

Labour Management

OBJECTIVES

- To define farm labour management and to identify the unique characteristics of labour management on farms.
- To explain and discuss the employment, training and motivation of labourers.
- To pay specific attention to the motivation of farm labourers.
- To explain the remuneration of farm labour and offer guidelines in this regard.
- To emphasise a few ideas about proper utilisation of labour on farms and the importance of labour records.

Labour is one of the production factors in the enterprise and, like all other production factors, calls for thorough planning, organisation, implementation and control. Labour management is aimed at the efficient use of human resources and therefore increased labour productivity. In its turn, greater labour productivity could lead to increased profitability of the enterprise and more leisure time for the farmer and his employees.

The importance of labour management depends on the specific farming conditions. In the case of a small, extensive cattle farm where the farmer and one labourer provide all the labour, labour management will be unimportant, but in the case of a large fruit farm, labour management is very important. As in the case of other farm management aspects, the implementation of sound labour management principles cannot guarantee success, but its absence will result in failure in the long term. Many farmers have been forced to abandon farming because of labour problems.

Labour input is one of the agricultural inputs that shows a decline. This trend is especially obvious in Western countries (Western Europe, the USA and Canada), but it is also becoming evident in South Africa (see table 10.1). There are various economic and social reasons for the decline in agricultural labour: *urbanisation* and an increase in *agricultural mechanisation* are probably the most important.

Table 10.1 Economically active population (EAP) in agriculture* in White areas ** of the RSA, 1970 and 1980+

Population group	1970		1980	
	Number	% of EAP	Number	% of EAP
Blacks	1 128 987	28,4	902 200	20,2
Whites	97 652	6,5	101 780	5,4
Coloureds	116 594	16,4	148 920	16,1
Asians	7 243	3,8	7 640	3,0
Total	1 350 476	21,2	1 160 540	15,4

+ Joubert, J.S.G. & Van Wyk, B.J. *Arbeid in die Suid-Afrikaanse Landbou*, Silverton, Pretoria: Agrocon, p.6 (Paper)

* Agriculture, hunting, forestry and fishing.

** Excluding National and Independent states.

Urbanisation and the concomitant depopulation of the rural areas are the result of the modern industrialisation and economic development processes. Several attempts — such as industrial decentralisation — are being made in South Africa to counteract this process. However, in many instances these efforts do not favour the agricultural labour situation and sometimes they even have a negative effect because of the labour benefits made available to decentralised industries. In certain border areas and at industrial growth points, these benefits lead to unequal competition for labour between farming enterprises and local industries, especially as regards the better-trained labour force.

Agricultural mechanisation, new farming technology and the development of agro-chemicals made a major contribution to the decline in physical labour input, and ultimately to a decrease in the number of labourers on farms. Bigger tractors need fewer operators, chemical weed control reduces hand hoeing and automatic cattle feeders eliminate manual labour. Examples of the drop in the number of regular and casual farm labourers for the RSA emerge from table 10.2. According to this table there is an annual decline of 2,17% in regular and 4,41% in casual farm labour, while the percentage drop (1969 to 1978) for regular Black labour was 30,2% and that for casual Black labour 34,3%. Although new official statistics have not yet been published, these trends seem to be increasing rather than declining.

Increasing mechanisation, automation and agro-chemical developments not only reduce labour forces, but also shift the emphasis from physical effort to greater expertise. The use, supervision and maintenance of new farming aids demand greater technical and professional skills and these demands place greater emphasis on the quality, skill and training of farm labourers. Consequently a better trained

labour force demands greater skill from the farmer in terms of personnel administration, labour management and labour relations.

Table 10.2 Changes in regular and casual farm labourers in the RSA for 1969 and 1978*

Population group	Regular labourers		% change	Casual labourers		% change
	1969	1978		1969	1978	
Blacks	798 470	557 524	-30,2	650 338	427 055	-34,3
Coloureds	102 473	104 267	+1,8	125 194	89 909	-28,1
Asians	4 502	3 623	-19,5	1 590	122	-92,3
Whites	14 623	14 139	-3,3	1 794	611	-65,9
Total for all races	830 068	679 193	-18,2	778 966	517 697	-33,5
Annual growth rate	1969 to 1978		-2,17%			-4,41%

* Agricultural censuses for 1968/69 and 1977/78 - numbers as in August of each year.

DEFINITION OF FARM LABOUR MANAGEMENT

Labour management in the farming enterprise is not synonymous with the task of the personnel manager in the ordinary business enterprise. In addition to the tasks usually assigned to the personnel manager such as recruitment, selection and training, it also involves the management of personnel, that is the operative task. Such *management of labour* is the task carried out by a manager/foreman/section head, and includes aspects such as communication, motivation and delegation. Labour management on a farm in addition embraces a task normally carried out by the manpower or labour relations manager in big business enterprises, namely to maintain good labour relations between races and with tribal captains, local authorities and national states.

In brief, farm labour management involves personnel administration, labour management and the maintenance of good labour relations.

This chapter deals with the former two aspects under the overall heading of *labour management*.

UNIQUE FEATURES OF LABOUR MANAGEMENT ON FARMS

In contrast with a machine, full-time labour cannot be stored and only used under certain circumstances and for certain times of the year. On the contrary, the manager and labourers are in constant interaction with one another.

Full-time labourers usually live on the farm and this leads to social and personal involvement in the family and community life of farm workers. This sometimes means that the farmer must fulfil the role of father, mediator and patron, which often cannot be separated from his task as labour manager. Due to the fact that farm labour is often resident, we also find greater mutual family involvement. In these circumstances the farmer's wife or the labourer's son, for example, could sometimes cause tense labour relations.

The human factor, although not unique to farm labour, is a distinguishing factor in labour management. The labourer is not only a physical mechanical labour machine, but first a human being with feelings, values, prejudices, aspirations, fears and physical limitations. That is why his state of mind and productivity are influenced by factors such as his family, health and mental condition and changes in these and in his working conditions mutually interact. Because the same applies to his manager or supervisor, the chances for potential conflict are enhanced. A knowledge of psychology and sociology will therefore be valuable to the farmer, as would a knowledge of, insight into and understanding for the outside the work situation of his subordinates.

EMPLOYMENT OF FARM LABOURERS

Task analysis and work specification

To function efficiently, the farming enterprise, depending on its size and nature, must have a specific labour force. However, before an individual can be recruited and employed, it is necessary to determine what tasks have to be carried out since this will determine the type of labourer required. Because most farmers are closely involved in their enterprises, it is usually unnecessary to make a formal task analysis. However, be it formal or informal, task analysis is important.

Task analysis entails the determination of the scope and duties involved in a task.

To put it more simply, the farmer must assess the task or duties that a prospective employee will have to carry out and on the basis of this he can determine what

type of labourer he is looking for. The latter is known as work specification, but in essence it means —

A specification or description of the person needed to perform the specific task.

Both task analysis and work specification could be done in great detail and include a formal description of the elements of the task and the special skills, training and personality traits expected from the prospective employee. Such detail is only required in a limited number of farming enterprises. On most farms the farmer need only be aware of these so that he is in a position to align his personnel requirements and the quality of his personnel.

Recruitment

Recruitment is the process via which potential employees are invited to seek employment in the farming enterprise.

This could be formal, by way of an advertisement in which the task analysis and work specifications are explained, or informal as in the case of a verbal invitation. Regarding recruitment, the farmer must have a knowledge of the possible labour sources in his area and how to avail himself of these sources. Recruitment can be either from within or from outside agriculture. Whatever the method, it is always good to emphasise the advantages of farm work when recruiting. These advantages are given below. A few disadvantages of farm work are also given and the farmer should be aware of these.

General advantages of farm work

- The work is mostly out in the open and with plants and animals
- Work both indoors and outdoors
- The work varies from season to season
- Achievement can usually be measured
- Good family life
- Good non-cash benefits.

A few typical disadvantages of farm work are

- Relatively low cash income
- Sometimes remote from training facilities and entertainment
- Long working hours
- Sometimes difficult working conditions in terms of weather conditions and physical exertion

- Low prestige value and relatively poor scope for promotion.

Selection

During the selection process the applicant is judged to determine whether he meets the requirements for the job. Several methods and procedures can be used for selection, the most practical of which, in the farming situation, are selection tests, interviews, and checking previous references.

Selection tests: Two types of tests can be used. The first consists of scientific tests specifically designed for Blacks with minimum qualifications to measure skills such as ability to concentrate, perceptual analysis and spatial ability.

These tests are obtainable from the National Institute for Personnel Research (NIPR). To use them, the farmer himself must at least have matriculated and have attended a special training course at the NIPR.

The second type of tests are so-called situational tests. For example if the applicant states that he is a good tractor driver, the farmer can ask him to link up an implement or have him use the implement on a cultivated piece of land specially set aside for this purpose. If he maintains that he has experience of a dairy, he can be asked to do a job physically, or he may be asked to give an exact description of exactly how he will care for the cows every day.

With a little imagination any farmer can devise a few tests to test basic skills.

Interview: Most farmers only have a general conversation with the applicant. They ask him what type of work he knows and where he was employed, without going into details. The decision to appoint or not to appoint is usually taken within the first three minutes of the conversation and the decision is based on "a feeling that he likes (or dislikes) the man".

The following is the minimum information that should be obtained in an interview:

- A complete record of service. Where he was employed, for how long, remuneration (wages and benefits) and why he has left his previous employment. He must know that his previous employers can be contacted to confirm these facts.
- What types of work did he do? Here a distinction must be made between work which he did on his own, and work where he merely assisted. He must also be asked to describe the work in detail. (A further test to find out how well he knows the work.)

Reference enquiries: A telephone call to one or two previous employers could obviate many problems. Such a query has two objectives, namely firstly to confirm

the applicant's statements, and secondly to obtain information about reliability, ability, honesty, drinking habits, etc.

If able and experienced personnel are already employed on the farm, they could make a valuable contribution. Some Boland farmers have introduced workers' councils on their farms. Such a council is elected annually by the labourers and handles all recruiting and selection - in most cases more successfully than the farmer himself.

Placing

Better utilisation of individuals' aptitudes is achieved by

- better selection, as mentioned above, and
- effective placing.

"The right man in the right post" is a topic often discussed, but little is done about it. Very few farmers are prepared to spend time on finding out from their labourers what type of work they would like to do and for what type of work they think they have the greatest aptitude.

Placing is based on the selection process, but it involves more than merely accepting or rejecting the applicant. It also includes assessment of the individual according to the labour requirements of the entire organisation.

The following are some of the considerations that apply here:

- Both the present and future requirements of the enterprise
- The development potential of the labourer
- His potential for a different task.

Induction

Induction is the process according to which the new employee is introduced to the organisation, and the organisation to him. This first interaction between employee and organisation is important and must be handled with care. During this phase all relevant information must be given to him and he must be given the feeling that he 'belongs' on the farm. In other words, the employee must have absolute clarity about his place in the organisation and he must know exactly what his rights, privileges and duties entail.

Initial training

While induction is regarded as a general introduction of the employee to the organisation, initial training concerns his introduction to the specific task or tasks to which he has been assigned. Whatever the qualifications, experience and ability of the new employee, some or other form of initial training in the new organisation is always necessary before he can become a full and productive worker. Each

individual farmer has his own way of doing things and the new worker must at least be trained in these methods.

Evaluation of labour employment procedures

From the preceding it became clear that the employment of labour is a scientific process at all levels, and it involves several steps. It is important for the farmer to evaluate the efficacy of his labour employment methods, and to adjust them if necessary. It is felt that many farmers employ their labourers quite randomly. The following factors indicate a need for re-evaluation of the procedures used to employ labour:

- Relatively low labour productivity;
- High labour turnover among newly-appointed labourers;
- Dissatisfaction of supervisors about newly-appointed labourers;
- A long initial training period; and
- A scarcity of workers who are suitable for more responsible work or promotion within the organisation.

If one or more of these factors occur in the farming enterprise, it indicates that too little attention is paid to the steps in the employment process and that the farmer should revise his methods.

TRAINING

Agriculture increasingly has to do with a segment of the labour force that is relatively unproductive in agriculture, but has little prospect of employment outside agriculture.

On the demand side there are some job opportunities, and sometimes even a need for more skilled labour. Unfortunately, owing to the urgent need for such persons in the other sectors, agriculture cannot compete with those sectors that have a high growth rate.

Training is one of the most important methods to overcome restraining cultural influences. It also brings about a marked change in the Blacks' differentiation of thought and leads to increased productivity. A lack of skill is often due to a lack of training. Too often workers are "trained" by watching how other workers perform the task. He will eventually learn *what* has to be done, without understanding *why*. Then, when a problem or crisis arises, he doesn't know what to do because "the boss did not tell him". In the meantime the farmer is desperate because his workers never display initiative or "cannot think for themselves".

In South Africa there is at present still a lack of training for farm labourers. There are now training centres at Potchefstroom and at Elsenburg where farm labourers are trained in various technical aspects such as tractor driving and maintenance, bricklaying and fencing, but these facilities are in no way adequate.

Apart from the formal training courses offered by agricultural institutions, much can be done on the farm by means of training classes (e.g. one afternoon per week) to equip farm labourers with theoretical knowledge and practical training. The major objection to such training is usually a lack of time because there is too much pressing work on the farm. Something like the wood-cutter who has no time to hone his axe because he is too busy chopping trees. Further objections are that labourers, once they have been trained, demand higher wages. Trained labourers are easily drawn to industries which then reap the benefits of the training at the expense of the farmer. Another objection is that trained labourers often assume a superior attitude towards their fellow labourers and this leads to friction.

MOTIVATION

Attitude is probably the most critical factor as regards the productivity of a labourer. He may have all the necessary knowledge and skill, and be exposed to the most advanced working methods, but if he does not feel like working, he will not be productive. His level of motivation therefore plays a vital role in determining productivity.

Motivation can be regarded as the inner driving force of a person which enables him to act and respond even in the absence of any external driving forces. In this respect motivation can be linked to the will of a person.

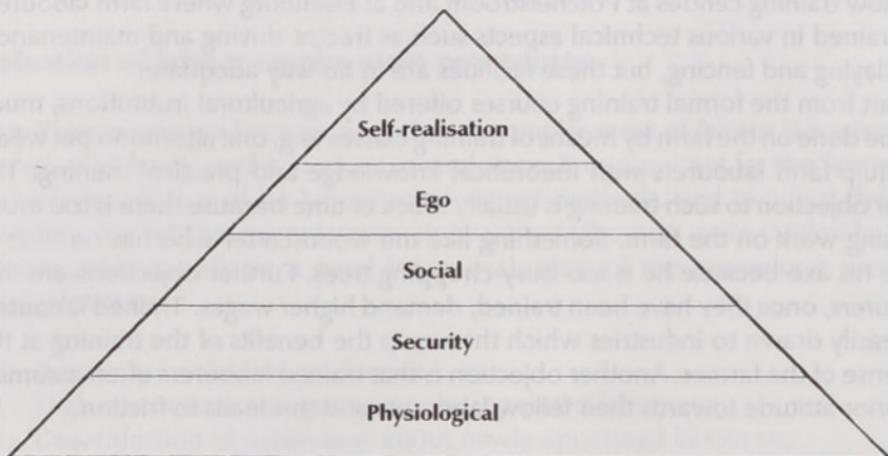
Motivation theories

Maslow's theory of the hierarchy of needs

Maslow studied motivation in man in 1954, with the point of departure being need-satisfaction. He held the view that by nature man strives to satisfy his needs and once a certain need has been satisfied, it is replaced by another. In his view this incentive of need-satisfaction is essential for man's survival. According to Maslow human needs are arranged in a hierarchy in the following way:

- *Physiological needs*: These consist of the basic necessities of life such as food, water, clothing, shelter and sexual satisfaction. Satisfaction of the physiological needs will motivate a person until such needs have been largely satisfied; at that point they cease to motivate and the next level of need-satisfaction emerges as the dominant drive.

Figure 10.1 Maslow's hierarchy of needs



- *Security needs:* When the physiological needs have been more or less satisfied, security needs come to the fore. These include the need to be free from fear of physical threat, and the fear of being deprived of basic physiological needs. They, therefore, mainly concern security for the future.
- *Social needs:* When the physiological and security needs have been satisfied to a reasonable extent, the importance of social needs increases. Man is a social being and needs to belong to a group and to be accepted by the group. When a social need begins to dominate, a person will strive to establish favourable relations with people.
- *Ego needs:* Once an individual has started satisfying his social needs, he wants to be more than just a member of a group. He then becomes aware of self-esteem and begins to experience needs for self-confidence, prestige, independence, power, knowledge and achievement. The need for recognition, appreciation and respect also come to the fore. Unlike lower-order needs, ego needs are rarely fully satisfied.
- *Need for self-actualisation:* The highest level in the hierarchy of needs is the need for self-actualisation. Self-actualisation is the need to realise one's own potential, to experience sustained self-development and to be creative. Individuals satisfy this need in different ways: in one person it could find expression in managing an organisation, in another to be a good athlete, in yet another to have technical skills, and in a fourth to be an accomplished musician. Every person maximises the potential in respect of that which is important to him. The way in which self-actualisation needs find expression

can change during the course of a person's life. For example, where self-actualisation was achieved through muscular and other physical forces such as in sport, another source of self-actualisation may be sought when physical powers fail because of age. A lack of aptitude, skill or opportunity could restrict healthy expression of the need for self-actualisation.

When people's basic needs have been satisfied and they pursue the satisfaction of higher needs, any factor that prevents them from achieving such objectives could be a serious source of discontent.

According to Backer¹ the need that activates the organism, is the "dominant" need and it manifests when needs at the lower level have largely been satisfied. This does not mean that a person no longer has to satisfy these latter needs, but only that they cease to be a force of motivation when they have been satisfied. It is also not necessary that one group of needs must be fully satisfied before the next group emerges. Most people's basic needs are simultaneously partially satisfied, and not satisfied.

Motivation is therefore the pursuit of or encouragement to satisfy each successive need. Worker incentives based on needs already satisfied therefore have little value.

Herzberg's motivational hygiene theory (MH)

Another view of motivation is that of Herzberg who divides motivating factors into two groups, namely motivators and hygiene factors.

Figure 10.2 Herzberg's view of motivation

Motivators		Hygiene factors	
1	Achievement	7	Salary
2	Recognition of achievements	8	Supervision
3	Possibility of growth	9	Relations with supervisor
4	Promotion	10	Relations with subordinates
5	Responsibility	11	Relations with fellow workers
6	The work itself	12	Company policy and administration
		13	Physical working conditions
		14	Factors in personal life
		15	Status
		16	Job security

These factors are typified by constant mutual interaction and overlapping. The hygiene factors concern job circumstances and are related to the treatment of workers. Neglect of these factors leads to dissatisfaction and a low morale. The

motivators are long-term factors that offer more opportunity to achieve *satisfaction* by satisfying needs.

DEFINITION OF THE FACTORS THAT DETERMINE JOB ATTITUDES²

- *Achievement* means the successful completion of a task, the solution of problems, the maintenance of a position and the visible results of one's work.
- *Recognition of achievement* can be given by virtually anyone, for example the supervisor, a member of management, or management as an impersonal entity, a client, a fellow-worker or the general public. Conscious recognition and encouragement or praise are involved here. Recognition can be by means of verbal praise, thanks, encouragement or a promotion or increase in wages.
- *Possibility of growth* signifies growth in knowledge and skills, status and seniority. Opportunities for training play an important role in this factor.
- *Promotion* means change in status or position and goes hand in hand with more responsibility.
- *Responsibility* means that a person is given more responsibility and authority over his own work or the work of others, or that he is given completely new responsibilities. The degree of supervision over someone's work is directly related to his responsibility.
- *The work itself* could be of a repetitive or varying nature, creative or pointless, very easy or difficult. A person's job could consist of an independent task unit or it could be restricted to a very small component of the task.
- *Salary* includes all factors in which financial remuneration plays a role, such as wage increases, remuneration for extraordinary circumstances, wage administration and the amount of the wage.
- *Supervision* concerns the supervisor's knowledge of each subordinate's task, the guidance which he gives and the problems which he solves.
- *Relationship with supervisor*: Someone may have a pleasant relationship with his supervisor; he could learn a lot from his supervisor; his supervisor could intercede for him with management; the supervisor might be honest and willing to listen to suggestions and give recognition for work well done.
- *Relationship with subordinates*: Positive interpersonal relationships are maintained with subordinates when a supervisor gets their support, is accepted, does not begrudge them promotion and the subordinates avail themselves of the opportunities for development created for them by the supervisor.
- *Relationships with fellow workers*: A pleasant relationship prevails between a person and his fellow workers when he likes them, has their co-operation and he forms a closely-knit group with them.
- *Company policy and administration*: This factor denotes the efficiency of the management of the organisation. It includes aspects of management such as

communication, work organisation and layout of production machinery. It also includes the policy of the organisation in respect of personnel, personnel facilities and the non-financial fringe benefits.

- *Physical working conditions*: This refers to the amount of work, availability of facilities such as production machinery and protective clothing, and aspects of the physical environment in which the work is done, such as ventilation, lighting and work space.
- *Personal factors*: Job requirements such as the necessity for having to work long hours over-time for an extended period or a forced transfer could influence the worker's personal life, which in turn would lead to a specific attitude towards his work.
- *Status*: This denotes status symbols such as the title of his post, the size of his office, a secretary, company car, the right to park within the security fence and similar privileges.
- *Job security*: A person could experience a feeling of security in his job when he feels that his job is secure, that he will not easily be dismissed, that the financial position of the organisation is sound and that he enjoys long-term security because of a sick fund and a pension fund to which he belongs.

FORMULATION OF THE MH THEORY

According to the MH theory, job satisfaction is mainly created by the motivators, and discontent by the absence or deficiency of hygiene factors. From this Herzberg deduces that these two groups of factors do not lie on one continuum, but on two separate continua. The absence of motivators leads to a condition of *no* job satisfaction, while the presence of hygiene factors leads to a state of *no* job dissatisfaction. The hygiene factors refer to the circumstances surrounding the job, and the motivators to the job itself. Both sets of factors are equally important for the worker, although the effect of the hygiene factors is of short duration and that of the motivators lasts longer.

RESULTS OF A STUDY

A study by Backer³ was based on the attitude responses of 2 166 employees in the employ of 30 organisations in all four provinces of the RSA and in Transkei. A wide range of economic activities were performed by the respondents. Of the total random test, 1 274 were Black unskilled labourers, 341 Black semi-skilled, 167 Black skilled, 355 White skilled workers and 29 White managers.

Respondents were asked to describe incidents of satisfaction and dissatisfaction experienced in their work. Herzberg's structured critical-incident questionnaire was used for the Black and White skilled employees and managers, and the semi-structured critical incident interview for the unskilled and semi-skilled Black employees.

The two main factors influencing satisfaction and dissatisfaction for the five groups, in order of importance, were as follows:

Job level	Satisfaction	Dissatisfaction
<i>Whites</i>		
Management	Achievement and recognition	Supervision and company policy
Skilled	Achievement and recognition	Company policy and supervision
<i>Blacks</i>		
Skilled	Achievement and recognition	Relations with supervisor and company policy
Semi-skilled	Wages and promotion	Wages and relations with supervisor
Unskilled	Wages and company policy	Wages and supervision

With regard to the rank-order of all satisfaction factors, there was a high correlation among the various higher job levels, but a low correlation between the unskilled employees and the rest. In the rank-order of dissatisfaction factors there was a high correlation among all five job levels.

Although achievement and recognition were the most important and satisfaction factors the second most important for both Black and White skilled groups, significant differences were obtained in respect of five of the motivators for Black skilled employees. In the White skilled group, relationships with fellow workers play a more important role as a satisfaction factor than in the Black skilled group.

Black skilled employees experienced dissatisfaction to a greater extent as a result of too few opportunities to achieve, unfavourable relationships with the supervisor and lack of status and security than was the case with the White skilled employees.

In the latter group incompetent supervisors and poor relationships with fellow workers played a bigger role as a dissatisfaction factor than with Black skilled employees.

IMPLICATIONS FOR MANAGEMENT

Herzberg's⁴ main contribution lies in the fact that regarding work motivation, he made a distinction between the factors related to the job itself and those occurring in the work environment.

Labour problems in organisations can be diagnosed with the aid of the managerial strategy of job enhancement, or through proper management of the motivators and the hygiene factors. This relates to the need of employees to be well treated and utilised.

All people, regardless of race, sex or type of work performed, have a need to be usefully employed and well treated, which is why it can be accepted that the MH theory applies to everyone.

The MH theory applies as much to the Black labourer as the White manager. Herzberg's classical profile in which the motivators are mainly responsible for satisfaction and the hygiene factors for discontent, is a profile of normal people under normal working conditions, that is, where they are given both opportunities for achievement and growth, and are treated well.

If people are poorly utilised and badly treated, their attitude profile will deviate from the standard one. The classical profile is a standard, with which that of any group of people can be compared in the same way that 36,9 ° C is the standard with which body temperature can be compared.

It is wrong to infer that because Black workers at the lower level do not quote motivators as sources of satisfaction — mainly because they have had little or no experience of them — they are not interested in meaningful work and that the MH theory therefore does not apply to them. Motivators will only be cited to the extent in which employees are exposed to them. This is substantiated by the rising contribution of motivators to satisfaction at higher job levels that emerges from Backer's study.

The characteristics of the motivation patterns of employees of different racial and sexual groups at different work levels of work revealed by this study, should be of assistance in planning better utilisation of the available labour sources in Southern Africa.

MOTIVATION OF FARM LABOURERS⁵

In the previous section the motivation theories were dealt with and the findings of Backer's study were mentioned. The following questions now arise: Is it also applicable to farm workers? Is one farm labourer simply diligent while another is lazy by nature? Does motivation depend on his personality, education or culture? Is there anything a farmer can do to motivate his farm workers? Is it possible to motivate all workers?

The answers to these questions are divergent. Although motivation does not depend on a person's education, nature or culture, it is nevertheless true that some people simply cannot be motivated. However, because this percentage is low (about 10%), the farmer can successfully motivate his labourers. In many instances the farmer himself is a bigger obstacle to motivation and better utilisation of the farm labourers than the labourers are.

The farmer's management theory plays a role here. Every farmer — consciously or unconsciously — applies a management theory or philosophy on his farm. He has certain preconceived ideas about his employees and about whether certain things will succeed on his farm or not.

However, if all the assumptions and theories of different managers are added and analysed, it appears that there are basically only the following three management theories:

- The traditional theory
- The human relations theory
- The human resource utilisation theory

The traditional theory

Farmers and managers who adhere to this theory believe that most workers —

- regard work as unpleasant — they are inherently lazy and will do the absolute minimum so as to stay out of trouble;
- are only interested in money — they will do nothing extra if they are not paid extra;
- evade responsibility — they prefer to leave decisions to others and will also blame others if things go wrong; and
- are unable to solve their own work problems — they cannot think independently.

If the farmer has the above attitude, it will definitely have an influence on the way in which he manages and motivates his workers.

If he believes they are lazy, he will keep a constant watch on them and exercise strict supervision. If he believes that they are only interested in money, he will try and motivate them by offering more money. If he is convinced that they shirk responsibility he will do all the *thinking* and only leave the *doing* to them. If he believes that they cannot solve their own problems, he will not give them the opportunity to do so, and will exactly explain every task in detail without allowing them to display any initiative.

The human relations theory

Farmers and managers who advocate this theory, believe that —

- all workers have individual needs, feelings and moods — they are human beings first, and then workers;
- most workers want to be part of the farming enterprise — they want to feel that the enterprise cannot do without them;
- workers' social needs equal their financial needs — they are attuned to working together pleasantly; and
- most workers want to be kept informed — they want to know what is happening and what is planned.

If a farmer adheres to this theory, it will influence his style of management and his way of motivation. If he believes that his workers are human beings, he will treat them with respect, and justly, and will want to learn more about their background and culture. If he believes that most workers want to have a feeling of importance, he will constantly tell them how important they are to the enterprise, even if he does not always believe this to be the case. If he believes that their social needs are important, he will encourage and promote social activities by, for example, making available a community hall and a soccer field. If he believes that they want to be informed, he will keep them abreast of things by telling them what he is planning for the next season.

The human resource utilisation theory

Farmers who favour this theory believe that most workers —

- find work pleasant if they can pursue meaningful objectives — they enjoy working if they feel that they are achieving something;
- would like to demonstrate what they are capable of — they like to be left alone and have the chance to prove what they have in them;
- have unexploited intelligence — they have good insight and could make a valuable contribution to the work methods; and
- can compile their own work plans and standards and would like to measure their own performance — they will decide for themselves whether a task has been well or poorly done.

If a farmer holds the above views, he will also act accordingly. If he believes that his workers enjoy the work when they are pursuing meaningful objectives, he will help them to formulate meaningful objectives. If he believes that his workers want to demonstrate their abilities, he will give them the opportunity to do so and encourage them to display initiative. If he believes that they often have unexploited intelligence, he will involve them in planning and decision-making. Finally, a farmer who feels that workers can draw up their own work plans and standards, will delegate responsibility to them and allow them to make decisions within their sphere of responsibility.

Which management theory gives the best results?

In practice the traditional and human relations theories are the ones most often applied. In the real situation the first theory means that farmers believe that *the only way to work with him is to keep him in his place*. In practice the human relations theory means that the farmer is gentle, humane and somewhat over-

cautious: *I am afraid if I am too harsh he might leave.* There are, however, farmers who apply the human relations theory very successfully, and the question that arises is which theory works best. There are proponents for each theory and some farmers believe that a combination of the three will give the best results.

In reality, all three apply, since every farmer who takes a certain approach and therefore advocates a certain theory, usually finds proof that he is right. This phenomenon is known as the self-realisation prophecy and means, for example, that a farmer who believes that his workers are lax will constantly watch and drive them. If he does on occasion allow them to work without supervision, he finds evidence that little has been done in his absence. The reason for this can naturally be attributed to his own attitude. The workers have become accustomed to the fact that only the "boss" decides what, when and at what rate things must be done. In his absence the workers have no own initiative, leadership or motivation to work. When he is present, however, the work goes well and there are few problems.

The question is therefore not which theory will work - all three theories work. It does, however, depend on the "boss" which theory, over the long term, will be most successful with the least effort, inconvenience and time for himself. In these respects the human resource utilisation theory will probably be the most successful.

The role of the farmer/manager in motivation

The manager is very often seen as someone who gives instructions and orders, takes the decisions and sees that the instructions are executed properly. This is a very natural reaction to the management function, not only on the farm, but in all fields of management. Such a role, however, demands the constant presence of the manager; the workers must be hurried along to finish the job and he himself must be involved in even the most trivial problem. Often he becomes so involved in the daily activities that he simply does not have the time for planning, self-development, etc.

However, the professional manager regards his task rather as equipping and motivating his workers so that they can function efficiently. To do this he must ensure that he meets all the expectations of the worker — expectations of which the worker himself is often unaware, but which form an integral part of his human needs.

A worker expects the following from his manager:

- To spell out the results that have to be achieved.
- To give him the opportunity to prove himself.

- To tell him how he is progressing.
- To assist him when necessary.
- To reward him according to his contribution.

The above steps form the so-called management cycle and the manager who meets these expectations will undoubtedly increase the productivity of his personnel.

Spelling out the results that have to be achieved

All too often workers are given instructions in terms of what they *must do* rather than what they must *achieve*. In most cases this results in the execution of tasks without using their discretion about the best working methods. This does not mean that workers need not be trained, but that the results must first be identified and the workers must then, where necessary, be shown how to go about the task.

Identifying results is often a difficult task that demands a lot of thought. The questions: "How will I know whether this worker is efficient or not? How do I measure his efficiency?" will, however, give a clue in terms of which clearly measurable objectives can be set for the worker.

Objectives need not be presented to individuals; they may be given to a group of workers. For example, an objective could concern a planting or milking team.

When such a team approach is used, team members have been found to exert mutual pressure on one another to achieve.

Opportunity for the worker to prove himself

Many of the problems that occur among the Black population are caused by a lack of self-respect. It is therefore important for a manager to offer his personnel the opportunity to develop self-respect. This can only be done if the worker is given responsibility, allowed to use his own judgement and is consulted about problems that he encounters in his work.

It has been proven time and again that the best solutions for problems are found at the level where the work has to be carried out. Every person has the need to be proud of his work achievements and will indeed develop such pride if he is held responsible for specific results and is given the opportunity to influence those results and is instrumental in doing so.

The worker must be informed about his progress

Everyone is sensitive to social feedback from others, which is apparent from questions such as: Do they like me? Do they respect me? It is important to any

person to have a criterion whereby he can measure his efficiency. Nothing is quite so demotivating as doing a task day after day without knowing whether it is being done poorly or well.

By providing regular feedback, especially by means of praise, the manager could play a major role in motivating his personnel.

A manager is often reluctant to compliment a member of his personnel openly when he has done a job well, because it makes him feel uncomfortable. Many managers also feel that a man is being paid to do a job well and that intervention is only necessary when he is under-achieving. Some managers fear that the worker might develop an inflated ego or that he may immediately insist on an increase in salary. In practice these fears have been proved groundless. Positive recognition is one of the most effective ways to encourage others, provided it is sincere and not mere flattery. This would amount to manipulation which would cast doubt on a manager's credibility.

Giving assistance when necessary

When a worker does not comply with the necessary standards, there are various ways in which the manager can react. He can ignore it and hope that performance will improve in due course, reassure the worker that it is unimportant as long as he tries his best, or he can berate him and threaten him with dire results if his performance does not improve. This behaviour, however, rarely has the desired effect. Either there is no improvement or the worker develops resentment because he has been belittled and in future ensures that he does only enough work not to be scolded, and there is no sign of improved productivity.

A better way to approach such an under-achiever is to treat him with dignity without lowering high standards in any way. A manager must be "hard" — but in respect of standards, not people. He must only be satisfied with the highest level of work performance, but to achieve this he must obtain the co-operation and motivation of the under-achiever by building up his self-confidence — not by breaking it down. Any farmer can ensure that his workers maintain a high standard without ever raising his voice and berating them.

Reward according to achievement

Finally, a worker must be rewarded according to his contribution. The next paragraph is devoted to this aspect.

REMUNERATION OF LABOUR

The question is often asked whether money is a motivator. This is a complex matter, but there is a lot of proof that money plays an important role as recognition for

achievement. When no distinction is made in the reward (financial and fringe benefits) between the contributions of individuals, this becomes a source of discontent, regardless of the size of the reward. The biggest problem experienced here is to determine how the contribution must be measured. This problem is caused by the differences in the demands of the work. Because higher demands are made on a tractor operator than on a labourer who has to dig a furrow, the tractor driver's reward should naturally be bigger. The question is: how much bigger?

Job evaluation makes it possible to measure different requirements in a systematic and comparable way. For this reason the starting point of a remuneration system should be job grading. Simple job grading systems are now available and these can be used very successfully to assess the jobs of farm labourers.

There are, however, also differences in performance within the same job grade and this makes it essential to measure performance according to a merit evaluation system. There are also useful systems for this that are applicable to farm workers.

A remuneration system that does not make a meaningful differentiation between good and poor achievers will create dissatisfaction among the high achievers and subdue their enthusiasm, while the under-achievers will make no effort to improve their performance. The reverse is also true, and could be of great value to the manager. According to the merit evaluation system the worker must make a certain input and the success with which this is done is in direct proportion to the reward which he receives. No-one will be prepared to make inputs if he is not rewarded for such inputs in one way or another.

Reward for labour can be divided into four categories, namely direct primary reward; indirect primary reward; direct secondary reward; and indirect secondary reward. It must be borne in mind that labour reward rarely consists of only one of these categories. A sound reward policy in reality consists of a combination of all four.

Primary labour reward

Primary labour reward can be defined as the financial reward given to the labourer for his input. Before analysing direct and indirect primary labour reward in more detail, it is necessary to make a few remarks about primary labour reward in general.

Remuneration policy

Any enterprise should have a clearly defined remuneration policy. When formulating such a policy, the following aspects should be borne in mind:

- Differences in remuneration must be based on differences in the input requirements of the work. The point of departure should be equal remuneration for equal inputs.
- Labourers who deliver the same quality of work and production, should receive the same remuneration. Their wages should correspond with that paid for similar quality work in the region, plus an additional amount based on production and income.
- A bonus based on profits will probably not be satisfactory if there are substantial fluctuations in annual profits.
- The nature and size of the bonus must be proportionate with the size of the enterprise, the ability of the labourer and his length of service.
- The system must be simple so that the labourer can understand it.
- If the compensation is based on a minimum production standard that standard must be within reach of the labourer.
- A group bonus could be successful if the total production of the group is the most important factor. High production is achieved through social pressure within the group.
- Labourers should be compensated for overtime. They must, however, be sure when and under what conditions it will be paid.
- The possibility of progress or promotion must form an integral part of the remuneration system.
- There must be a clearly defined procedure for hearing and settling remuneration grievances.
- All workers must know about all aspects of the remuneration policy, especially how remuneration is fixed.

Fixing remuneration

When fixing remuneration, the following should be taken into account:

- **Government policy:** All remuneration must be within the limits of such policy and regulations.
- **Labour supply and demand:** This could affect the level of remuneration, especially when there is a shortage of labour in a specific branch of industry or of a certain category of workers. The level of remuneration usually rises under such circumstances.
- **Labour organisations** often claim a minimum salary or wage for their members, or restrict the labour supply to increase the level of remuneration artificially.
- **The financial position of the farming enterprise.** Remuneration forms an important part of production costs and therefore also the fixing of wages. A

high level of remuneration could ensure enough labour, but have a negative effect on costs, so that the enterprise becomes unprofitable.

- **Productivity:** the remuneration must naturally be related to productivity. As long as a wage increase results in a more than equal increase in productivity, it favours the enterprise.
- **Cost of living:** A change in the cost of living could be taken into account when deciding on remuneration. When increases are not accompanied with increased productivity, this approach could have serious adverse effects. The situation may arise where an increase in the cost of living leads to an increase in remuneration, followed by an increase in the demand for products and a subsequent increase in prices (supply remains constant because productivity does not increase). This in turn leads to an increase in cost of living which again leads to an increase in remuneration.
- **Present remuneration:** the present level of remuneration in a particular branch of industry or of a specific type of worker must also be taken into account.
- **Secondary remuneration:** The nature and extent of secondary remuneration (which will be discussed later) will also influence the level of primary remuneration. A worker is often prepared to accept a smaller primary remuneration provided that the secondary remuneration is satisfactory.

Direct primary labour reward

Direct primary labour reward consists of the basic salary or wage received by the labourer. This is fixed by job evaluation, in other words, the fixing of relative cash values for jobs within the enterprise. A wage or salary rate or scale is then assigned to each job. The actual money value of the job depends on the general wage level in the particular branch of industry. The factors mentioned above must naturally also be taken into account. An important aspect of the direct primary remuneration is the distinction between time wage and piece wage.

Time rates

Time rates, also known as day rates, apply when a worker is paid a flat rate per time unit worked. He is paid a certain wage per hour, day, week, month or year, regardless of the amount of work he does. Time rates have the following advantages:

- They are simple to calculate.
- They can be applied to all tasks and in all situations.

- Because the time unit and the rate of pay remain relatively constant over the short term, labour costs can be budgeted very accurately.
- The worker is assured of a fixed wage and he knows exactly what his income will be for each period.

Time wage also has serious disadvantages, including the following:

- No distinction is made between the productivity of individual workers: the diligent worker and the sluggard receive the same wage. To overcome this drawback, a wide range of different wage rates per time unit are often introduced in large organisations. This often causes chaos and discontent.
- Since there is no connection between productivity and reward, a high degree of supervision is required, while it is theoretically possible to abolish all supervision when workers are paid per unit of production. Supervision often causes dissatisfaction among workers and is often expensive because the supervisor, although himself not really productive, usually receives a high wage. It is also sometimes necessary to supervise the supervisor.
- Time rates do not encourage the worker to improve his performance. This means that some or other form of additional incentive has to be introduced and this calls for a certain degree of exertion, time, money, co-ordination and planning to be effective. A good example of this type of incentive is the so-called "piece work" which many farmers give their labourers -if they have finished a piece of work, they have the rest of the day free. There are also other methods that will not be discussed here.

Piece rates

Piece rates, also known as incentive payments, mean that the worker is paid purely according to his productivity. A simple example of piece rates: a worker is paid a certain amount for each bag of maize harvested. Piece rates have one major advantage over time rates, namely that they serve as a direct incentive to increase productivity. If a worker knows that increased performance leads to increased direct primary remuneration, chances are that he will exert himself more. Piece rates can only be used if the following requirements are met:

- It must be possible to measure the worker's productivity. It is self-evident that unless productivity can be measured by quantitative criteria (number of units produced, total mass produced, etc.,) it is impossible to use the piece-rate system.
- The productivity of the worker must be directly related to his input. If reduced productivity is not due to a shortcoming on the part of the worker, but is caused by factors such as shortage of or faulty raw materials, wrong instruc-

tions, poor planning and the breakdown of machinery, he cannot be held responsible and be penalised. This implies that the whole production process must be highly standardised, well planned and well controlled. The farming enterprise with all its vicissitudes therefore does not readily lend itself to the implementation of a pure piece-rate system.

- It must be possible to link the production with a specific worker. If there is any doubt whatsoever about which worker must get credit for the production or what part of the production must be credited to a specific worker, a system of incentive wages cannot be used.
- It must be possible to increase productivity. The introduction of a piece-rate system is pointless and frustrating if it is impossible for the worker to increase his productivity.
- Payment of piece rates must contribute to a reduction in the cost per unit of production. The increased productivity must therefore compensate for the size of the piecework pay.

From the preceding it can be inferred that many tasks in the farming enterprise are not suitable for piece rates because of their particular nature. However, where a task complies with all the above requirements, a piece-rate system could well be introduced and prove a great success.

Indirect primary labour remuneration

Indirect primary labour remuneration also consists of a financial reward, but differs from direct primary labour remuneration in several respects. The most important difference is that, unlike wages, they are not paid to the worker direct; he receives them via benefits. The following are examples:

- Security (financial protection against risks) such as accident insurance, paid sick leave and medical funds or free medical services.
- Payment for time in which no work is done such as holidays and paid special leave for personal affairs.
- Bonuses and rewards not associated with worker input such as holiday and Christmas bonuses.
- Services, such as free or subsidised housing, food, transport and recreation facilities.

Over the years the extent of indirect primary remuneration increased and it now forms a large part of the total primary labour reward. It would benefit the farmer to pay more attention to this type of remuneration, particularly for the following reasons:

- Workers now attach more value to indirect remuneration than previously, and it is often of decisive importance when they decide to accept a job or resign from one.
- Indirect remuneration forms a substantial part of the labour costs and it is more difficult to budget for such remuneration and to control or diminish it than is the case with direct remuneration.
- Indirect remuneration is usually not related to productivity, but may have something to do with unproductivity.

These factors increase the importance of budgeting for indirect remuneration, but there are unfortunately many elements that cannot be determined accurately. Enterprises are often negligent about this type of remuneration and grossly underestimate their labour costs because they do not make adequate provision for such remuneration.

Secondary labour remuneration

Secondary labour remuneration refers to satisfying the worker's non-monetary needs. Every person has certain non-material needs of a psychological and sociological nature. These needs are also satisfied in the career situation and could be regarded as direct and indirect secondary remuneration. Direct secondary labour remuneration refers to satisfying needs at a formal or official level. Indirect secondary remuneration occurs when these needs are satisfied on an informal or non-official basis. The need for personal recognition, for example, can be satisfied by promotion (formal and official recognition) or through personal interest and friendship with the supervisor (informal and non-official recognition). These two types of secondary labour remuneration will not be discussed separately since they are closely related. However, when determining the value of secondary labour remuneration, this distinction must be borne in mind.

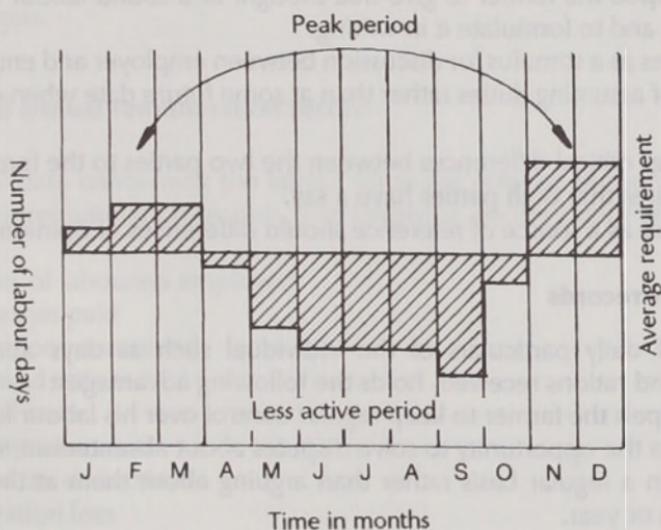
PROPER USE OF LABOUR

It is of economic importance to the farmer to plan his farm activities in such a way that his workers are kept busy evenly. Full-time labour cannot be broken up into units and only certain units used. The labourer and all his available time are employed and these hours must balance with the demands and other resources of the farm. If this is not the case, labour is either over- or under-utilised, with negative results for both parties. It is also not always possible to hire or dismiss additional labour, which is why good labour utilisation demands thorough planning.

Since part of the labour force must be permanently available on a farm, a distinction can be made between permanent and seasonal labour (casual labour). The remuneration of full-time labourers forms part of the fixed costs while that of seasonal labourers forms part of variable costs. From a profit point of view, it is essential that all resources that involve a high percentage of fixed costs (therefore also full-time labour) must be occupied as fully as possible. If, however, a farmer's labour needs follow a seasonal pattern (as depicted in figure 10.3), he may follow one of two approaches.

The *first* is to maintain his regular labour force at his average need and to hire extra seasonal labour to meet peak-period demands. A *second* approach that could be followed, especially where seasonal labour is scarce, is to adjust his labour force to his requirements in November and December. Surplus labour can then be used for other activities during the rest of the year. A critical point of distinction, however, is whether the bigger labour force is economically justifiable, either by the activity(ies) for which it was appointed, or by other activities. In South Africa there are still many instances where farm labour is *economically* lost during the so-called slack periods.

Figure 10.3 Example of a farm's labour needs during a year



LABOUR RECORDS

A good labour record system could make valuable contributions to better labour relations, more efficient use of labour forces and better planning of the enterprise as a whole.

Two main groups of labour records are essential if the farmer wants to succeed in these objectives, namely

- individual labour records, and
- summarised labour records.

Individual labour records

As the name indicates, individual labour records refer to the individual labourer. Several examples of individual labour records can be designed and used, but the two which could probably make the biggest contribution, are a condition of service record and a record of the individual's daily particulars.

Condition of service record

A proper condition of service record, called a *service contract* holds many advantages for both employer and employee. A few of these are the following:

- It compels the farmer to give due thought to a sound labour management policy and to formulate it in writing.
- It serves as a stimulus for discussion between employer and employee at the time of assuming duties rather than at some future date when controversies arise.
- It brings critical differences between the two parties to the fore.
- It ensures that both parties have a say.
- It serves as a source of reference should differences of opinion arise.

Daily labour records

A record of daily particulars of the individual such as days absent, amounts borrowed and rations received, holds the following advantages:

- It compels the farmer to keep regular control over his labour force.
- It offers the opportunity to solve disputes about absenteeism, wages, loans, etc., on a regular basis rather than arguing about them at the end of the month or year.
- It offers the labourer the opportunity to review his own situation from time to time in terms of days worked, amounts due and expected income.
- It offers the farmer a good way to keep annual labour records up to date.

Summarised labour records

Summarised labour records contain information on the total labour force, that is summarised labour data. These records could be divided into physical and financial data, with a record of activities as an example of the former and a monthly or annual remuneration record as an example of the latter.

Record of activities

Proper planning and control of labour demand that a record be kept of the daily activities of individuals (or groups) of labourers. In such a record the branch in which a labourer works every day is entered, for example, the maize or the dairy branch or repairs to implements. This will make it possible to determine the total labour requirements and the time at which they are required in each branch. It could help to eliminate labour problems that may arise by, for example, incorporating a different combination of branches in the enterprise. It therefore follows that records of this nature are essential for developing the farming plan dealt with earlier.

A record of activities is also essential if the farmer wants to use branch budgets in his enterprise. Historic records form the basis of the labour requirements included in such a budget and the current records serve as control instrument for existing budgets.

Monthly and annual remuneration record

The financial data concerning the labour force are entered in the monthly and annual labour remuneration records. The following are important entries here:

- Number of labourers employed
- Cash wages paid
- Farm rations consumed
- Purchased rations
- Medical costs
- Accident insurance
- Income tax deductions
- Registration fees
- Cost and issues of workers' clothing, protective clothing and equipment
- Housing and transport costs.

SUMMARY

Labour is one of the most important production inputs on a farm. For this reason proper labour management demands good planning, thorough organisation, intelligent implementation and meaningful control. The farmer as personnel manager and manager of labour is responsible for obtaining, employing, placing, training, motivation, remuneration and proper utilisation of farm labourers. In this process he should make use of the available knowledge about farm labour management and also draw from the fields of psychology and sociology.

END NOTES

- 1 See Backer, W., 'n Kritiese evaluering van die motiveringshigiëneteorie van Herzberg, Pretoria; University of South Africa, 1979, pp. 5-7 (Published D Litt et Phil thesis).
- 2 Backer, *op. cit.*, pp. 39-42.
- 3 Backer, *op. cit.*, pp. 227-280.
- 4 Backer, *op. cit.*, pp. 282-283.
- 5 Based on Mol, A., *Motivate your farm labourer*, Pretoria: Folio 1984 and Mol, A., *Die bestuur van plaaswerkers, Boerderybestuur*, Pretoria: University of South Africa, Farm Management Centre, 1980.