

Acknowledgements

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Executive Summary

In Ontario, the agriculture industry generated approximately \$8.9 billion in total farm sales in 2006. Of this amount, \$845 million was from farms that specialize in raising hogs and pigs. In terms of production there are five counties within south-western Ontario that produce a large share of the pigs. Huron, Perth, Oxford, Middlesex and Lambton counties accounted for about 64 percent of Ontario's total pig inventory in 2006.

Ontario's pork industry has undergone many changes in the past few years. As farms have decreased in numbers the remaining farms have increased in size. Many farms that previously relied primarily on family labour to meet their labour requirements now hire non-family employees to fill their labour needs.

Human resource management is a challenge facing the pig production industry and agriculture in general. The ability to attract, motivate and retain labour is an issue from the farm level right through to input suppliers. Some of the reasons why this is occurring are outlined below.

- a) Aging Population** - The average Canadian is growing older which is creating a mature workforce. As the large group of baby boomers begin to retire there will be many positions available to job seekers.

- b) Competition for Labour** – Agriculture competes with other industries for employees. Agricultural businesses need to offer compensation packages (i.e. wages plus benefits) that are competitive with industries that require similar skills in order to attract and keep labour.

- c) Low Unemployment Rate** – Ontario's low unemployment rate makes attracting labour more difficult because the pool of potential employees is small. Unemployment rates in the five county area referred to above were similar to or lower than the provincial average in 2001 which makes finding labour especially difficult there.

- d) Urban Areas** – Urban centres are attractive to young adults who want to work or live in a large city. Agriculture will have difficulty attracting labour if these individuals prefer the city life.

- e) Perception of Agriculture** - The agriculture industry has negative perceptions associated with it that deter some people from exploring potential employment opportunities. These perceptions include long hours, the requirement to work weekends, low wages, farm background required, physical demands, smell and dust.

Survey Results

Four surveys were undertaken for this project. Swine farm employers and employees as well as input suppliers and potential employees (i.e. people not currently employed in the swine industry) were asked to participate. A summary of the survey results for each is provided below.

i) Swine Farm Employer Survey Results

Swine farm employers reported that they paid their employees on average \$12.70/hour for general labourers, \$16.01/hour for skilled labourers and \$19.68/hour for supervisors/managers. They also indicated that they spend approximately \$440/employee on training for their employees each year. Employee turnover on the participating farms was 39.6%.

Employers rated the top three training needs for their employees as herd health, breeding and piglet management. They believe they need to improve the most in communication, human resource management and allowing employees to give input into the farm operation. The employers believe that appreciation or recognition for a job well done, compensation and having an interesting or satisfying job are the three most important factors in making a job appealing. For these farms, availability of people was seen as the biggest challenge with respect to labour.

ii) Swine Farm Employee Survey Results

Many swine farm employees reported that they work on pig farms because they enjoy working with pigs/animals. The average employee works 46.3 hours/week, gets 2 weekends off/month, has 2.7 statutory holidays off and receives 9.7 paid vacation days each year. Most of the employees indicated that they do not have an agreed upon plan for sick leave.

Many of the employees indicated that they had an interview prior to starting their job and most felt the duties were explained well or OK. There were 68.9% who said they have a job title, 22.2% received a written job description and about half have regular performance reviews with their employer.

The employees indicated that factors that make a job appealing include: appreciation or recognition for a job well done, having a job that is interesting or satisfying and compensation. Respondents believe the following improvements need to be made in their current jobs: compensation, number of hours worked, appreciation/recognition, and relationship with co-workers. Nearly all of the respondents reported that their employers show appreciation for their work and the most common ways this is done are flexible hours, free pork and clothing.

The employees indicated that they are interested in training in herd health, breeding, piglet management and farrowing. Slightly more than 75 percent of them believe there are no opportunities for advancement where they currently

work. In the next five years, 41.9% believe they'll be in the same position and 18.6% hope for a promotion. Slightly over 16% will exit the industry to retire or seek employment in another industry.

iii) Input Supplier Survey Results

It was reported by the input suppliers that employees in these companies work 42 to 44 hours/week on average, have 9.1 statutory holidays off, receive 10 to 13 paid vacation days and the majority of the companies do not have a plan for sick leave for their employees. When hiring employees, half of the participants provide written job descriptions. The rate of employee turnover for the participants is about 31.8%.

The input suppliers feel they should improve the most in communications, training opportunities and showing appreciation/recognition for a job well done. They believe the most appealing aspects of a job are that it is interesting or satisfying, compensation, communication, and relationship with other employees.

Labour is an important issue for most of these companies and availability of people, keeping staff, and motivating staff are the top three concerns. The respondents believe that team building, communications, and computer skills/technology training are three training programs that would be beneficial for HR staff. They would like to see training for employees in communication, sales, interpersonal/teamwork and basic overview of swine production.

iv) Potential Employee Survey Results

About half of the people who are not currently employed in the swine industry indicated that a realistic work day would be 7 to 8 hours long and 54.8% indicated they would expect to have every weekend off. Benefits that they would like to see included in a farm job would be medical, flex time and pension/RRSP.

There were only 27% of the respondents who felt fairly or very informed about careers in agriculture. The most appealing characteristics of any job according to this group of respondents are compensation, having an interesting or satisfying job, appreciation or recognition when a job is well done, and job security.

Over one-half said they had considered agriculture as a career mainly because they enjoy the rural or farm lifestyle. Those respondents who hadn't considered agriculture as a career indicated the reasons were that they don't have any experience, are not aware of possible jobs, or didn't grow up on a farm.

Human Resource Needs in the Pork Industry

There are several training opportunities that exist in the pork industry. Swine farm employees would benefit from training in production related areas such as herd health, breeding, piglet management and stockmanship. Swine farm employers and input supply companies indicated they would like to improve their

communication skills. Improving communication skills would benefit other human resource areas such as showing appreciation or recognition when a job is well done, improving relationships with employees and conducting interviews or performance appraisals. Input suppliers also indicated that training in communication, sales training and client relationship management would be beneficial for their staff.

Human Resource Challenges Facing the Pork Industry

One of the biggest issues facing the pork industry is the ability to attract and keep good quality employees. Low wages, long work days, working weekends, receiving only 2.7 statutory holidays per year and not having a plan for sick leave are factors that challenge the industry. Potential swine industry employee survey results identified hours of work, vacation allotment and weekends off as priority concerns. Many individuals who had previously worked in agriculture reported leaving the industry because of better opportunities. It is likely that the better opportunities offered higher wages, fewer hours of work and better benefits packages.

There is some difference in opinion with respect to where improvements should be made on Ontario swine farms. Swine farm employees reported that compensation, hours worked and appreciation for a job well done were the three main areas for improvement. However, swine farm employers as well as input supply companies believed they needed to improve their human resource management skills. The very different views held by employees and employers are important considerations for the industry.

Recommendations and Strategies

Listed below are some recommendations for human resource management in agriculture.

- 1) **Human resource management policies** - HR policies on farms and at input suppliers are needed. Implementing basic HR policies can provide clarity for both employers and employees. These policies can include the following:
 - Interviews – Interviewing prospective employees provides both the employer and potential employee with the opportunity to meet. This meeting is important in order to share what the business is about, explain the job responsibilities, hours of work, and compensation. If the employer feels that the employee may fit in well then a tour of the farm or business would enable the potential employee to get a better idea of what to expect before accepting a job offer.
 - Job titles – While the survey results indicated that employees are somewhat split on the importance of job titles it is believed that

providing employees with job titles gives them a sense of empowerment and belonging to the business.

- Written job descriptions – Written job descriptions provide employees with details on what their job duties and responsibilities are, company reporting structure, hours of work, rate of pay, benefit plan, bonus structure or incentive plan if applicable and possible reasons for dismissal.
- Performance reviews – Having regular, formal performance reviews with employees provides an opportunity to review what the employee has done well, where improvements could be made and to establish goals for the future. This can also be a time when employees are asked for their input into the business.
- Training – Training is an important HR issue from the time the employee begins a job and continues throughout their employment. On the job training of a new employee helps them to learn how the farm or business wants each job completed. Professional development and training shows employees that their employers value higher education. This training can result in increased responsibilities for the employee when they are encouraged to perform their newly acquired skills.

2) **Compensation** - Providing a competitive compensation package is crucial when competing with other businesses and industries. Wages are an important first step and should be commensurate with the skills and hours required for the job. Employees will know what other jobs pay that require similar skill sets.

Compensation can include not only a wage/salary but also the following:

- Benefits – There are many benefits that employers can offer and some are very simple such as allowing flex hours. This does not cost anything but is important to employees who may have personal obligations. Also, some employees prefer to work earlier hours in the day or others may prefer later hours. If these preferences can be accommodated it may be viewed as positive by employees. Other benefits can include providing housing, free pork, clothing, paying part of the utilities, use of a farm vehicle, and etc.
- Overtime pay – Occasionally there may be times when employees are asked to work longer hours than normal. There are different ways to compensate employees for doing this. One way is to pay extra wages after a certain number of hours are worked. Another method is to give paid time off on another day. It is important that an employee feels

fairly rewarded for the personal time given up in order to work overtime.

- **Bonus** – For a bonus program to work the employee must be able to reach the goal and see value in the reward. Tying goals to production is difficult because many factors are outside the control of the individual employee. However, goals related to total number of days worked, attendance, length of time with no injuries, recruiting a new employee who stays with the business for a certain length of time, and so on, are all attainable for the employee.

The monetary value attached to the above benefits, overtime pay and bonus program could help existing and potential employees see that agriculture is competitive with other industries.

- 3) Make a job interesting** – Employees seek jobs that are interesting or satisfying. Match an employee with a job that they will be good at given their interests and skill sets.
- 4) Show appreciation or recognition** – Showing appreciation or recognition for a job well done is motivating for employees. This can be as simple as saying “thank you” or “good job” in a timely manner such as when good behaviour or work habits are observed. It is also possible to have regular staff meetings where staff are recognized for their contribution to the business as well as special recognition for extra effort or to identify accomplishments through the bonus program discussed above (i.e. perfect attendance, no injuries, etc.).
- 5) Employee involvement** - Asking employees for their input and involving them in the operation/business gives them a sense of ownership and responsibility and can be motivational. Employees are the front line workers and may have valuable ideas for improvements in the operation. Employers must be willing to listen.
- 6) Hours of work** – The hours each employee is expected to work should be clearly outlined at the time of hire. Also, if there are certain situations when an employee may be asked to work overtime this should also be disclosed. Some employers may have jobs that are somewhat flexible in their hours while others are not and this should be discussed.
- 7) Scheduling** – When scheduling employees to work weekends or statutory holidays it is important to do this well in advance so employees are aware of when they are required to work. Also, offering a financial incentive to work on holidays shows employees that their time is appreciated.

- 8) **Vacation time** – Paid vacation time off allows employees to have a break from work while still being paid. They will feel refreshed when they go back to work and vacation time is viewed as a reward for working.
- 9) **Promotion/advancement in company** – For some farms or small businesses it may be difficult to have a plan for advancement, however, giving employees additional responsibilities will show that they are valued and is a form of promotion.
- 10) **Promotion of careers in agriculture** – The promotion of careers in agriculture to rural non-farm and urban people is important. Many people assume a background or experience on a farm is a requirement to work in the industry but many businesses do not require this and are willing to train. Look for people who enjoy working with animals.
- 11) **Promote particular attributes of agricultural careers** – There are many different jobs in agriculture requiring different skill sets. Some require the use of advanced technologies such as computer automated feeding and record-keeping analysis while others have significant responsibilities with respect to caring for livestock and meeting various regulations. Being able to promote the various attributes of a wide variety of jobs may encourage more people to consider agriculture as a career.
- 12) **Co-workers** – Most employees benefit from some social interaction at the workplace with other employees. If employees with similar personalities work together a more positive working environment is likely to result.
- 13) **Other** – Any way to show employees they are valued, appreciated and respected will be a positive human resource management tool. This can include occasionally bringing snacks, providing lunch, giving tickets to a special event, etc.