

Blue Ribbon Business

Business Management and Leadership Topics for the Horse Industry



HUMAN RESOURCES

WHY CAN'T I KEEP GOOD EMPLOYEES?

Does this sound familiar: "I have a small stable. Originally I did all the work myself, but now that I have two small kids I've hired instructors to help. I'm having a problem with turnover with the instructors I've hired. Pay is not the problem, as I pay quite well. One of the instructors decided on another line of work, and another's husband was transferred in his job. The parents of the children that ride here want the consistency of one instructor for their child. They've been getting upset with this turnover. Why can't I keep good help?"

There are several issues raised in this scenario, and no one quick fix solution will do the trick here. Changes in operational policy, employee relations, and customer service are at issue. Employee relations are a multi-faceted topic in any scenario. An examination of management basics sheds light on this issue however.

Let's begin by walking in the employee's shoes. Abraham Maslow was a psychologist that proposed the "Needs Hierarchy" theory of management, one of several widely recognized theories. This concept is based on the idea that employees are motivated to satisfy certain needs. The theory further holds that money can satisfy only some of these needs directly or indirectly.

Simply stated Maslow's theory is that people start by needing to satisfy the lowest level needs first, and then move up through the hierarchy a level at a time. When one level is satisfied, new needs emerge.

Maslow's hierarchy assigns five levels of need:

- 1) Physical** – these are the basic needs for sustaining life, i.e. food, water, shelter, clothing, exercise and sleep.
- 2) Safety** – these needs center on protection from danger, threat, and deprivation or lack. Security and sustained economic well-being factor here.
- 3) Social** – these center on one's relationship to another and include love, affection, and belonging. This translates also into group membership and participation.
- 4) Esteem** – these include both self-esteem and the esteem of others. Maslow holds that all people have the need for the high regard and respect of others as well as

a solid and high evaluation of themselves. Qualities such as recognition, confidence, leadership, competence, success, intelligence come into play here.

5) Self-actualization – this is when an individual reaches their fullest potential in areas of abilities and interests. These needs are never completely satisfied but include such things as doing something for the challenge of accomplishment, intellectual curiosity, creative endeavors, aesthetic appreciation, and a solid grasp on reality.

As an employer, recognize that if a need is satisfied, it is not a motivator for the employee. Also bear in mind that variations can occur due to individual learning experiences and cultural and social background.

What are the components of a job that an employee considers most important? The 1998 Business Work-Life Study conducted by the Families and Work Institute indicate that the top three components (all of about equal importance) are:

- 1) Having a job that allows them to spend time with their family;
- 2) Good relationships with co-workers;
- 3) Doing something that challenges them to use their skills and abilities.

Next in line in this order are:

- 4) High level of job security;
- 5) Work that helps society or the community;
- 6) Earning high income;
- 7) High job prestige.

Note that earning high income is not one of the key components to a good job.

In the opening scenario, the instructor that went with her husband when he was transferred in his job is satisfying all three lower levels of Maslow's hierarchy, and most likely many aspects of the top two levels also. Clearly spending time with her family was also a key component for her. The instructor that decided to change lines of work completely may have been responding to Maslow's levels two and three – she may not have felt this was a good long-term job choice, and may not have really identified with this cohort group. This is echoed by the key components above.

***So how can you as an employer minimize turnover?
How can you cope with it when it occurs?***

John Trafton is a farrier, and owns and operates Sable Oaks Equestrian Center and Track-Rite Enterprises with his wife Sherrye Johnson Trafton. John says, "This work is hard work! Maybe not on a beautiful sunny day. But it's not so fun when it's 34 degrees, slushy, and windy. As an employer I need to give my employees a reason to show up. And it's always easier to retain an employee than generate a new one. Turnover costs time and money – there is a lot of training that goes into a new employee.

As far as pay goes, paying well in comparison to industry standards is important, but I don't feel that overpaying is effective. We often pay per job instead of by the hour. For example, we pay so much per stall for stall cleaning. We believe that paying by the hour for this job cheats someone, either the employee or the employer. Paying piecemeal offers more of an incentive to do a good job consistently.

We also provide health insurance. This helps our employees feel safe. Employees need a sense of security in their job, and that is partly provided by workers compensation, and health insurance. Another measure we take is to provide a week's paid vacation. Additionally, we don't replace our regular workers with seasonal working students labor. We give the working students other work to do, so our regular employees don't feel threatened.

Respect is a big part in minimizing turnover. It's really important to treat people like you care about them, and to let them know you have a positive attitude about them. Listen to them. Always say "please" and "thank-you." Set high standards so your employees can take pride in their work, and will want to work harder. Compliment them and make them feel good about themselves when warranted.

Make your employees feel a part of your team. We give them some freebies, like farm polo shirts. They know that these items are usually for sale, so this is a benefit for them and they feel more a part of our team.

Beyond the team aspect, treat them like your family. We unconditionally grant our employees personal time when needed for things like a sick child and doctor appointments. This creates employer/employee loyalty. This loyalty pays off, as other employees will also then pitch in to help cover. Along these lines, the employee also needs to see the employer working, and sometimes doing hard work too.

We have great staff. The employee that has been with us the shortest amount of time has been here for four years. Having great staff means we can go away for two weeks on vacation and relax and not worry. We also sleep well at night. You lose a lot of sleep dealing with turnover."

Tanya Rennie, instructor/trainer at Vienna Farm and owner with husband Jim Jaeger, shares her methods. "We have one full-time employee who's been with us for years, a couple part-timers, and working students. We offer varying incentive levels. For the working students, who are local residents, we provide credit in Vienna Dollars for work done. They usually feed once or twice a week, and can clean up to 5 stalls, but not more than that. That is one way we try to minimize burnout. For our part-time help, we try to spread the workload out enough so that if one quits or is sick for a prolonged period, that the

others can pick it up at least for the short-term. Our full-timer is offered incentives of lessons with me and with other clinicians as well. We also take her to shows and give her bonuses.

We can't pay a lot, so we try to do everything else that we can. We provide flexible scheduling and a nice environment. I never ask someone to do something I wouldn't do. We try to communicate often with our help. Sometimes people perceive that I am busy – too busy to talk to. But that is never true. I will always make time if my employees want to talk. I also try to set up the facility systems to make the work as easy as possible. By this I mean turn-put that has easy access, equipment in good repair (forks etc.) and easy access to manure disposal.

Most importantly, I feel that honest up-front relationships are needed between employer and employee. I have conversations with work prospects about the reality of the job and the burnout factor. And it's also important for the employee to know that I can often restructure their job or their work to accommodate for other life's circumstances and transitions. But I can't if they can't talk about it and aren't open and honest with me. "

Summarizing theory, surveys, and those in the industry, here's the best ways to keep good help:

- 1) Interview honestly. Listen. Establish open communication channels. Listen.
- 2) Provide security. Make the work as enjoyable as possible. Pay at industry standard or slightly better.
- 3) Stimulate teamwork and build a work "family." Respect others for their role in your horse business.
- 4) Recognize and reward good work. Set standards that are worth working for, and that foster esteem and self-esteem.
- 5) Encourage creativity and continuing education. This has a value-added bonus for the employee and the employer.
- 6) Inspire loyalty. Stop and ask yourself – are you buying labor or inspiring loyalty?

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