaries and holidays. But perhaps most importantly, we host parties that include the employees' families to show not just how much the person means to us but that we appreciate the family as well.

If you need to design buildings or select equipment that work for your pigs as well as your people, *Farmweld* is here to help. Don't hesitate to call us at 1-800-EAT-PORK (328-7675) or visit [www.farmweld.com](http://www.farmweld.com).



Frank Brummer  
President  
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## Time to Prioritize Your People Assets

As pork production faces a long-term labor shortage, employee retention is critical.



Courtesy of the National Pork Board, Des Moines, Iowa

Every day on every hog farm, pigs are the priority. The objective is to meet the pigs' needs, and it's up to the people on the farm to not just do the job but to do it well. For the most part, the solution has been to develop protocols, procedures and training programs, but less attention has been placed on the people and identifying what makes them tick.

"Swine production has a problem today," says Jon Hoek, chief executive officer, Summit SmartFarms (SSF). "We have a passion for pigs, but we struggle how to find and coach people."

Turnover rates on hog farms can run 30 percent to 50 percent, which is costly and unsustainable long term. Hoek modeled the impact of a 35 percent turnover rate on a 5,600-sow farm, producing 147,000 pigs, with 18 full-time employees. Research shows it takes about 2 years for a worker to reach 100 percent productivity, so allotting for 85 percent productivity, Hoek found that a new person could cost 30 cents per pig. Recruiting and other

related expenses can push that cost to about 30 percent of a first-year salary. "That gets lost in the bucket of raw labor costs," he adds.

Not only does turnover increase costs and jeopardize productivity, it creates long-term problems as the rural workforce supply will continue to tighten, not just for pork production but for all of agriculture and other competing employers.

## A Shortage or Tight Supply?

A low unemployment rate is generally good for the U.S. economy, but sort through the numbers and it paints a more somber picture. Although the U.S. unemployment rate has dropped to 20-year lows (below 4 percent), there's more clarity in the number of unemployed persons per job opening as calculated by the U.S. Bureau of Labor Statistics, says Lee Schulz, Iowa State University livestock economist. That rate, as of July 2019, was 0.8 per job, or only 80 percent of a person for every one job opening.

# Culture Begins on Day 1

Don't underestimate an individual's first day on the job, says Larry Firkins, DVM, University of Illinois. "That first-day impression is huge, especially with Millennials and Gen Z."

Never start new hires on a Monday; there's too much to catch up from the weekend so it's hard to make the person feel welcome. A "Welcome to the Team" sign with their name is a nice touch, as are new clothes and shower supplies. "It shows that you know they're coming and are happy they're here," Firkins notes.

Similarly, a letter from a senior leader sent during the person's first week will leave a warm impression. On site, have everyone wear a name tag for a few days.

Pair the new start with your best people, and that means folks with whom they can feel comfortable asking questions. Don't "test" them or expect them to perform up to a veteran's level.

Check back in with them. It's common for a new employee to be reviewed after 30, 60 or 90 days, but have them measure the farm too. For example, ask them: Is the job what you expected? Are you getting the information, tools and training that you need? Are you facing any roadblocks to hitting your goals?

"The No. 1 thing is being purposeful and investing time with your direct reports," Firkins says. "Conversation frequency is critical as is thoughtful listening."

For direct reports, he suggests having a 30-minute meeting with each person twice a month where the employee sets the agenda to talk about what's ahead and work through ideas, challenges and solutions. For indirect reports, incorporate 10-minute informal chats to understand what's happening with them. "It sends the message that you're interested in what they have to say," Firkins adds. Yes, time is tight, but the meetings reduce interruptions, texts, emails and phone calls and saves time in the long run.



**Jon Hoek**, chief executive officer,  
Summit SmartFarms

"That's a shortage," he adds. "You can't make more workers, and wage increases just shift workers around without alleviating the shortage."

Schulz and his colleagues conducted a 2018 labor study for the National Pork Producers Council and found it's even worse for hog-producing states.

- From 2001 to 2016, pork production grew, and the workforce expanded by 2.1 percent annually — three times faster than all other U.S. industries.
- Production growth occurred from independent producers, contract growers, and contractors or integrators, as well as from all types of operations producing piglets to market hogs.
- Hog-farm wages also increased over 5 percent annually during those 15 years.
- For the eight largest hog-producing states, all had unemployment rates at or below the December 2017 national rate of 4.1 percent, except for Illinois.
- More telling is that in almost 70 percent of rural counties out-migration and deaths have outpaced births and in-migration. From 2007 to 2017, the rural labor force shrank in seven of the hog states, which will continue as the population ages. "It means there aren't many people or ways to draw them back into the workforce," he says.
- Immigrant labor is dwindling as source countries also have aging workers, lower population growth and people reaching higher education levels, and those workers tend to stay home or seek different jobs if they do come to the United States.

Schulz notes that profit projections suggest continued pork-production

growth, which begs the question, where will producers get the employees to help with those growing inventories? Also, more pigs mean packer/processors, feed mills and transporters will need more workers, as will numerous other sectors that support pork production.

## A Preferred Employer

Considering workforce trends, it's wise to try to keep employees as well as sharpen recruiting skills. "Your employees can be your best calling card," says Larry Firkins, DVM, University of Illinois. "It comes back to the current employees' environment and what they tell their friends, family, neighbors and others."

Mary Langhorst, at Wakefield Pork in Minnesota, agrees, noting that the company finds most of its 260 employees through internal referrals. Tenure is a priority at Wakefield, she says, "but some turnover is healthy; if a person isn't the right fit, you don't keep them on the farm."

Equally important is to recognize when someone has been placed or promoted into a position where he or she is not comfortable. "If you don't want to lose them, you need to listen, understand their priorities and redirect them," she adds. "We have several people who are no longer managers but are good employees and are still with us."

Finding the right person and the right job match is not easy. "Humans are not as good at picking people as we think," Hoek says. To address that, SSF uses Cloverleaf, which applies seven personnel assessments into a digital dashboard to build employee benchmarking tools for a farm.

Hoek believes that just as producers rely on production records, assessment tools will provide valuable intelligence on personnel. Not only can assessments help sort candidates, they can identify strengths to place people in jobs where they can excel and be used to customize

training and management protocols to fit the person.

“The ultimate goal is to build a culture, achieve job satisfaction and unlock human performance,” Hoek says.

## Job Satisfaction Matters

An employee who is satisfied with his or her job is more likely to be engaged and motivated. When engagement suffers, performance, production and profitability suffer.

To gain perspective on hog farms, SSF and Swine Management Systems conducted a job-satisfaction benchmarking survey that involved 13 farms and 103 employees. Farms that scored highest in job satisfaction averaged 90.6 (0-100) and recorded 27 pigs per sow per year; the rest of the farms averaged 82.2. Hoek points out that for each 1-point improvement in the job-satisfaction score there was a 1.08 increase in pigs per sow per year. “I won’t say that would happen everywhere, but that’s what we found.”

Employees said the strongest drivers of



Larry Firkins, DVM,  
University of Illinois

job satisfaction were the feeling of doing a job well and doing meaningful work. Factors that weakened job satisfaction were unfair pay for the job, senior managers not understanding what’s actually happening and, in some cases, co-workers.

Firkins points to a 2019 ADP Research Institute study that looked deeper into engagement and found:

- Only 8 percent of workers who felt isolated or were not on a team were engaged in their job.
- Working on a team increased engagement but only to 17 percent.
- Engagement rose to 45 percent for workers on a team with a trusted leader.

“The key is trust: ‘I feel that my manager and/or fellow employees have my back,’” Firkins says. “We have to focus on how to develop that trust.”

Hoek agrees, noting that 70 percent of team engagement is determined by the manager, and like most jobs on hog farms, the manager’s role is much different from what it was 10 or 20 years ago.

“The manager has to be a coach not a boss,” he says. “A coach is an advocate. A coach leads instead of demands, allows people to take credit, asks for input. A good coach will push you to develop and grow.”

The challenge is that typically people who perform well within their area of the farm get promoted. “We teach them skills, how to be technicians with pigs. But we need to give that same commitment to providing them with the skills to manage people,” Firkins says.

## Build a Culture

To be clear, employee trust and engagement don’t just rest with the manager;



they must be promoted throughout the farm to become the culture.

Firkins's favorite definition of culture is: "It's what you practice, promote and permit. It is what normal looks like."

Developing a culture involves the big things — how owners/managers treat people, how workers treat each other, how they treat the pigs — and the seemingly little things — a thank you, personal celebrations, the condition of the showers and breakroom. Do workers interact? Is anyone isolated? Langhorst points out that she makes time to review every employee annually to ensure some one-on-one time.

Firkins and Hoek share additional traits that build a culture:

- **Relevance:** Connect the person and job with the farm's mission. There's often a gap between owners, managers and barn workers.
- **Teamwork:** We are in this together; everyone matters.
- **Clear, measurable goals, with timely feedback.** When someone does an exceptional job, the reward must be meaningful to the person, which requires knowing what they value.
- **Place people to work within their strengths and master their job.**

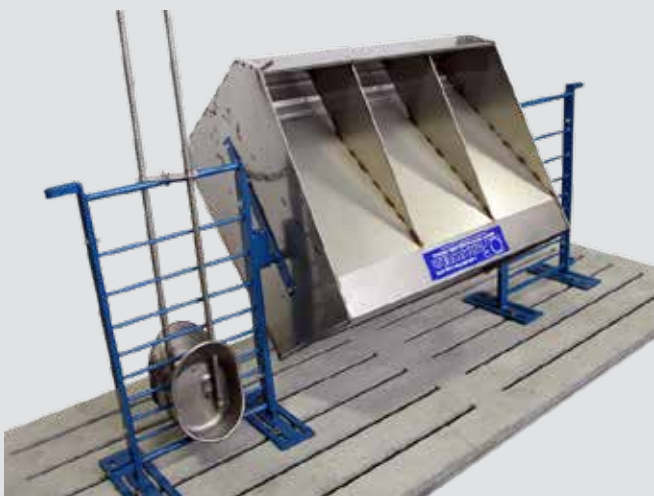
- **Open communication** where everyone is heard and can ask questions without repercussion.

- **Consistency, repeatability, confidence:** The video matches the audio, which means actions match their words.

Generational differences get a lot of emphasis, and while that may affect certain management or communication aspects, there are things that everyone wants: challenging, interesting and meaningful work; good relationships; and to be known and valued. **F**

*For more information, including a list of books on employee management and coaching recommended by Firkins, and NPPC's 2018 labor study, go to [www.farmweld.com/prioritize-people/](http://www.farmweld.com/prioritize-people/).*

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