



## NO PROFIT WITHOUT PEOPLE PERSONNEL POLICY IN GLASSHOUSE HORTICULTURE

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### INTRODUCTION

International competition in horticulture continues to increase. The entrepreneur can choose two strategies to maintain profits: specialization in a niche product or reduction of cost price by scaling-up. Horticultural companies not only become larger in the latter case, but often employ considerably more people. Table 1 shows the development of the sizes of horticultural companies in The Netherlands.

This scaling-up requires an entrepreneur to develop new skills. An important expertise is the development of new personnel policies. When considering type of contract, nationality, sexes and level of education the companies show necessary differences in personnel policy. Some of these factors are shown in table 2. These figures originate from research on personnel management, carried out in 2003 on 66 large nurseries (Vermeulen et al., 2004).

The cost of personnel in horticulture is considerable. The percentage of the various costs in the production of the six most important horticultural products is shown in table 3. Labour contributes 18% to 40% and in nearly all cases is the greatest cost.

Of course the more people employed by the company, the higher the personnel costs. Actually to think of staff solely as costs is not correct: work should be considered as a means of revenue. In the Dutch publication ‘Arbeidsradar Glastuin–bouw’ this idea is defended as follows (Warmerdam et al., 2003):

“In the continually harsher international competition horticulturalists in The Netherlands must explicitly choose a strategy based on quality. Modern personnel management and policy are important aspects of such a strategy. Competition only on costs will not work in the long run and there is no way to compete with the production from low-wage countries. Dutch horticulture must compete using innovation and high quality production, just as in the textile branch.”

This idea supports the aims of national governments and the desire of the general public to introduce and create Corporate Social Responsibility; a balance between the 3 P’s, People, Planet and Profit. This is also in agreement with the requirements of the social paragraph of Europ-Gap, in which the minimum requirements for working conditions are stated.

To operate as a profitable business introduction of an adequate personnel policy is a necessity.

### PERSONNEL MANAGEMENT

Personnel management is the planning, realization, checking and evaluation of the factor work in reaching the required company result. This occurs at strategic, tactical as well as operational levels. The aim is to accommodate, on the one hand what the company expects from the staff, and on the other hand the knowledge, skills and genuine ambitions of the members of staff. Good personnel management is not only how to attract new workers into the company but also how people move within the company and how they move out of the company.

In several studies (Van der Lans et al., 2003; Vermeulen et al., 2004) PPO Applied Horticulture has done research on personnel management in Horticulture. This research showed that at least the following points were also important to consider:

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1. A clear vision of the future, translation of this into a company strategy and the implementation of this policy by the entrepreneur.
2. The knowledge and skills (degree of competence) of the entrepreneur as employer
3. Organization and planning of work
4. Recruitment and selection of staff
5. Education and training
6. Involvement and responsibility
7. Work consultation and work evaluation meetings.

Additionally personnel management involves the whole atmosphere of the company, its image and PR when seeking new personnel.

In addition to the studies of Van der Lans et al. (2003) and Vermeulen et al. (2004), the Ministry of Economic Affairs has also published an 'Arbeidsradar' (Employment Radar) (Warmerdam et al., 2003) and this also made an analysis based on the seven aforementioned elements of personnel management.

In this analysis a description is made of the aspired ideal situation and of the current situation as found on many of the nurseries that were analyzed. From these studies a number of recommendations are also made, to help to bridge the gap between the present and the aspired situation. By using a summary of recommendations, an agenda for personnel management in horticulture is made.

#### **Perspective, strategy and policy:**

- o Target situation: Entrepreneurs have a clear perspective about the future of their company and from this point of view they develop strategy and policy.
- o Present situation: Development of strategy is a weak spot in many large companies.
- o Recommendation: Stimulate discussion and thought about the future and company policy, preferably in sessions within groups.

#### **Knowledge and skills as employer:**

- o Target situation: The employer/entrepreneur has a basic knowledge of personnel policy. A number of activities can be out-sourced to specialized companies.
- o Present situation: The majority of the employers only have secondary or college education. These courses do not include personnel management. More often younger employers and entrepreneurs have a higher college education with more emphasis on personnel management.
- o Recommendation: Horticultural education and courses must provide more background knowledge on basic personnel policy. Additional courses on personnel management must fit in with the career development of (young) entrepreneurs.

#### **Organization and planning of labour:**

- o Target situation: The tasks, authorization and responsibilities of each employee are clear. This allocation of tasks gives the entrepreneur the opportunity to concentrate on other areas such as the development of a company policy for the future, orientation in the market, etc. A labour plan and timely anticipation of labour peaks, creates a calm and stable atmosphere on the nursery.



- o Present situation: Protected horticulture has large seasonal fluctuations in labour requirement. Small nurseries cope with these fluctuations using family members as extra personnel and larger companies using more temporary personnel. The somewhat larger companies have the greatest problems in coping with these fluctuations. This creates an unstable atmosphere because of many different temporary personnel on the nursery. In addition to finding suitable staff, it is difficult to make staff feel involved in the company.

- o Recommendation: Try to meet the labour demand as much as possible with permanent staff. Prevent repeatedly instructing new staff and make good arrangements with temporary personnel. Make arrangements with employment agencies about the use of the same workers. If the same temporary worker is taken on, he will become more involved in the company and will not need to be repeatedly instructed. These temporary workers are the potential candidates for any vacancies.

### **Recruitment and selection:**

- o Target situation: Someone is employed in every position within the company and their capability and ideals coincide with the required competencies and responsibilities. When recruiting new personnel, their position within the organization of the company as a whole is always known.

- o Present situation: In practice the employers do not require production staff with any training or specialized education. For the middle management they require a (higher) college education. For all groups a level of enthusiasm and a good attitude constitute the minimal requirement.

- o Recommendation: When selecting and recruiting new personnel take their capability and ideals into account, e.g. the wish to move into a management function. Frankness about the real chances within the company prevents disappointment and creates chances for commitment. An active training policy is a part of career planning and this should be mentioned in the job interview.

### **Education and training:**

- o Target situation: The aims of the company, as well as those of the personnel are continually changing and developing. A company involves personnel in its development and allows them to grow with the company.

- o Present situation: The entrepreneur or employer maps out the strategy of the company. Generally the aims are relayed to the personnel, and there is hardly any discussion with, nor ideas from the personnel. An exception to this is the middle management. From them the entrepreneur expects a more active participation.

- o Recommendation: Involve production workers in the development of company policy.

### **Commitment and responsibility:**

- o Target situation: Motivated workers commit themselves to a company. Permanent and temporary workers are prepared to follow courses and training.

- o Present situation: Although many employers are prepared to finance training, the personnel is less prepared to follow courses; theoretical courses in particular. Seventy five percent of the employers experienced little or no enthusiasm to learn via courses. The courses which people are enthusiastic about are the practical courses like First Aid, Safety First, spraying,

computer and fertilizer and irrigation courses.

- o Recommendation: The employer must stimulate the workers to follow relevant courses. In the Netherlands a large part of the cost of these courses are subsidized by the cash of a kind of labour tax (STOAS). Use practical courses as a stepping stone for other types of courses.

**Work consultation and work evaluation meetings:**

- o Target situation: Exchange of information to and from the personnel is regular and well-organized. The amount of work and the allocation of tasks are clear for all members of staff. There is regular attention to the functioning of the workers in the individual work evaluation meetings and to their development within or outside the company.

- o Present situation: In many companies the meetings about work allocation take place during the coffee break or while the staff are working. Work evaluation meetings are not yet widespread and any agreements made are rarely monitored.

- o Recommendation: Maintain a regular and well-organized form of work consultation especially in larger (>2 ha) nurseries. Include the business plan and the results in this consultation. Make it clear in the individual work evaluation meeting what sort of development is expected from a worker. Also discuss training and courses in the meeting.

When these results are implemented within the company or business, we conclude that both the role of the employer and the employee must change in able to react to the changes in the market. In the following table the desired roles (target situation), the present situation and the recommendations to achieve the ideal situation are explained. This has been done for 3 sizes of nurseries.

Nursery < 1,5 ha:

Employer:

- o Target situation: A team player who shares his responsibility with the personnel.
- o Present situation: Often a soloist who makes decisions alone and regulates personnel during their work. Has sole responsibility.
- o Recommendation: Reserve time to talk through the activities on the nursery and share your ideas and perspectives for the future. Give every member of staff suitable responsibilities and authorization.

Employee:

- o Target situation: Takes responsibility for what he can and is proud of the company.
- o Present situation: Has created his own position and does work he is good at and is content with this situation.
- o Recommendation: Look further than your own work. Think about your role within the company. Give your opinion about how things are organized and what you want to change.

Nursery 1,5 – 3 ha:

Employer:

- o Target situation: A team player who has divided the tasks, authorization and responsibilities over the personnel. Provides insight into his plans and the planning for the company.
- o Present situation: Has difficulty in dividing his time between the crop and matters



relating to marketing, personnel and perspectives for the future. Needs someone with which to share the responsibilities.

- o Recommendation: Make an inventory of all the tasks together with personnel. Discuss with each of them what they want and what they can do and then together design an organization chart with a relevant division of the tasks, authorization and responsibilities.

Employee:

- o Target situation: Takes responsibility for his share and is actively committed to the whole company.

- o Present situation: Carries out instructions without knowing the internal relevance within the company. Only partly knows what the company represents. Some of them are uncommitted and temporary workers.

- o Recommendation: Look within the company for tasks for which you can and want to be responsible and discuss this with employers and colleagues.

Nursery > 3ha:

Employer:

- o Target situation: Involve all the staff in the development of company policy for the future and in the way these ideas can be accomplished. Make personnel aware of their qualities and provide each of them with suitable tasks, authorization and responsibilities.

- o Present situation: In most cases the management is formed along with other members of the company. Together they have the responsibility for the daily running of the business. The work and the work load are discussed and allocated to members of staff.

- o Recommendation: Involve more people in the development of a company policy for the future. Make a clear allocation of tasks within the management. Spend time on the exchange of information between the employer and the managers and workers.

Manager:

- o Target situation: Is the pivot between the employer and the workers when it involves the introduction and acceptance of collective company policy. A team player who has divided the tasks, authorization and the responsibilities over the workers.

- o Present situation: Is often responsible for the supervision of the workers. Is involved by the employer in development company policy for the future.

- o Recommendation: Responsible for regular work consultation so that each worker knows what is expected from him. Discusses the daily tasks and the comments from the workers.

Worker:

- o Target situation: Takes responsibility for his share and is actively committed to the whole company.

- o Present situation: Carries out instructions without realizing the internal relevance within the company. Only partly knows what the company represents. In some cases is an uncommitted and temporary worker.

- o Recommendation: Look within the company for tasks for which you can, and want to be responsible and discuss this with employers and colleagues.

### **Employers groups**

To assist in the transformation of employers/growers from expert to entrepreneur Applied Plant Science (PPO - Glas) started in 2005 with so-called “Ondernemersgroepen” (Employers groups). In groups of 10 to 15, the growers shared experiences on several areas of entrepreneurship and these groups were advised by specialists within these areas. Personnel policy and insight into how the employers function within the company were areas which were discussed. Additionally strategic development, market forces, marketing channels, finance, research and development, and cooperation were also in the program. The number of participants in these groups was above expectations.

### **FINALLY**

Dutch horticulture is moving away from small scale (family) businesses to large-scale companies. The management must anticipate the developments and consequences of the scaling-up of companies if they want to remain ‘in touch’ with the production of a top-quality Dutch product. The ‘old’ glasshouse grower must become an entrepreneur conscious of all the aspects of entrepreneurship. Personnel management is an important part of this. There are now signs that the industry is recognizing the need for these developments.

### **LITERATURE**

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