

**October 1992**

**A.E. Res. 92-10**

# **A Survey of Human Resource Management Practices in Florist Crop Production Firms**

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## Acknowledgements

The authors are grateful to many people for their assistance with the completion of this research. First, this work would not have been possible without the interest and financial support provided by the American Floral Endowment. We commend the Endowment for taking a leadership role in addressing human resource management issues and impact on the success of florist crop production businesses.

We are very grateful for the assistance of Dr. Carl F. Gortzig and Dr. Thomas C. Weiler, Professors of Floriculture at Cornell University. Their extensive knowledge of the florist industry proved helpful throughout the study. Their assistance in designing the survey and developing the survey list is particularly appreciated.

Sincere appreciation is extended to our colleagues in the states of Michigan, Ohio, and Pennsylvania for their encouragement and assistance in preparing florist crop producer lists for the survey. They are Dr. John A. Biernbaum, Associate Professor at the Department of Horticulture, Michigan State University; Dr. Dennis J. Wolnick, Assistant Professor of Floriculture, Pennsylvania State University; and Dr. Harry K. Tayama, Professor of Floriculture, The Ohio State University.

Our sincere thanks are extended to those 104 florist crop producers who were generous enough to give of their time and share their business knowledge as participants in this study. These individuals were contacted during the spring

of 1992 and most were busy in the production phase of their businesses. Nonetheless, they were willing to schedule telephone interviews and provide survey enumerators with the required data to complete this study. Without their willingness to devote their time and to share their first-hand experience with personnel management, this study would not have been possible.

The Cornell Institute for Social and Economic Research (CISER) was responsible for helping to develop the survey instrument, conducting the survey, and summarizing the data. We appreciate the dedication and hard work of Jane Maestro-Scherer and her capable staff. The precision with which they gathered the data and the accuracy of the summarized data have substantially contributed to the quality of this research.

We are most appreciative of those researchers who have conducted similar surveys in the past and were willing to share their surveys with us as we developed the survey instrument. The researchers are Dr. Jeffrey S. Hornsby and Dr. Donald F. Kuratko from Ball State University and Dr. Glenn M. McEvoy from Utah State University.

Our sincere thanks are extended to Dr. Gerald B. White from the Department of Agricultural Economics at Cornell University for his review of the manuscript. His many helpful comments have contributed substantially to this report.

We sincerely appreciate the dedicated efforts of support staff members who worked on this project. Kristine Petracek, a student at Cornell University, was responsible for the tables which appear in this manuscript, as well as for the layout of the manuscript. Her personal computer knowledge and skills proved invaluable during the preparation of this manuscript. Her dedication to the project and the skills she brought to the project are most appreciated. We would also like to thank Cindy Farrell and Beverly Carcelli for the secretarial support that they provided throughout this research project.

## **Abstract**

As small firms grow from employing just a few people to employing 10 or more, there is an increasing need for more formalized human resource management practices. The purpose of this study was to determine to what extent managers of florist crop production firms used formalized human resource management practices in their businesses. Managers of 104 florist crop production firms in New York, Ohio, Pennsylvania, and Michigan participated in a telephone survey designed to gather information on specific personnel management practices. The study revealed that while some firms are using formalized personnel management practices, the majority are not. Those who use formalized personnel management practices tend to be, but are not exclusively, larger firms. Larger firms for the purposes of this study were considered to have 10 or more employees and comprised 47% of the firms in this study. Managers surveyed were also asked to report their concerns regarding personnel management. Overwhelmingly, the concerns voiced tended to be in the areas of compensation, particularly health insurance, and recruiting a qualified work force.

# Introduction

As florist crop production firms increase in size and become more technologically advanced, improved human resource management will be required. Increasingly, managers are raising questions about recruiting qualified applicants, training employees effectively, improving employee performance for greater employee satisfaction and productivity, and retaining staff. By most definitions, firms involved in florist crop production are truly small businesses usually employing 40 people or less. They therefore face many of the same human resource management challenges as other small businesses. Once a business grows to more than three or four employees, there is a need for establishment of more formal human resource management practices. Most small businesses are not large enough to support a personnel manager or department. Consequently, there often are one or two people in each florist crop production firm who have personnel-related responsibilities.

Managers often report the need for more information on how to formalize certain personnel practices to improve the motivation and productivity of employees and thereby improve business profitability. This formalization to be effective must meet the specific needs of each business as the time and resources which can be devoted to the human resource function compete with all other functions and often appear to be less urgent.

This research focuses on florist crop producers' views regarding training, recruitment, selection, performance appraisal, and compensation. These personnel activities are a part of the staffing function of management. The study examines the extent to which formalized human resource management practices are used in florist production firms. This report also summarizes what managers perceive as the most critical issues in human resource management.

## **Review of the Literature**

The literature does not contain a large body of empirical studies on human resource management in small business. However, the small business and agricultural literature provides some evidence of the status of personnel management in those fields and are likely to have application to floriculture.

Hornsby and Kuratko (1990) studied 247 small firms in the Midwest in three size groups. Fifty-three percent of the businesses studied had 50 employees or less. The researchers found that the size of the firm affected the sophistication or formalization of personnel methods used. This study also sought the opinions of owners and managers on future personnel issues important to small businesses. Several issues emerged as priority areas in all size groups: wages, benefits, availability of quality workers, and training. The authors emphasized the need for further applied research in small business personnel management.

McEvoy (1984) studied 84 small businesses (primarily involved in retail construction or manufacturing) employing between 25 and 250 people. He found that businesses often were quite formalized in some respects. For example, 40% of the businesses had formal personnel departments, almost 80% of the firms maintained written personnel policies, and almost three-fourths of the firms reported having a formal performance appraisal system. McEvoy concludes that even though some formal practices were used, more creative and modern approaches were needed to solve persistent staffing and performance problems.

Personnel management issues are also addressed in the agricultural literature (mostly in animal agriculture) and in the horticultural press. Maloney and Woodruff (1989) suggest that New York dairy farm workers receive modest wages and benefits and work many hours per week. A previous study indicated that most employers only use one or two recruitment methods and that word of mouth is by far the most frequently used method (Kohl, 1976).

Some studies, specifically wage and benefit studies, have been reported by Greenhouse Grower and American Nurseryman magazine (Sulecki, 1989; Urbano, 1989). A review of florist industry periodicals leads to the observation that the retail and wholesale segments of the florist industry appear to be more sophisticated in their personnel management practices than the production component. A review of three production periodicals, Greenhouse Grower, Greenhouse Manager, and Grower Talks, for the past five years indicates relatively few articles devoted to personnel management issues. While some human resource articles exist in these production publications, they are mainly confined to regulatory issues and basic compensation issues. On the other hand, a review of Florist magazine, a retail trade publication, over the past five years reveals a much more management oriented selection of articles. Topics include employee selection, motivation, delegation, training, and supervisory skills. These articles which appear in the industry press are very anecdotal and conceptual in nature and only occasionally contain applied research data.

In summary, a review of the small business literature, the agricultural literature, and the industry press for floriculture indicates that the study of human resource management practices in small horticultural industries is at the undeveloped stage. Study of human resource management practices in florist crop production appears to be a very appropriate place to start in determining the specific human resource management issues facing the industry. As data on current personnel management practices and personnel management concerns of managers is gathered, a long range educational and applied research program can be developed to serve the industry.

## Research Objectives

Florist crop production managers express legitimate concerns about managing their employees. Many of these concerns came to light in the late 1980's when the economy in most parts of the country was booming and unemployment dropped to very low levels. Under these conditions, managers expressed great concern over their ability to attract employees, to pay competitive wages and benefits, and to provide a work environment where employees would remain with the business, be satisfied, motivated, productive, and have opportunities for advancement. Although the sense of urgency regarding employee recruitment has eased as the economy has slowed, the need for the small business manager to be an effective human resource

manager will continue through the 1990's and beyond. It is important for small business owners and managers to recognize people as one of the most valuable business resources and to create an environment where their employees are motivated and productive.

This study represents the first attempt to assess human resource management practices in florist crop production firms. The development of these data will enable florist industry leaders, researchers, and educators to more effectively make recommendations for education and further research. These data will also be valuable to florist industry leaders as they develop strategies to meet the human resource challenges faced by the industry.

The objectives of the study are, therefore, to:

1. Identify and evaluate current human resource management practices and needs in the florist crop production business.
2. Propose approaches for human resource educational programs as well as future applied research in the floral industry.

# Methodology

As indicated in the literature review, the formalization of human resource management practices as a business grows in size is important to business success. The first objective of identifying and evaluating current human resource management needs is fulfilled by designing and enumerating a survey of florist crop producers. The results of this survey are then integrated with the authors' experience to prescribe programs to meet identified human resource management issues. A telephone survey was utilized to gather the desired data because it could be conducted quickly with a high and accurate response rate while avoiding the cost of on-site interviews.

## Development of the Survey Instrument

The theoretical framework for this survey is based in the study of human resource management and management science. The literature suggests that there are five functions of management: planning, staffing, organizing, controlling, and directing (Milligan and Hutt (1990), Catt and Miller (1991)). The staffing function focused on in this study includes recruitment, selection, compensation, training, and performance appraisal. The survey instrument was designed to gather specific information in the following general areas.

## **Characteristics of businesses and their managers**

In this section questions were designed to gather demographic information about the managers including age, level of education, and horticultural experience. Demographic information helps to define the types of people who comprise the florist crop production industry. It is helpful for industry leaders to have such information to inform others outside the industry and to make recommendations for its future.

In addition to demographic information this first section was also designed to gather information about the characteristics of the firms studied. These characteristics include size of production facilities, number of family and non-family employees, business acquisition and other business-related issues. The business characteristic questions were designed to define the businesses being studied.

## **Personnel management policies and practices**

The questions in this section were designed to gather general personnel management information such as the employment of a full-time personnel manager, use of job descriptions, and use of written personnel practices. The questions in this section were designed to quantify how formal the businesses studied were with their personnel practices.

## **Staffing**

Five staffing practices were addressed: recruitment, selection, compensation, training, and performance appraisal.

### **Recruitment**

Recruitment was defined as the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications to apply for jobs within the business. Questions were designed to determine which recruiting practices managers use and how frequently they use them. Managers were also asked which methods they perceived as most effective. Previous research has revealed the most commonly used small business recruitment practices. Research has also determined the recruitment methods perceived as most effective and least effective by small business managers. The authors designed the recruitment questions to quantify the use of recruitment methods and to determine to what extent if any florist crop producers are like other small business managers.

### **Selection**

Selection was defined as the process of choosing from a group of applicants those individuals best suited for a

particular job. Questions were designed to determine which selection methods were used most frequently and which were perceived as most effective. Previous research has shown that interviews are frequently used but reference checking, formal interviewing, and skills testing are often minimally used. Effective use of a variety of selection methods can greatly improve the quality of hiring decisions.

### **Compensation**

The wage and benefit package can have a major impact on attracting job applicants to the firm and retaining employees. The compensation questions were designed to show the extent to which florist crop producers provided competitive wage and benefit packages. They also help to quantify how frequently specific fringe benefits are provided. In general, the more formal the business is in its personnel practices, the more fringe benefits are provided. For example, the firms most sophisticated in their personnel management practices are likely to provide employee pension plans or profit sharing.

### **Training**

Studies have shown that the greatest barrier to effective employee training in small businesses is time. Questions were designed to determine the extent to which training is conducted, the training methods used, and the perceived effectiveness of these methods. Again the overall objective was to determine the formality of training practices used in florist crop production firms.

### **Performance Appraisal**

In small businesses performance appraisals are frequently conducted informally using very few formal tools such as rating scales and formal appraisal interviews. Questions were designed to determine to what extent formal appraisals were conducted and what procedures were used to conduct those appraisals. Questions regarding the perceived effectiveness of performance appraisal methods were also included in the survey instrument.

### **Manager Perceptions**

The survey also gathered data on grower perceptions regarding critical human resource management issues. Survey respondents were asked to list their most important concerns about human resource management in their businesses over the next three years. Design of the survey instrument draws heavily on those previously developed and utilized in studies by Hornsby and Kuratko, Maloney and Woodruff, and McEvoy.

## Sampling the Population

The first step in sampling the population was to obtain a list of florist crop producers representative of the industry in the northeastern and the north central United States. It was decided to study florist crop production firms in this region of the country since this is a traditional and homogeneous flower growing region. The researchers identified several possible sources for this representative list including FLORISTATS, industry organization lists, state agriculture and markets lists and university mailing lists. The decision was made to study the four largest florist crop producing states in the northeastern and north central United States as determined by the 1988 U.S. Census of Agriculture. The states included in this study are Michigan, New York, Ohio and Pennsylvania. It was decided to use the Ohio Florists' Association list, since it was determined to be most representative of the states studied. From this list a random sample of businesses was identified. The size of the sample for each state was determined by using U.S. Census of Agriculture data to calculate the relative size of the florist crop production industry in each state based on dollar volume of sales. Accordingly, 22 percent of the sample was drawn from Michigan, 28 percent from New York, 24 percent from Ohio and 27 percent from Pennsylvania.

## Survey Enumeration

The survey instrument was designed for telephone enumeration and is included in this report as Appendix I. Each survey telephone interview took between 20 and 40 minutes. Survey participants received an advance letter from an extension horticulturist in their state and the authors, indicating that the survey would be conducted and requesting their participation.

Enumerators were trained specifically to conduct this survey. Training focused on the content of the survey questions and the information the questions were designed to elicit from survey participants. The survey instrument was tested with 20 florist crop producers in New England before it was used on the sample population.

Participants were asked a series of screening questions to qualify them for the study. To qualify, participants had to:

1. be the individual primarily responsible for day-to-day operation of the business (in most cases this was the owner-operator).

2. be primarily involved in florist crop production as opposed to wholesale or retail business operation.
3. have at least one non-family full-time employee.
4. manage non-union employees.

## **Definition of Terms**

Two terms are used in this study to refer to the management of people within the business: personnel management and human resource management. Personnel management is a more traditional term which usually refers to the management of people including the administration of personnel policies, payroll, and benefits. Human resource management is a more modern term and while it includes traditional functions such as compensation and personnel policies, it emphasizes business personnel as a valuable business resource.

Another pair of terms used frequently in this report are manager and owner-operator. When the survey was conducted the enumerator was instructed to interview the individual most responsible for the day-to-day operation of the business. In most cases this was the owner-operator. In some cases this was a full-time manager. The term "manager" is used to refer to both employed managers and owner-operators. The term "florist crop producer" is occasionally used to refer to the manager or owner-operator.



# Results

A total of 104 managers of florist crop production firms meeting the survey qualifications responded to the telephone survey on personnel management practices. Florist crop producers surveyed represented business in the states of Michigan, New York, Ohio and Pennsylvania. This section summarizes producers' answers to the telephone survey.

The results are presented in four sections: Characteristics of Businesses and Managers, Personnel Management Policies and Practices, Staffing Practices of Florist Crop Production Firms, and Managers' Perceptions of Important Human Resource Management Issues. The first section provides the setting by characterizing the businesses and their managers who provided the survey data. The focus of the second section is general personnel management policies while the third focuses on specific staffing practices. The final section summarizes the respondents' perceptions of the most important future human resource management issues.

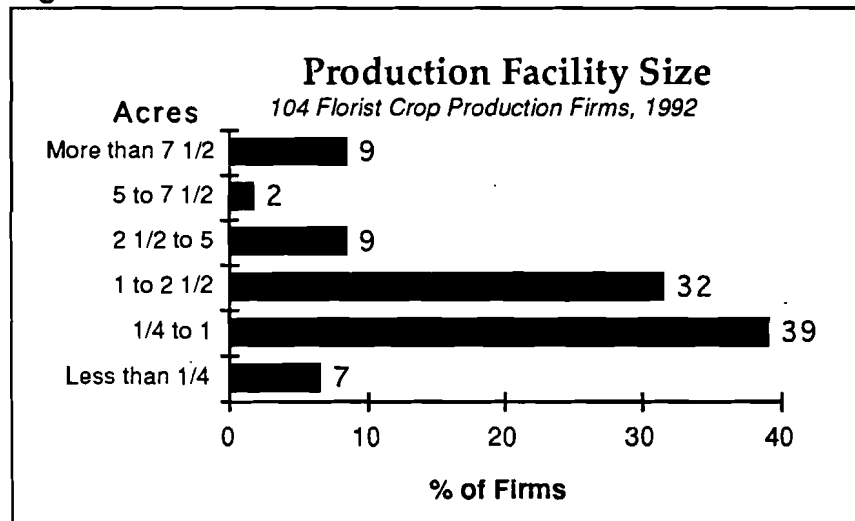
Essentially all of the results are in the figures. Since some readers may not be familiar with human resource management theory and practice, the first goal of the text is to provide insight as to what information is being sought. The text then highlights important results and analyzes the results in light of the literature and the authors' experience.

## Characteristics of Businesses and Managers

Florist crop production businesses are often vertically integrated to include wholesale and/or retail marketing. Eighty-three percent of the businesses were involved in wholesale marketing, while 64 percent were involved in retail marketing. As indicated earlier, to be included in the study, the respondents had to indicate that florist crop production was their primary business.

Nearly half of the firms had less than an acre of production facilities. Seventy-one percent of the firms studied had production facilities ranging in size from 0.25 acres to 2.5 acres (Figure 1). This land base distinguishes these producers from businesses producing traditional agricultural products.

**Figure 1**

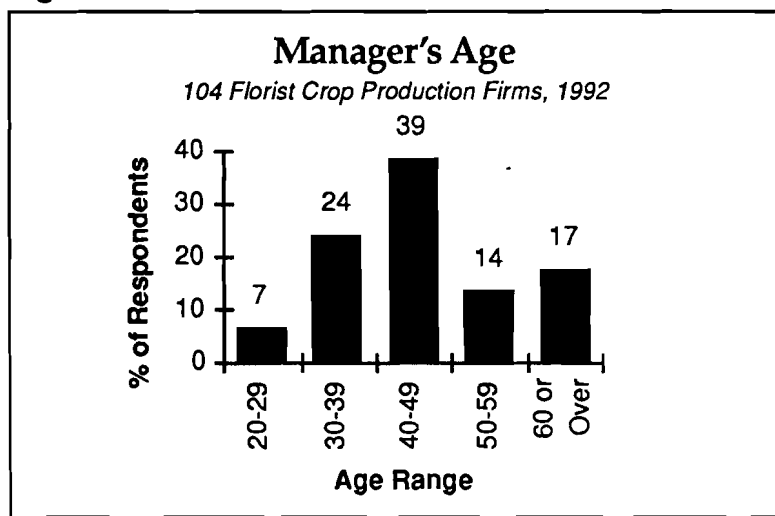


### Demographic Characteristics of Managers

Managers were asked questions designed to determine the characteristics of individuals who own, operate, and manage florist crop production firms. The majority of managers surveyed are middle aged: 39 percent are 40 to 49 (Figure 2). This is expected since most start-up producers would likely be established in the business by the time they reach their forties. Likewise in a progressive family business it is recommended that a generational transfer of assets would be well underway by the time the younger generation reached their 40s. It is interesting, however, that 17 percent of the owner-operators surveyed are age 60 or over. This could happen for several reasons: 1) there is no younger generation within or outside the family willing to take over the business, 2) the business is not large or profit-

able enough to support the younger generation in the years ahead, or 3) the senior generation is reluctant to release control of the business.

**Figure 2**

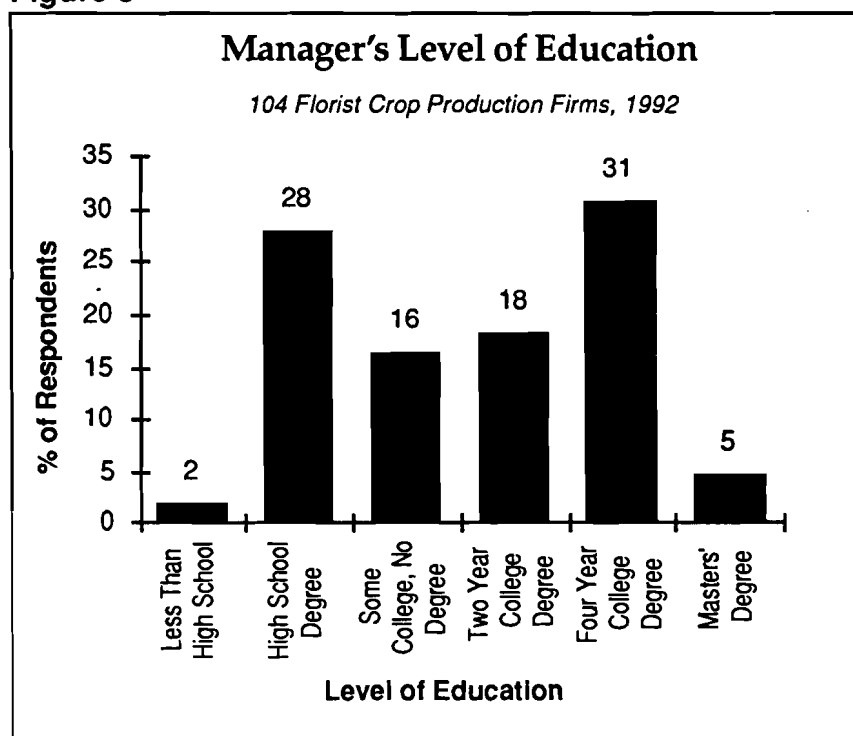


Owner-operators of florist crop production firms are very well educated, reflecting the technology- and capital-intensive nature of the business (Figure 3). Seventy percent of those surveyed had at least some college experience, and 36 percent had at least a four-year college degree. The level of education of survey participants may be a result of the Ohio Florists' Association list that was used to draw the sample. Members of the Ohio Florists' Association could view membership as an extension of their formal education.

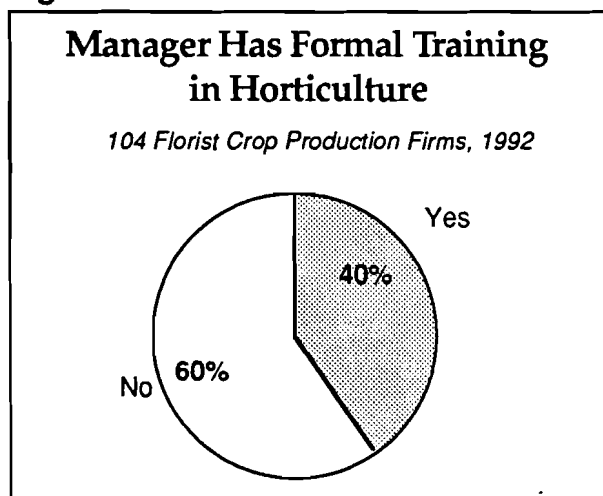
Figure 4 shows that only 40 percent of survey participants had formal horticultural training. Many producers with some college education have not had formal horticulture training. It appears likely that some were attracted to florist crop production from outside the industry and others may have rejoined a family business after receiving a college education in a field other than horticulture. This attractiveness of the industry to some with no prior floriculture experience is not surprising given the large growth in the industry.

Figure 5 shows that family influence is not the only way that individuals acquire an interest in the business. Thirty-four percent of those surveyed indicated that before joining their current business as the owner-manager they had horticultural business experience outside of one owned by their family. It appeared that some individuals who have been employed in horticultural positions became interested enough to pursue ownership of their own firm.

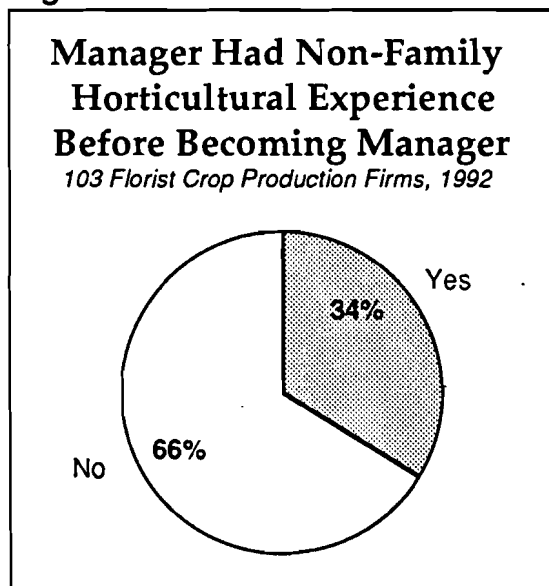
**Figure 3**



**Figure 4**



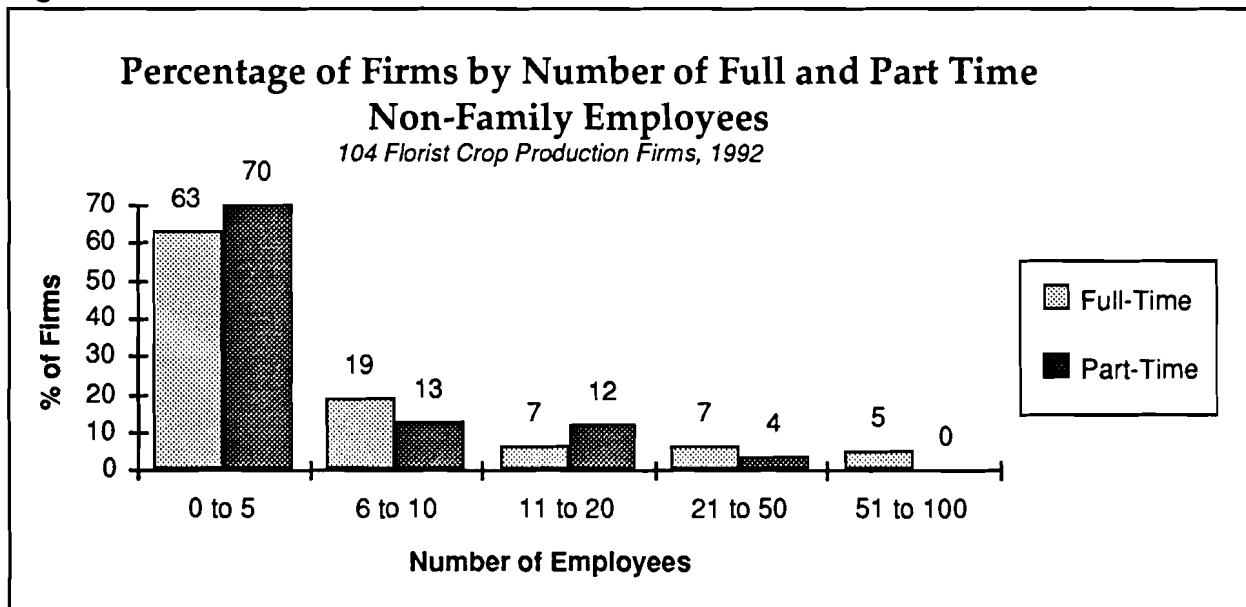
**Figure 5**



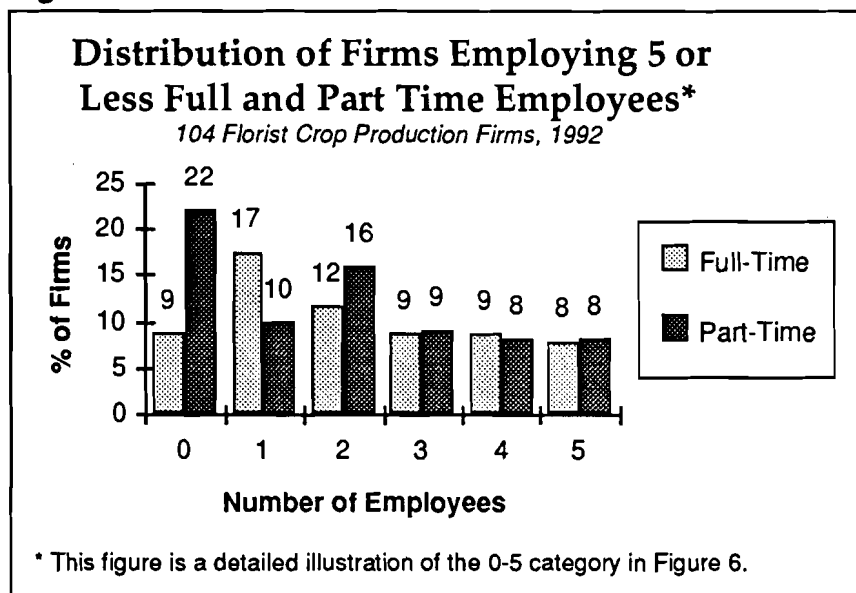
The number of people employed in a firm is an important determinant of the types of personnel practices used. In firms hiring five or less employees one would expect to find considerable informality in personnel management practices. The majority of florist crop production firms studied have five or fewer full-time employees (Figure 6). Figure 7 is a summary of the number of people employed in firms having 0-5 employees. It is important to note that 83

firms having 0-5 employees. It is important to note that 83 percent of the firms studied have 10 or less non-family full-time employees. A number of popular definitions of small business describe small businesses as those employing from 100 to 500 employees. This illustrates the need to develop practical human resource management approaches which meet the needs of smaller florist crop production firms since the recommended human resource management practices for larger "small businesses" will not often have sufficient specificity.

**Figure 6**

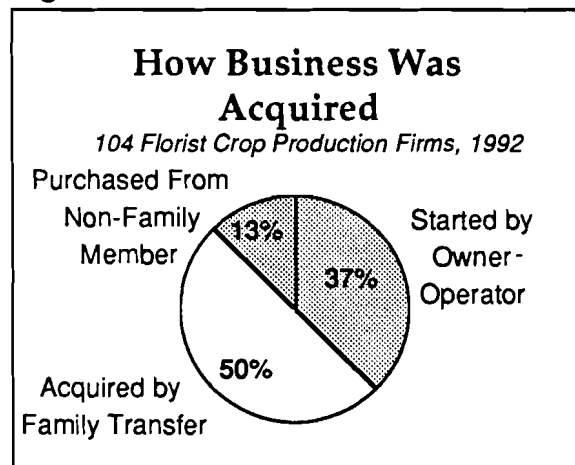


**Figure 7**



As in other small businesses, the family has a major influence on florist crop production firms. This is illustrated in the results in two important ways. Figure 8 shows that half of the business acquisitions in the study group were the result of a family transfer, emphasizing the importance of family business succession in the florist crop production industry. It is also important to note that 37 percent of the firms were started by the owner-operator, reflecting the growth in the industry as well as the opportunity for entrepreneurial activity within the industry. Figure 9 shows the number of full- and part-time family members working in the business. The average number of family members employed in the 104 firms studied was 3.2 on a full-time equivalent basis (Figure 10).

**Figure 8**



**Figure 9**

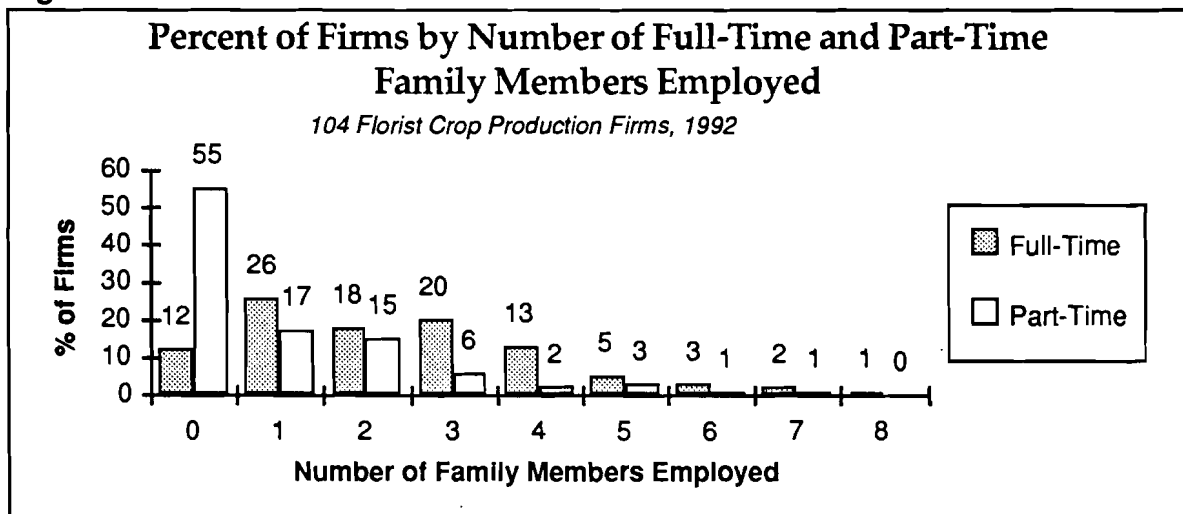
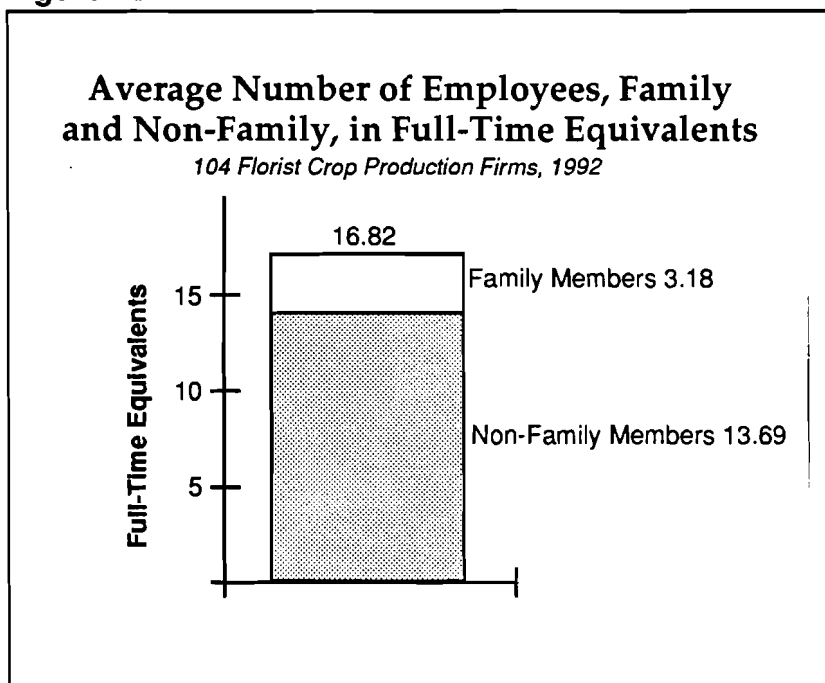


Figure 10 summarizes the total number of workers both family and non-family on a full-time equivalent basis. The average number of full-time equivalents for both family and non-family employees was 17. Again, this indicates that the firms studied were very small relative to the popular definitions of small businesses.

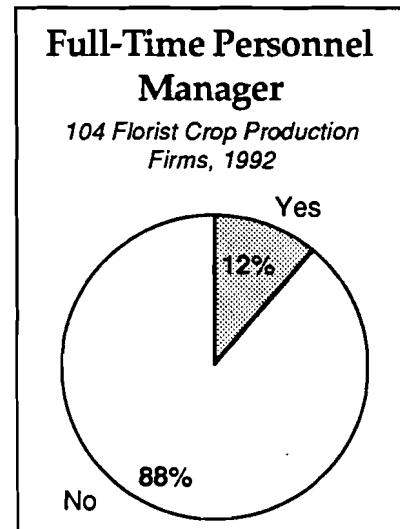
**Figure 10**



## Personnel Management Policies and Practices

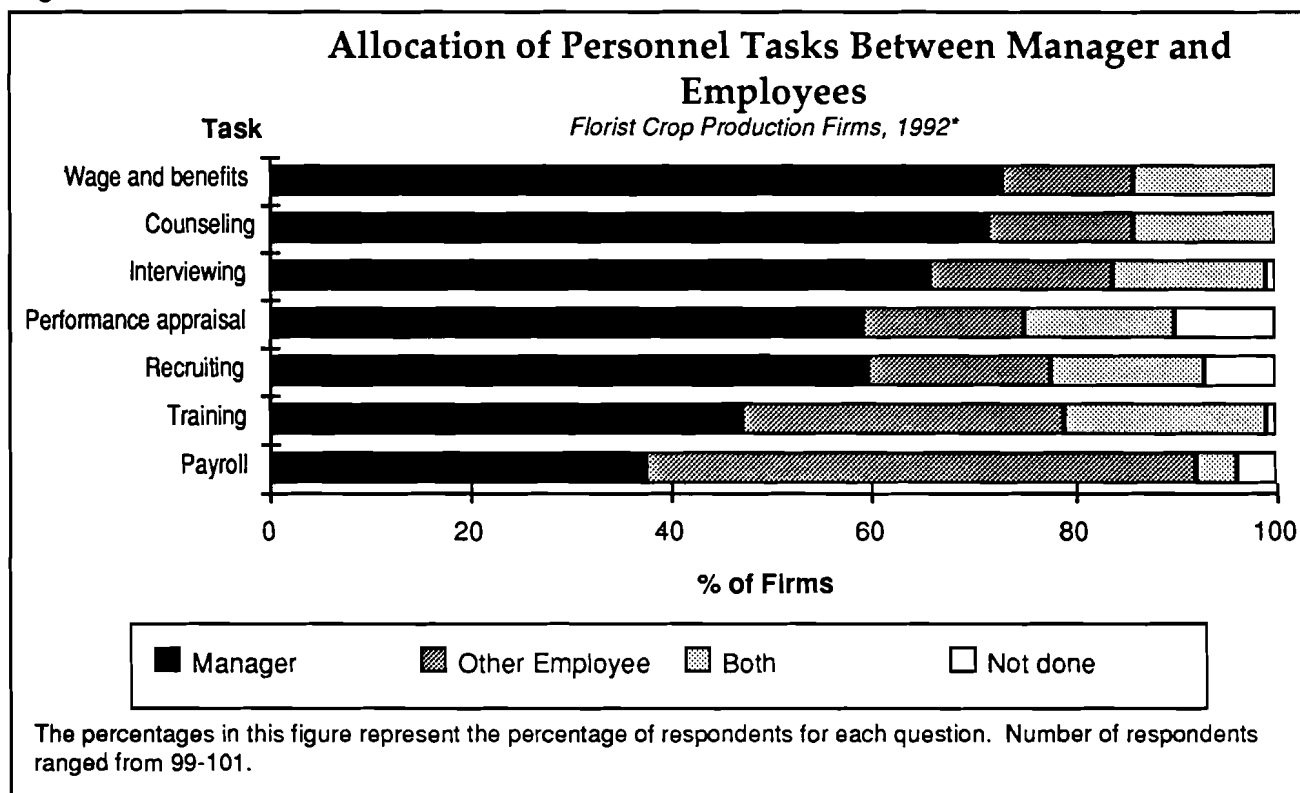
Survey participants were asked several questions about their current human resource management practices. The presence of a full-time personnel manager in a firm is an indicator of formality as well as labor force size. The first question was, "Do you have a full-time personnel manager?" It is not surprising that only 12% of the firms studied employ a full-time personnel manager (Figure 11). This result is consistent with the finding that 70% of the firms studied had 5 full-time employees or less. The majority of the firms in this study simply do not need a full-time personnel manager.

**Figure 11**



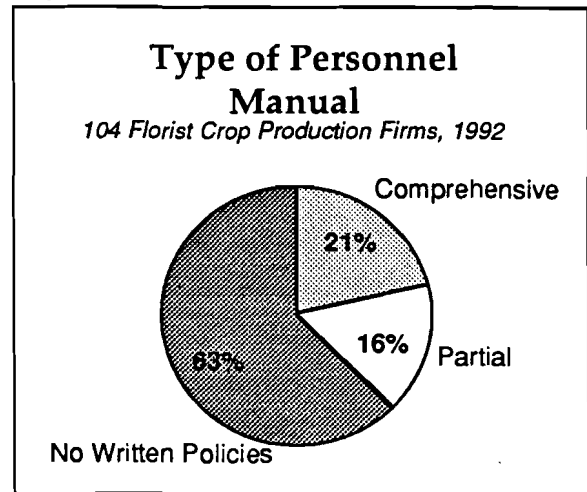
Some human resource tasks are performed primarily by the manager while others are partially or completely delegated to another employee. As businesses grow, it is appropriate for the manager to delegate additional personnel responsibilities to others in the firm. In this survey the establishment of wage and benefit levels was most likely to be performed by the manager (Figure 12). Maintenance of payroll and personnel records was more likely to be delegated. It is interesting to note that training and payroll are delegated by over half of the managers surveyed. These results suggest that the most highly personal tasks such as determination of wage increases and counseling of employees are generally retained by the manager. Likewise it is appropriate that more routine tasks such as payroll maintenance are delegated.

**Figure 12**



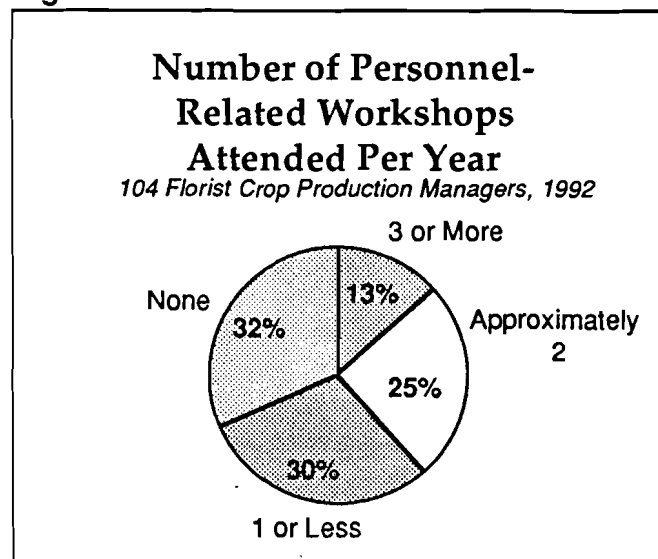
The development and use of a personnel manual is another indicator of formality in human resource management. The majority of survey respondents indicated that they did not have written personnel policies. Twenty-one percent reported that they had a comprehensive written personnel manual while 16 percent reported having a partially-developed personnel manual. Given the number of firms in this study with five employees or less, 37 percent of the firms having at least a partial personnel manual is a very positive sign, indicating that even some managers with few employees have seen value in formally developing and communicating at least some personnel policies.

**Figure 13**



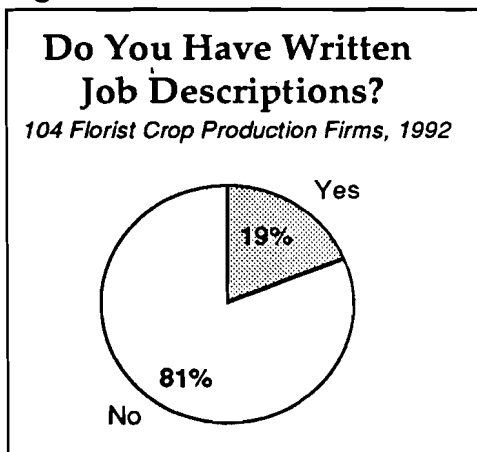
Human resource management education can be viewed as an on-going developmental process for working managers. To determine the managers' commitment to learning about human resource management topics, respondents were asked how often per year they attended meetings and workshops that included personnel management topics. Despite the fact that human resource management tasks are performed in all firms, 32 percent attended no meetings or workshops on personnel-related issues and only 13 percent attended more than three. There appears to be a great opportunity for Extension and industry sponsored programs to provide needed training on human resource management.

**Figure 14**



Survey participants were asked, "Do you have written position descriptions for at least two-thirds of the jobs in your firm?" Only 19 percent answered in the affirmative (Figure 15). Written position descriptions for all positions as a basis for recruiting, orientation, motivation, and performance appraisal are a standard personnel management recommendation. The fact that few meet this recommendation is troubling but typical of very small businesses.

**Figure 15**



## Staffing Practices of Florist Crop Production Firms

As discussed in the methodology section, the components of staffing for the purposes of this study include recruitment, selection, compensation, training, and performance appraisal. In this section we consider each component independently. For each we provide background on why the questions are important and what we expected to elicit followed by analysis and interpretation of the results.

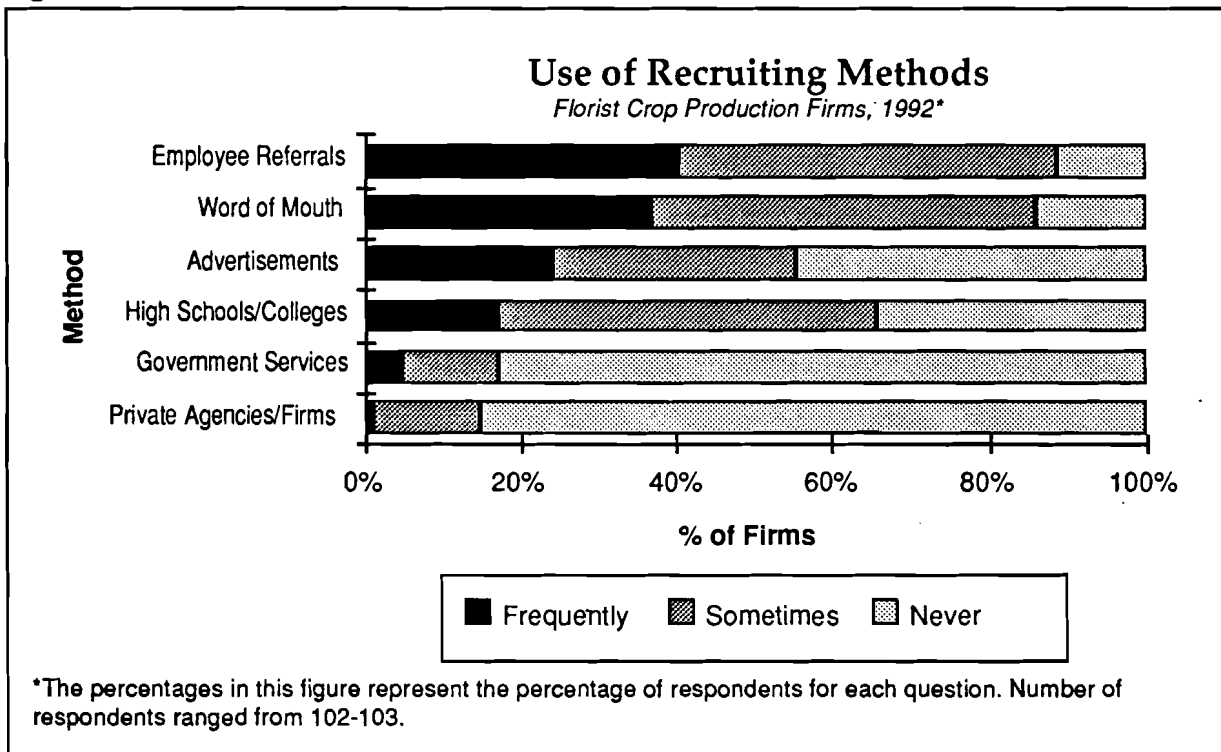
### Recruitment

The objective of recruitment is to develop a pool of qualified candidates for the available position. The larger and better the pool, the greater the probability of having one or more outstanding candidates from which to select. The key to developing such a pool is an effective recruitment plan utilizing a variety of recruitment methods and using them effectively. The recruiting questions, therefore, dealt with the use and effectiveness of recruiting methods. The six recruiting methods (Figures 16 and 17) encompass the primary recruiting options. They are listed from least formal (employee referrals) to most formal (private agencies/firms).

Only the least time-consuming and most informal recruitment methods, employee referrals and word of mouth, are used "frequently" by more than a quarter of the firms (Figure 16). When using only one or both of these methods, there is a good chance a qualified applicant actually looking for a job will not be attracted to the pool. The more formal methods required to attract an applicant not looking locally for a job are almost never utilized. The usage results (Figure 16) are indicative of very informal recruiting policies and would indicate that most florist crop production managers are not motivated to develop a pool of highly qualified candidates. This could indicate an orientation toward easily attracting a "satisfactory" employee rather than more intensely searching for the best available employee.

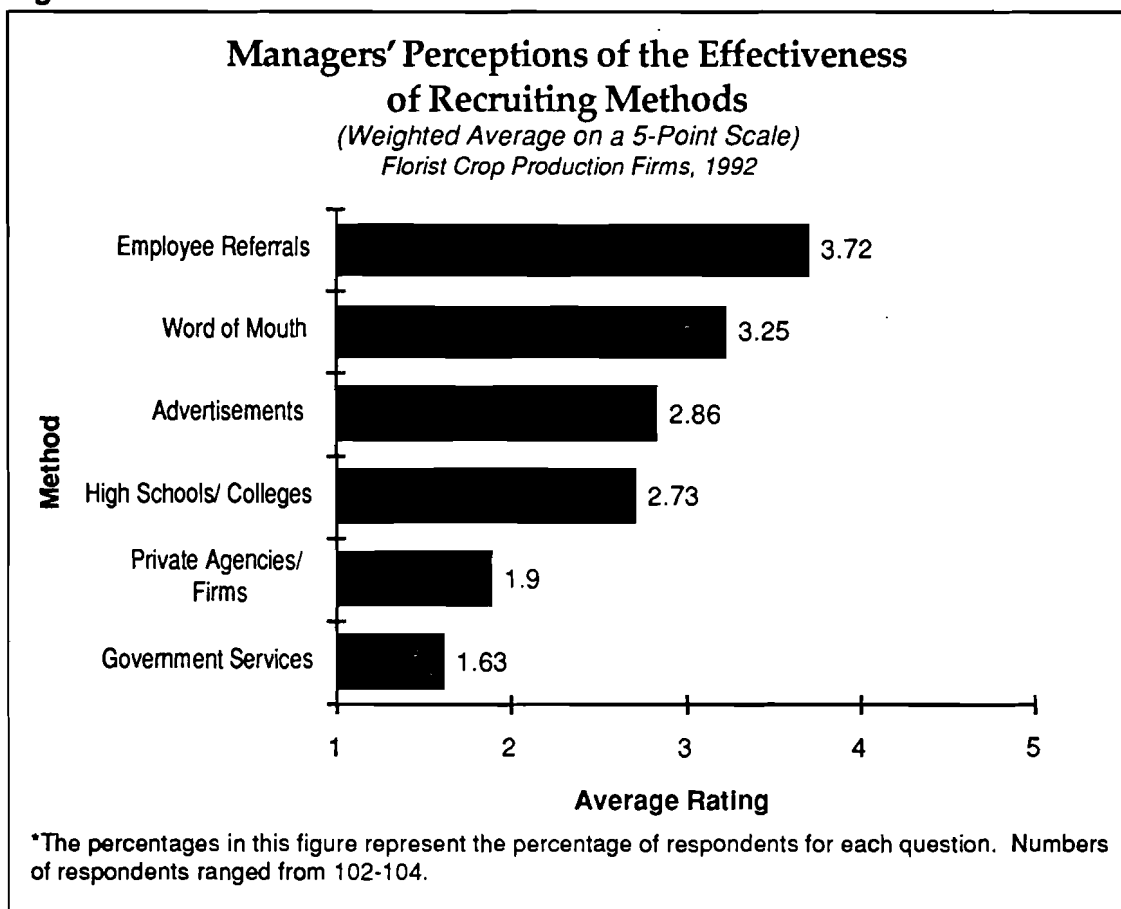
Managers were asked to rate the effectiveness of six recruiting methods on a scale of 1 to 5. A rating of 5 indicated a most effective method; a rating of 1 indicated a very

**Figure 16**



ineffective method. Managers were asked to give each method a rating regardless of whether or not they used each method (Figure 17). These levels of perceived effectiveness indicate a rather low level of satisfaction with the available recruiting methods. Only referrals had an average rating substantially above 3.0. The most formal methods (advertisement, recruiting at high schools and colleges, and private employment agencies) are perceived as least effective yet may be the most helpful to employers who are having difficulty attracting qualified workers. Perhaps the perceptions of effectiveness of formal methods would improve if more employers routinely used them effectively.

**Figure 17**

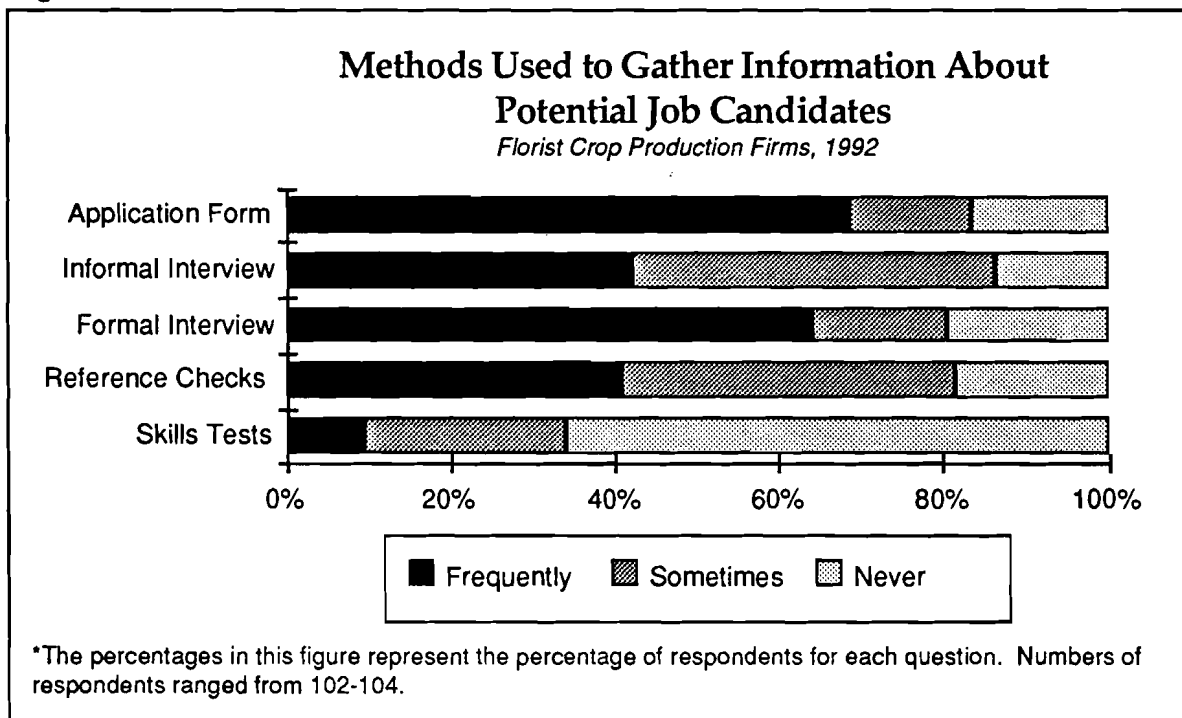


## Selection Methods

When one or more candidates for a position have been identified through the recruitment process, one candidate must be chosen to be offered the position. The formality of the selection process involves a trade-off between the time spent on selection and the likelihood of selecting the "best" candidate for the job. Small businesses typically utilize rather informal selection procedures. The five methods used to gather information about potential job candidates represent the range of alternatives used in most businesses (Figure 18). The alternatives are listed approximately in order of increasing formality.

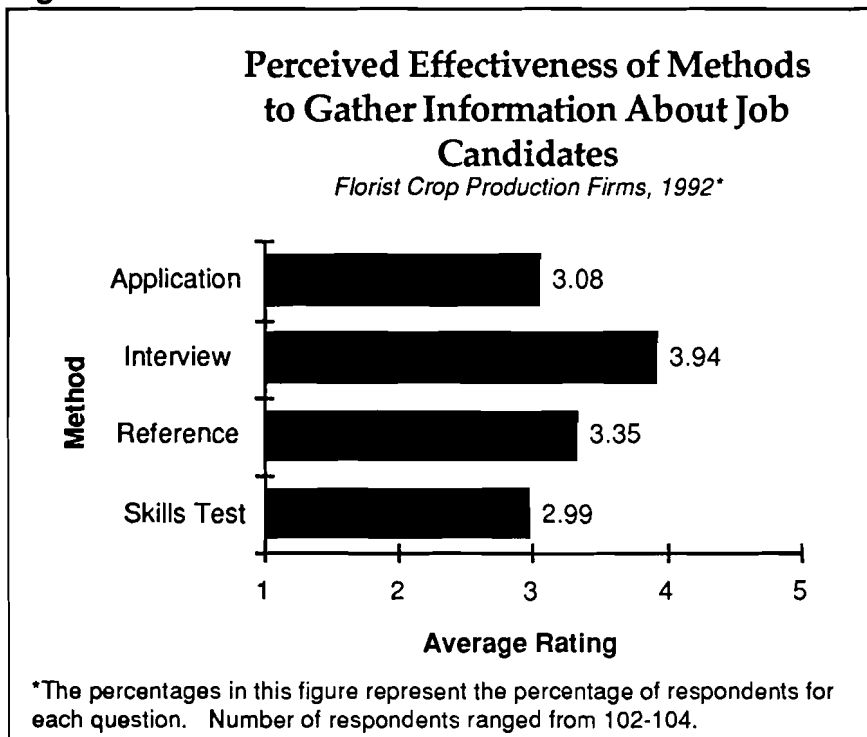
The results show a somewhat surprising level of formality in selection, particularly compared to the informality of the recruiting. Only for the skills tests, which are not commonly used in most businesses, did more than 20 percent of the firms indicate they never used that method. It should be kept in mind that almost 10 percent of these firms hire no full-time, non-family labor.

**Figure 18**



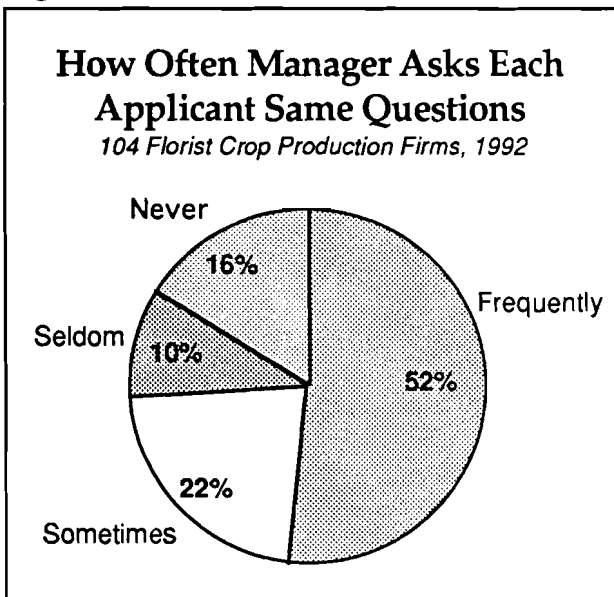
The managers were again asked to rate the effectiveness of each method on a 1 to 5 scale with 5 indicating the most effective method. Formal and informal interviews were combined (Figure 19). Only the interview was given a strong effectiveness rating. Satisfaction levels are higher than for the recruiting methods perhaps reflecting the greater formality and apparent emphasis placed on selection relative to recruiting. It is important to point out that more formal use of recruitment methods within the industry would probably make the time and effort currently spent on selection more effective.

**Figure 19**

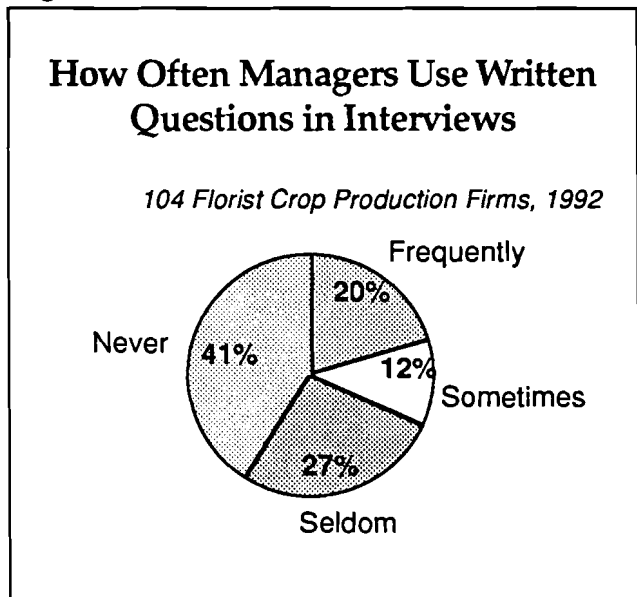


Using a written set of interview questions and asking each applicant the same questions are ways in which the manager can improve the reliability of the selection process. Survey participants were asked how frequently they interviewed with a written set of questions and how frequently they took care to ask each applicant the same questions. The managers reported that they generally ask applicants the same questions (Figure 20) but generally do not use written questions (Figure 21). The use of similar questions in each interview implies some forethought and preparation for the interviews; written questions reflect a higher level of preparedness and formality.

**Figure 20**



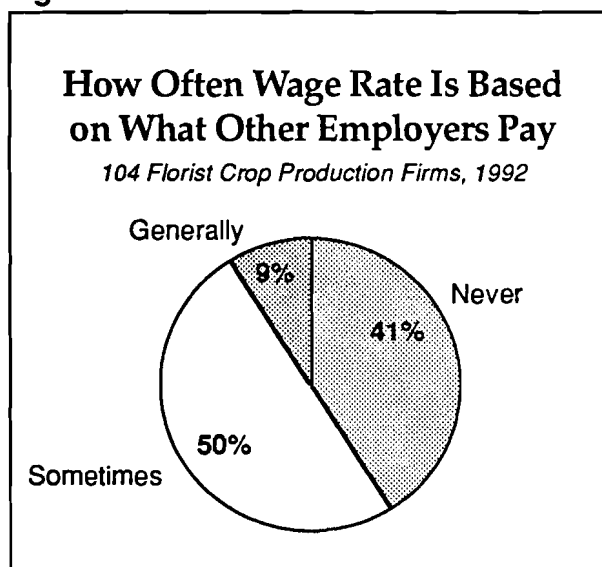
**Figure 21**



## Compensation

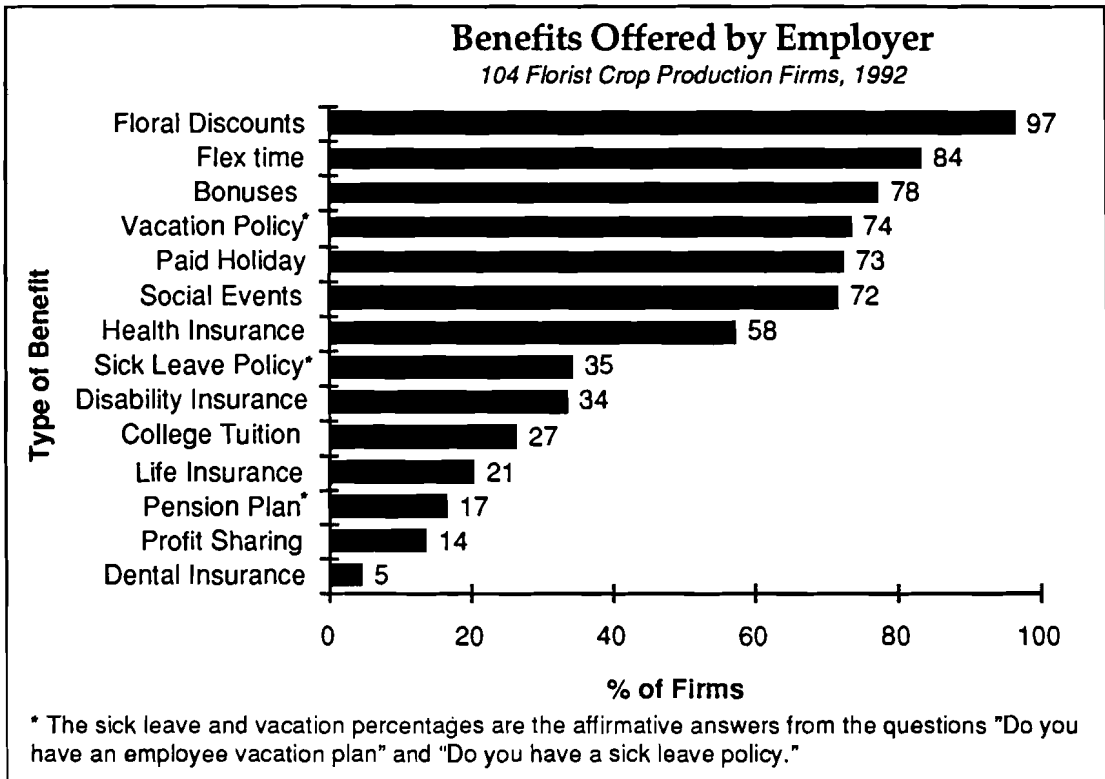
Employers utilize various types and levels of compensation (wages and the benefits) for attracting and retaining personnel and for rewarding commitment and performance. Since quantitative measurement of compensation is beyond the scope of this study, the emphasis was on determining components of the compensation package. In meetings and informal discussions employers often express concern over the competitiveness of their salary/wage levels; consequently, the result that less than 10 percent of the respondents generally base their wage rate on what other employers pay is surprising.

**Figure 22**



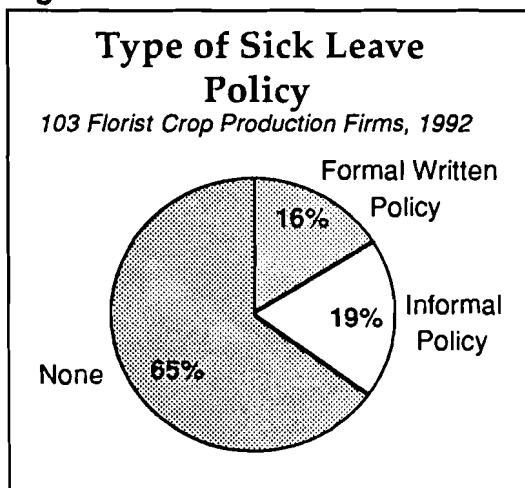
As can be seen in Figure 23, employers have a variety of benefits they can offer. The inclusion in the benefit package ranges from 97 percent offering floral discounts to only five percent offering dental insurance. A large majority offer flex time benefits, an option that is low cost to the employer and can be important to attracting, retaining, and motivating employees. Nearly half of the firms (42 percent) offer no health insurance and almost two-thirds offer no disability insurance. The results underscore the wide variety of benefit programs utilized by florist crop production firms. They also indicate that some benefits are offered by florist crop producers much more frequently than others. The cost of such benefits as health insurance, pension plans, and profit sharing may have a substantial impact on how likely they are to be offered by any given firm.

**Figure 23**

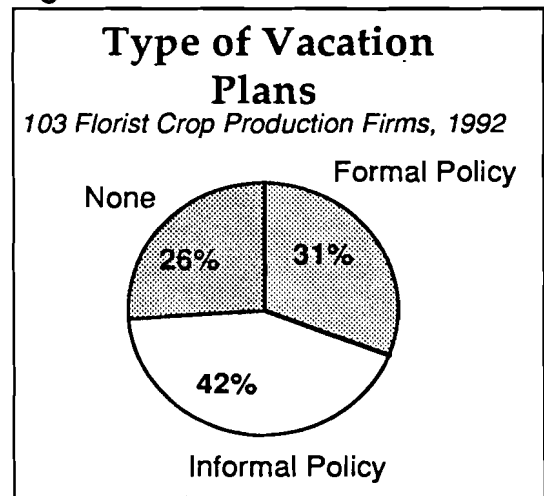


Those who indicated they had a formal vacation and/or sick leave policy, were asked whether the policy was formal, i.e. written, or informal. More than half of the firms had no sick leave policy and 26 percent of the firms had no vacation plan (Figures 24 and 25). Only 19 percent of the firms studied have a policy that allows employees to carry over accumulated vacation days (Figure 26).

**Figure 24**



**Figure 25**

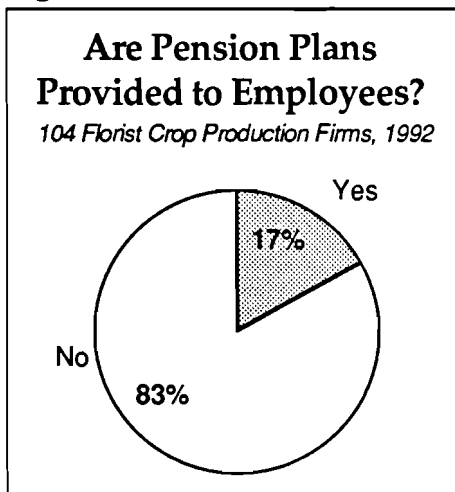


**Figure 26**

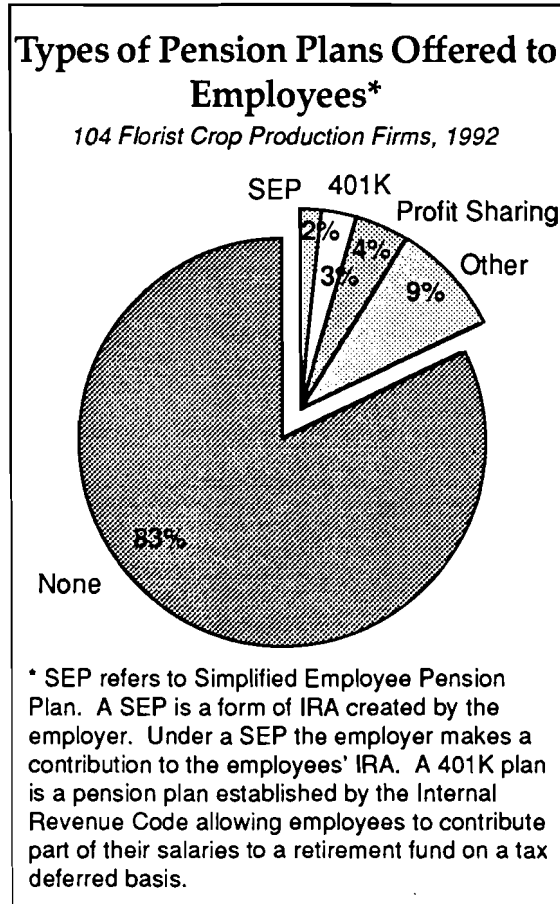


The existence of employee pension plans is another indicator of formality. Seventeen percent of the firms studied offered a pension plan to employees; most plans allowed employee access prior to retirement (Figure 27 and 28).

**Figure 27**



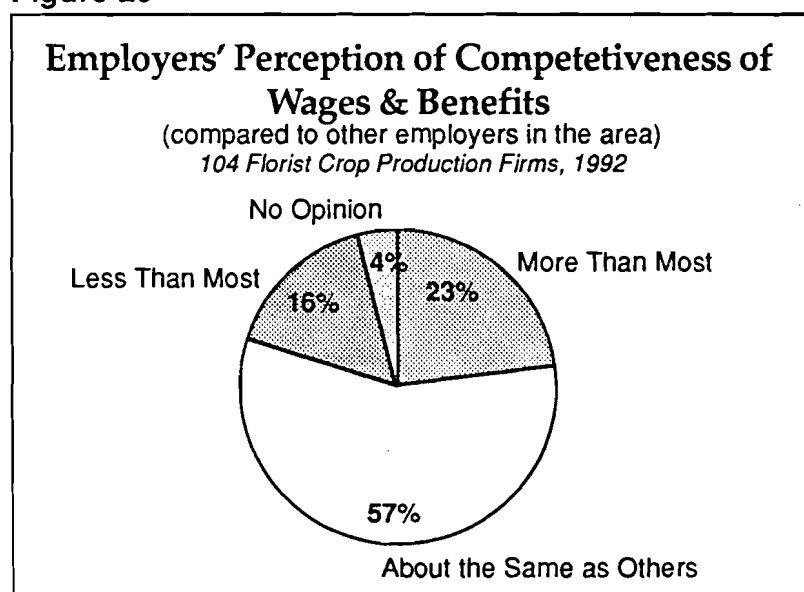
**Figure 28**



Florist crop producers have many options and use a variety of benefits. This variety is a strength if it reflects benefit packages tailored to the needs of business personnel; it is a weakness if it leaves large numbers of employees without benefits they need and desire.

The perceived competitiveness of an employer's wage and benefit package can affect the amount and type of benefits offered to employees. Managers were asked the question, "In your opinion how competitive is your wage and benefit package compared to other employers in your area?" The response is that most managers and the industry as a whole feel they are about the same as other employers (Figure 29).

**Figure 29**

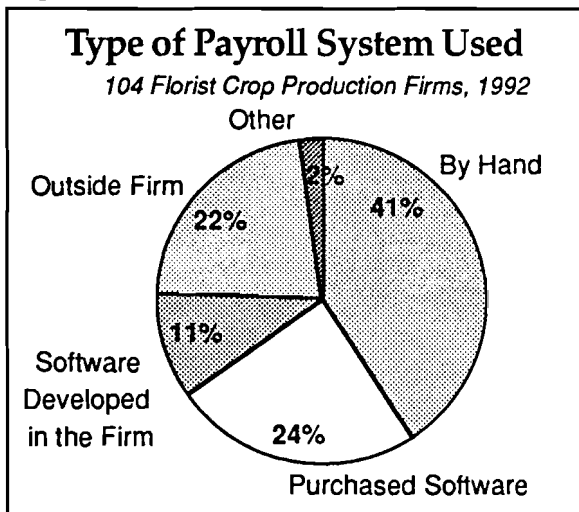


Managers were also asked, "Which of the following statements most closely describes your payroll system?"

1. Our payroll is calculated by hand within the business.
2. Our payroll is completed on a personal computer using a purchased software package.
3. Our payroll is completed on a personal computer using a system developed within the business.
4. We use an outside payroll service.
5. Other

The fact that 41 percent of the firms do payroll by hand reflects a fairly informal approach to compensation. However, the fact that 57 percent have an internal computerized payroll system or contract with an outside firm is impressive. Computerization of the payroll can be a very effective way to save management and staff time for higher priority management tasks.

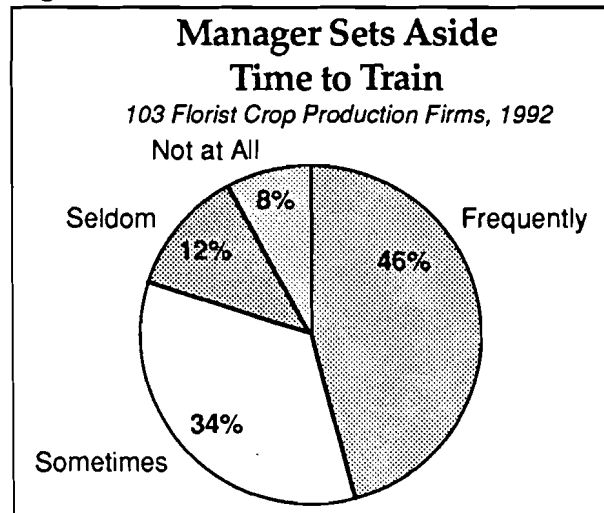
**Figure 30**



## Employee Training and Development

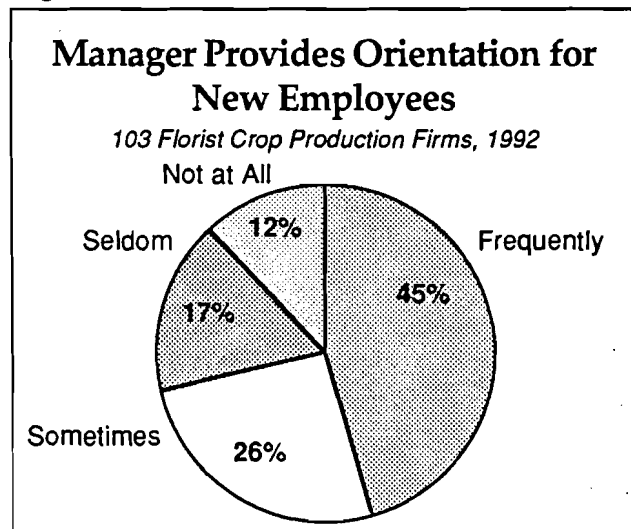
Continual development of business personnel is important to both employee growth and business productivity. The most common barrier to effective training cited by small business managers is time (Maloney 1992). Figure 31 illustrates how often the managers surveyed specifically set aside time to train individual employees. These results indicate a commitment to training by most florist crop managers.

**Figure 31**



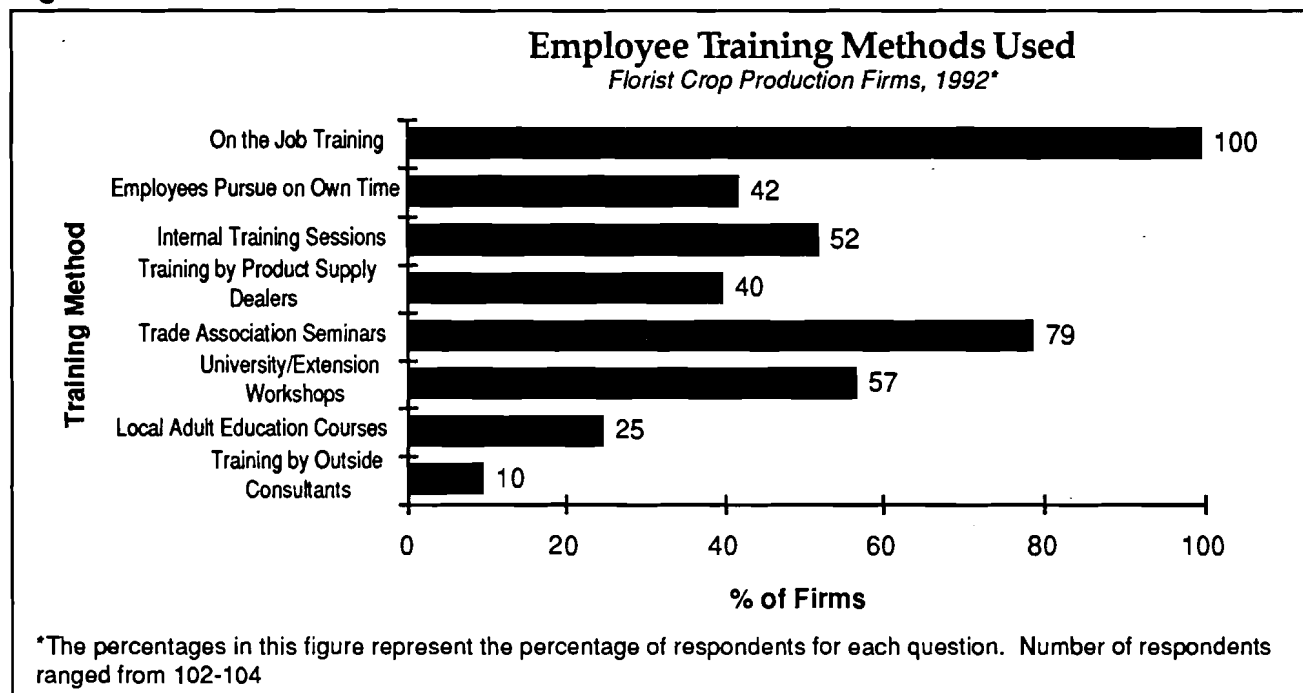
Orientation of new employees is crucial to their motivation and to a good start on the job. Managers' commitment to orientation is similar to their commitment to set aside time for training. This indicates that both orientation and training are priorities for most florist crop producers; however, it may indicate that some managers do little training beyond orientation.

**Figure 32**

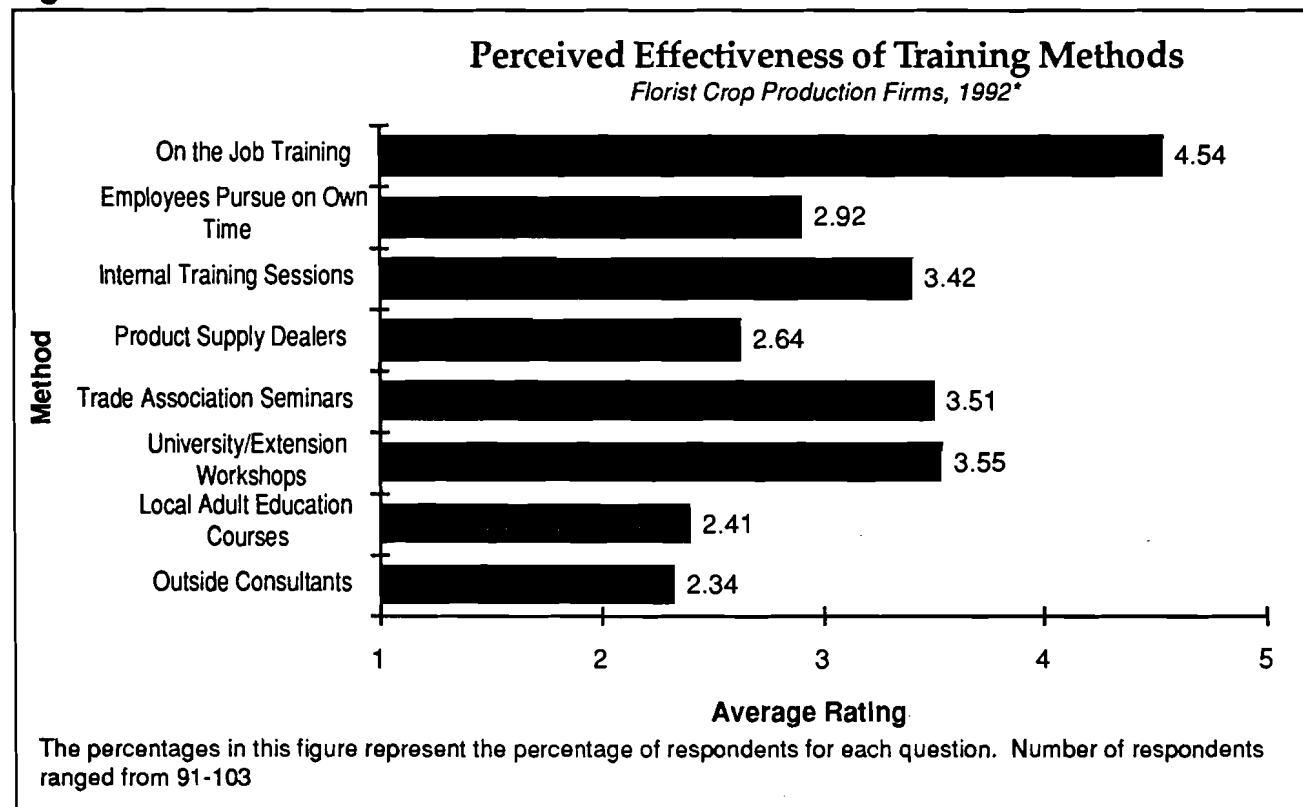


A variety of training methods are available to managers; the alternatives are listed in Figure 33 approximately from most informal to most formal. These results confirm a substantial commitment to training with the emphasis on informal, low-cost alternatives. The perceived effectiveness of the methods closely correlates with their use (Figure 34).

**Figure 33**



**Figure 34**

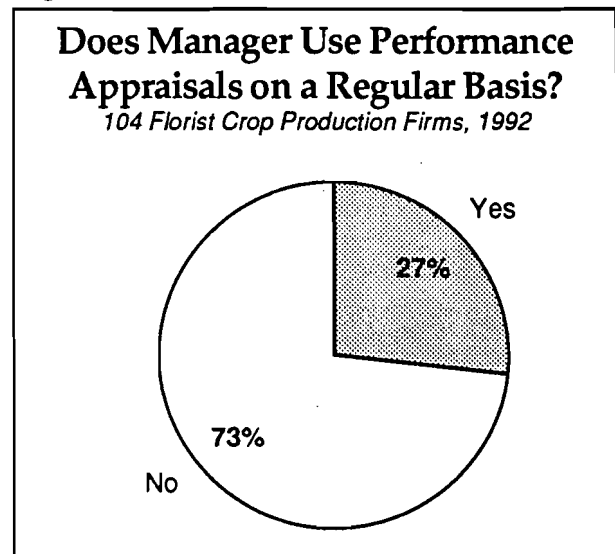


## Performance Appraisal

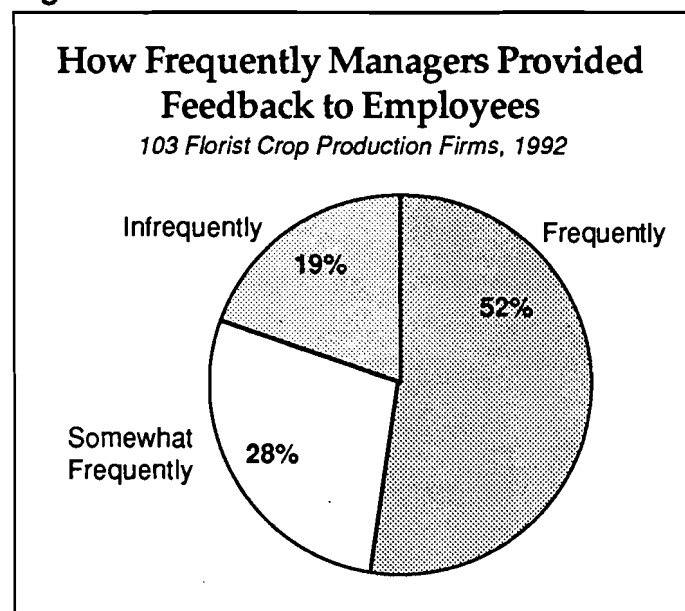
Constructive feedback is important to employee motivation and improved performance; performance appraisals are an important albeit formal part of good feedback. In florist crop production firms as in other small businesses, performance appraisals are conducted on both a formal and an informal basis.

The managers surveyed were asked, "Do you use performance appraisal procedures that may include meetings with the employees to assess their performance on a regular basis?" Just over a quarter of the participants responded positively to this question (Figure 35). Clearly the majority of respondents are using informal approaches to managing employee performance as shown in Figure 36.

**Figure 35**

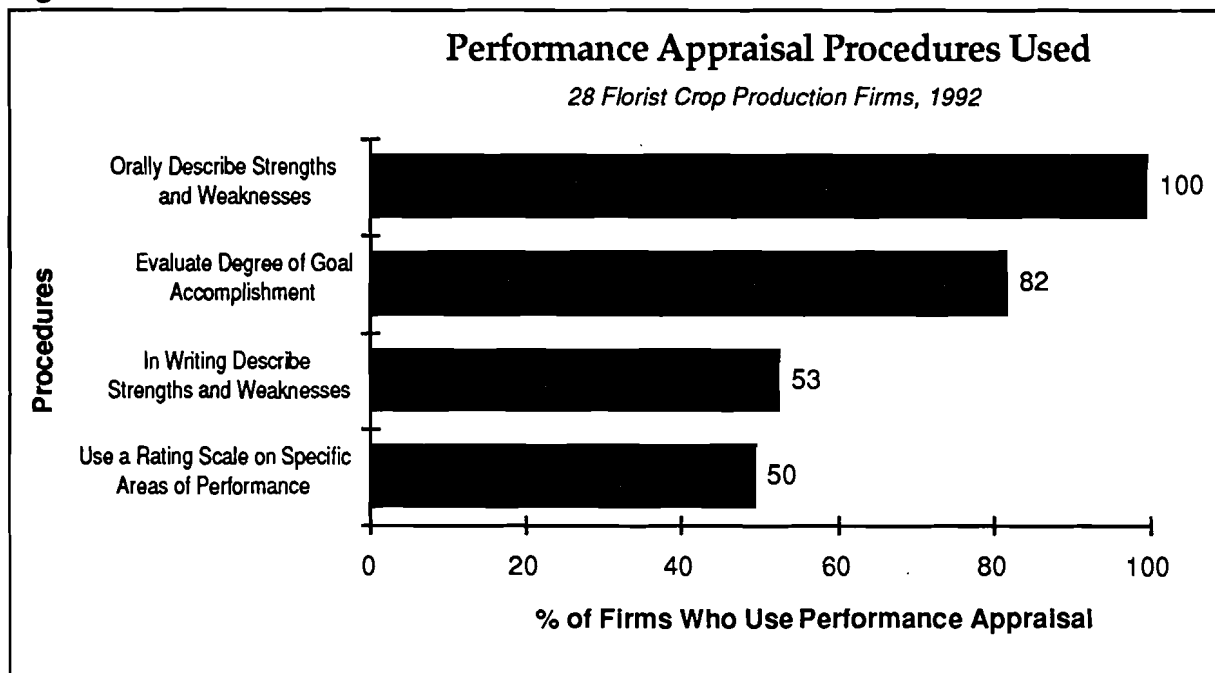


**Figure 36**

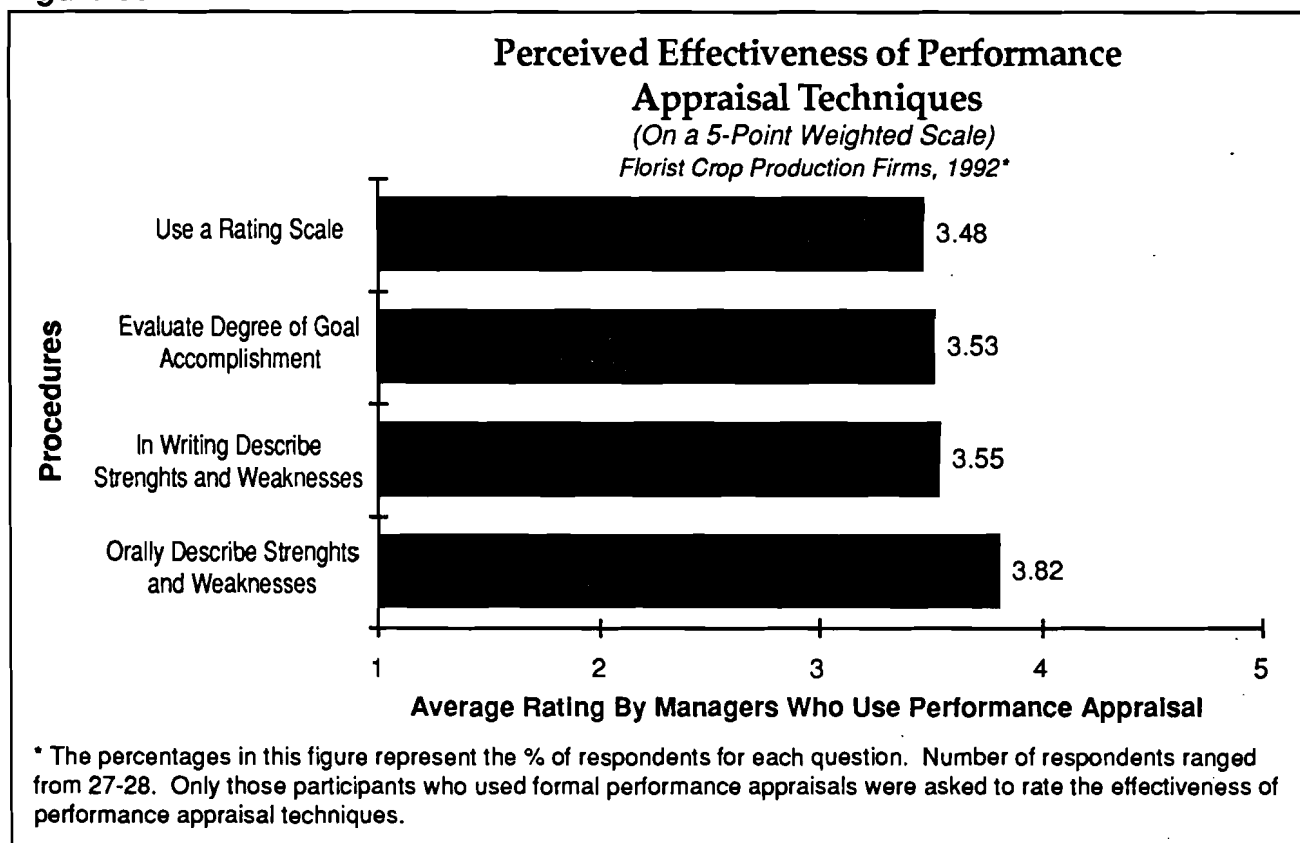


All of those managers conducting performance appraisals used the appraisal to orally describe the employee's strengths and weaknesses and most evaluated the degree of goal accomplishment (Figure 37). All techniques were perceived to be quite effective.

**Figure 37**

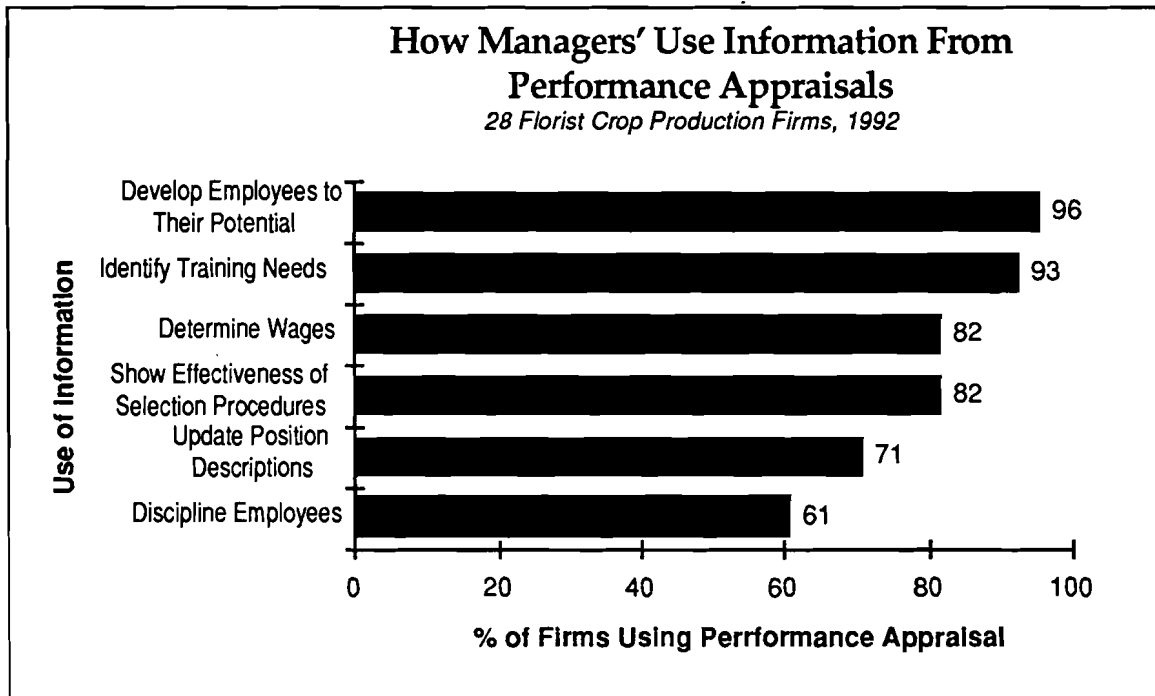


**Figure 38**

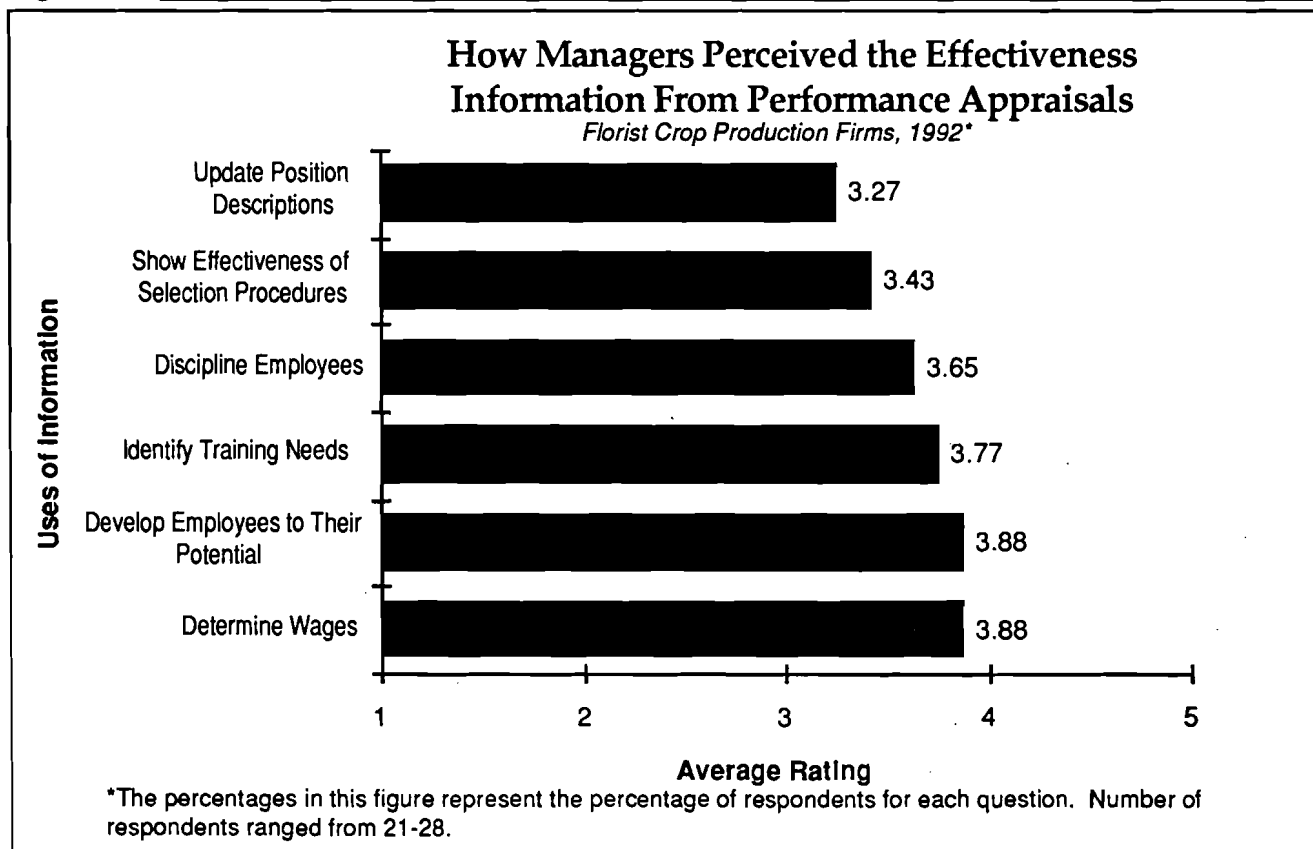


All managers using performance appraisal used it to develop employee potential; most used it to identify training needs, determine wages, show effectiveness of selection procedures, and update position descriptions (Figure 39). Managers using performance appraisals perceived them to be quite effective for all their uses. They were perceived to be most effective in developing employees and determining wages (Figure 40).

**Figure 39**



**Figure 40**

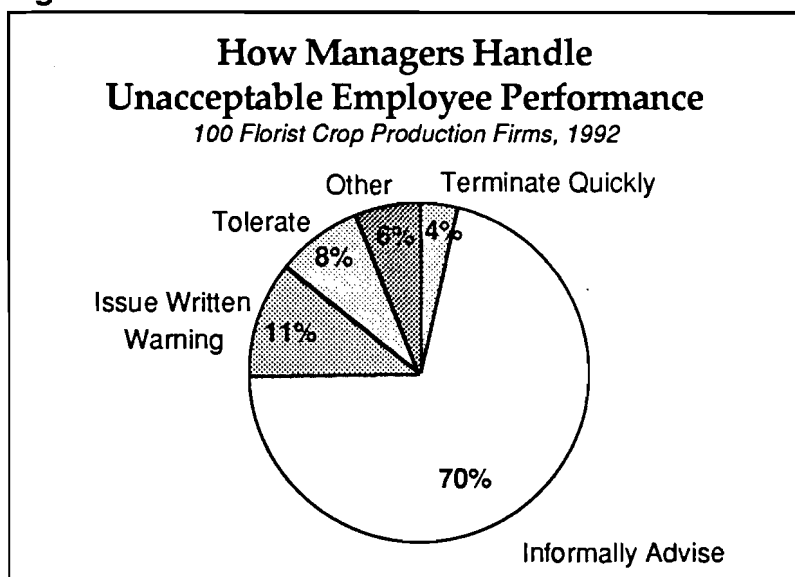


Handling unacceptable employee performance can be uncomfortable for a manager and is sometimes avoided. Therefore, managers were asked how they treat unacceptable performance. The choices for ways in which unacceptable performance was treated were:

- 1.) They are terminated quickly.
- 2.) They are informally advised their performance must improve or they will be fired.
- 3.) They are provided with a written warning that performance must improve or they will be fired.
- 4.) They are tolerated.
- 5.) Other (please specify).

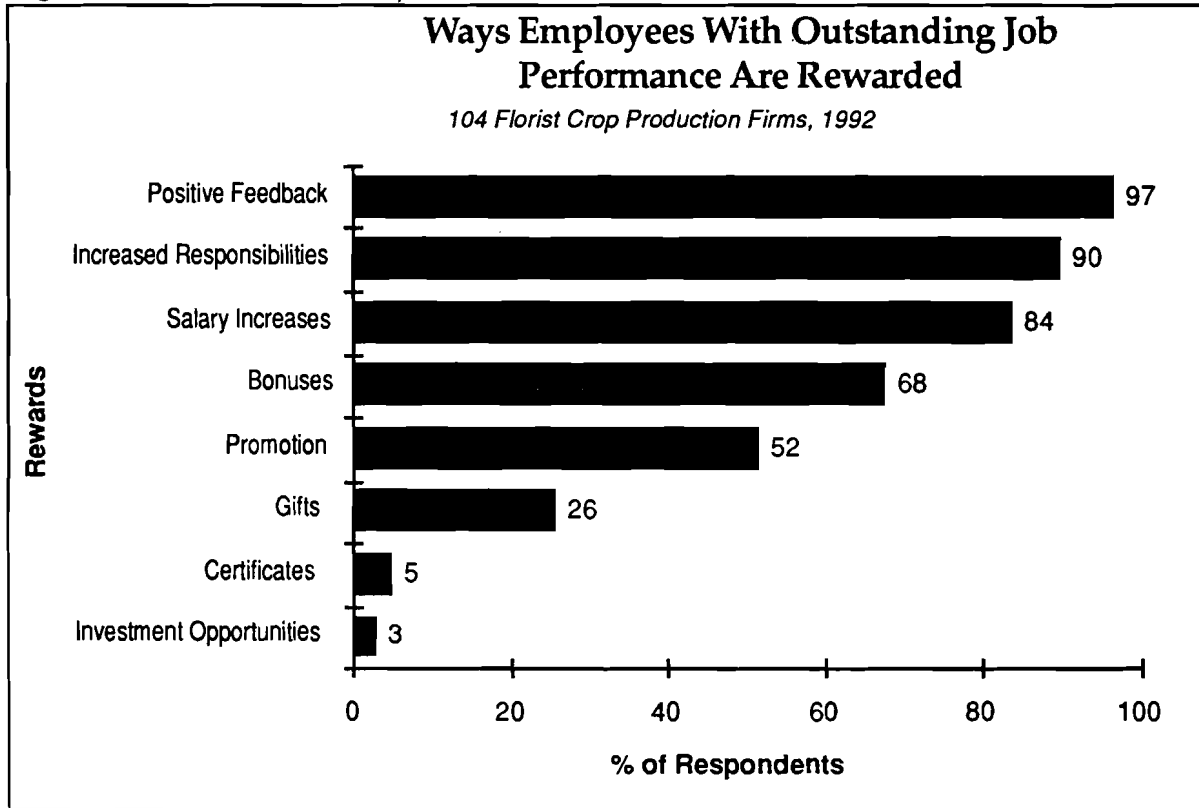
Figure 41 shows that informal advice to improve with an implicit or explicit termination threat is the predominant way unacceptable performance is treated. This result is consistent with the informal procedures found elsewhere in the survey.

**Figure 41**



Rewarding outstanding job performance can increase employee motivation and job satisfaction. Managers in this survey were given a list of reward options and asked which ones they used. They were asked to select all options that applied. Most of the viable reward options are utilized by at least half of the firms, as shown in Figure 42.

**Figure 42**



The results of the performance appraisal questions confirm an informal approach to performance appraisal and feedback. Almost twice as many managers used informal feedback "frequently" as used performance appraisals. The perceived effectiveness of performance appraisals illustrates the potential benefits of formal performance appraisals.

# **Managers' Perceptions of Important Human Resource Management Issues**

The final question of the survey asked managers what they thought would be the **most important personnel management issues for small businesses like theirs in the next three years**. Of the 104 survey participants, 100 answered this question. Many of those who responded gave more than one answer.

The issues raised are summarized below based on a management framework which emanates from the management literature. This framework recognizes five functions of management: planning, organizing, controlling, directing, and staffing (Milligan and Hutt, Catt and Miller). These functions are defined as follows:

## **1. Planning**

Planning is the process of providing direction for the organization. The planning process has several parts which include determining goals, developing short- and long-term plans to reach goals, developing tactics to implement the plan, and putting in place follow-up procedures to make changes when necessary. In short, the planning process creates a vision of what is to be accomplished.

## **2. Organizing**

The organizing function involves the grouping of tasks to be done and then assigning appropriate individuals or groups of individuals to accomplish those tasks. Included in the organizing function is the determination of organizational structure, lines of authority within that structure, and channels of communication. The organizing function takes into account who each individual reports to and is usually communicated by the use of a written organizational chart.

## **3. Controlling**

The control function is the process of determining how well the activity of the organization relates to the plans and goals that have been developed. This process includes creating performance standards, measuring performance, and then making corrections as necessary to achieve desired results.

## **4. Staffing**

The staffing function is strongly related to the human resource or personnel functions typically associated with a personnel department in a large company. These functions include activities such as recruitment, selection, orientation, training, hiring, and performance appraisal. The staffing

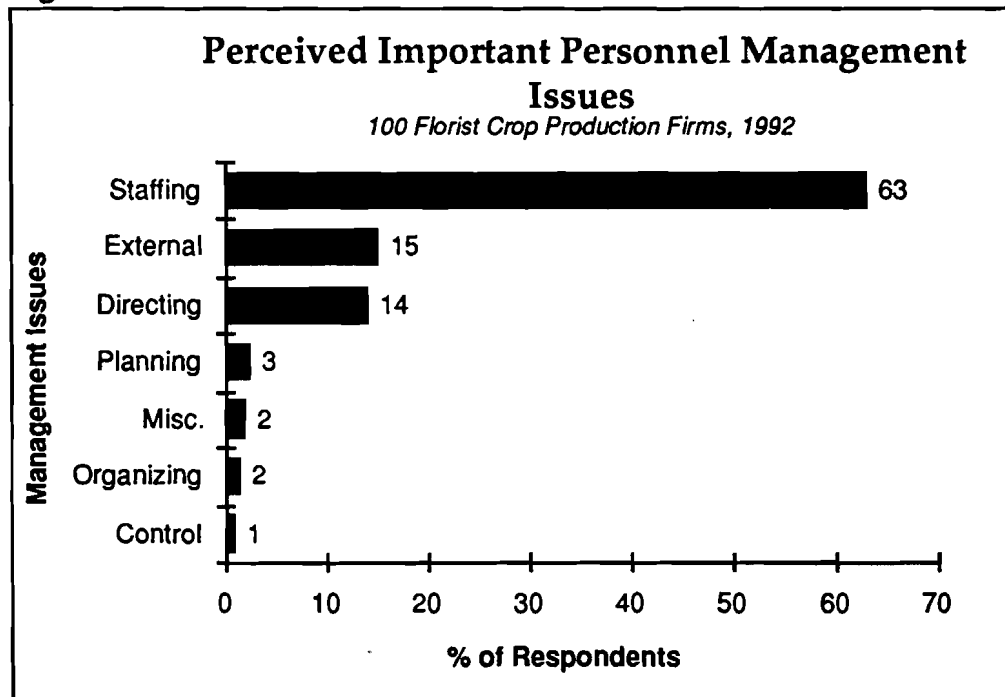
function relates directly to the hiring of productive individuals and training and developing those individuals to have a part in achieving the goals and mission of the organization. In small organizations without personnel departments, the manager must assume these responsibilities.

## 5. Directing

The directing function is the process of giving directions and guiding the work of the individuals within the organization. Directing involves a variety of supervisory skills on the part of the manager which ensure that employees complete assigned work activities. Directing activities include leadership, motivation, communication, delegation, and discipline.

The answers to the final survey question are grouped into one of seven categories: the five functions of management, miscellaneous, or external environment. Many of the respondents cited factors external to the business such as the economy or government regulations, so this category has been included. Overall responses to this question are summarized in Figure 43.

Figure 43

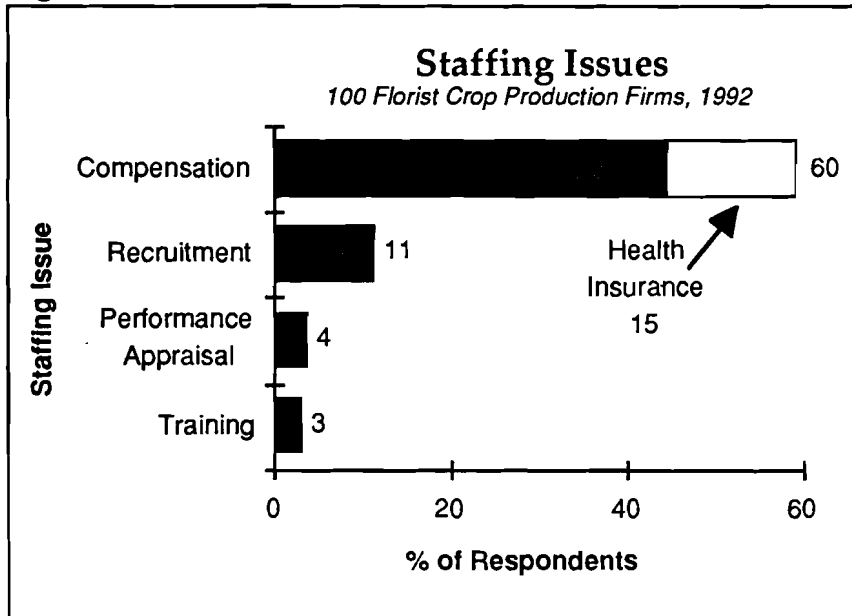


Since most of the responses to this question are in the staffing area, Figure 44 shows the most often cited staffing concerns. It is important to note that while many of those surveyed cited concerns about compensation (wages and benefits), 15 percent of those with compensation concerns specifically mentioned health insurance. Concerns about health insurance appear to reflect the importance employees

place on health insurance and the high cost to the employer of providing health insurance.

The managers surveyed perceive that the greatest personnel challenges they will face over the next three years are providing attractive wages and benefits to retain good workers and attracting qualified workers to the business.

**Figure 44**





# Human Resource Management Practices Based on Number of Employees

This section of the report is modeled after the small business study conducted by Hornsby and Kuratko (1990). Many of the questions asked in this study are similar to those asked in that study. In an attempt to determine differences in sophistication of personnel methods between firms of different sizes, Hornsby and Kuratko divided their study group of 247 firms into three size categories based on number of employees. Their size categories included 1-50 employees, 51-100 employees, and 101-150 employees.

The Hornsby and Kuratko study clearly showed that larger firms had more formal personnel methods. To determine whether similar conclusions could be found with florist crop production firms, the study participants were divided into two groups: small firms (those with less than 10 full-time employee equivalents) and large firms (those with 10 or more full-time employee equivalents).

It is important to note that while the same technique used in the Hornsby and Kuratko study is being used here,

there are two important differences between the two studies. First, the number of respondents in the Hornsby and Kuratko study was more than double the number of businesses in this study. Second, the number of firms with more than 100 employees was greater in the Hornsby and Kuratko study than in this study.

The analysis of the two groups is presented via the same headings as the results in the previous section. The discussion focuses on questions where there is a difference between the two size groups.

### **Characteristics of Businesses and Managers**

When the general characteristics of businesses and managers are observed in two groups there are no substantial differences for several of the characteristics (Table 1). However, observing business acquisition in small firms (having less than 10 employees) as compared to larger firms in this study, it is not surprising that more firms in the small group were started by the owner-operator than in the larger group. Likewise, it is also expected that more larger firms are acquired through family transfer than smaller businesses since it is likely to be more difficult for an entrepreneur to build a larger business.

Table 1

## Characteristics of Businesses and Managers

*by size of business*

	Small Firms 1-9.9 employees  55 Firms Use (%)	Large Firms 10 or more employees  49 Firms Use (%)
<b>Production Facility Size</b>		
Percentage of Businesses With Acreage Between 1/4 and 2 1/2 Acres	83.7	57.1
Percentage with Acreage Greater than 2 1/2	5.5	34.7
<b>Demographics</b>		
Percentage of Respondents Between the Ages of 40-49	38.2	38.8
Percentage of Respondents With at Least a Two-Year College Degree	51.0	57.1
Percentage of Respondents With Some Formal Horticultural Education	38.2	42.9
Percentage of Respondents With Non-Family Horticultural Experience	34.5	32.7
<b>Average Full-Time Employee Equivalents</b>	6.6	30.8
<b>Family Issues</b>		
Business Acquisition:		
Started by Owner-Operator	45.5	28.6
Acquired by Family Transfer	43.6	57.1
Purchased From Non-Family Member	10.9	14.3
Family Employee		
Average Full-Time Equivalents	2.26	4.7

## Personnel Policies and Practices

The allocation of personnel tasks by managers of small firms as opposed to managers of larger firms in this study are as expected (Table 2). In every case, personnel tasks were more likely to be delegated in larger firms than in smaller firms. The use of personnel manuals is also much greater in larger firms than in smaller firms. Data on attendance at personnel management workshops and use of job descriptions, however, does not reveal that managers of larger firms are more likely to use them. In this study managers of small firms used job descriptions almost as frequently as managers of large firms.

**Table 2**

### Personnel Policy and Practices *by size of business*

	Small Firms 1-9.9 employees 55 Firms Use (%)		Large Firms 10 or more employees 49 Firms Use (%)	
<b>Personnel Manager</b>	12.7		10.2	
<b>Allocation of Personnel Tasks</b>				
Personnel Tasks Done by Owner/Operator				
Establish Wages and Benefits	85.5		59.2	
Maintain Payroll	47.3		26.5	
Recruit Applicants	67.3		46.9	
Interview and Hire Applicants	74.5		55.1	
Counsel, Hear Complaints, and Discipline	80.0		61.0	
Train	61.8		30.6	
Do Performance Appraisal	67.3		49.0	
<b>Use of Personnel Manuals</b>	25.4	*6.54	51.0	*7.40
<b>Attendance at Personnel Management Workshops</b>				
Percentage of Respondents That Have Attended at Least One Personnel Management Workshop in the Last Year	69.1		67.3	
<b>Job Descriptions</b>	18.2		20.4	

\* Average number of years managers have been using personnel manuals.

## Recruitment and Selection

In general, larger firms were more likely to use each of the six recruitment methods identified in the study than managers of smaller firms (Table 3). This is particularly true of the more formal recruitment methods including advertisements, use of private employment agencies, and recruiting through high schools or colleges. With selection practices as well, managers of larger firms more frequently used formal selection procedures than did managers of smaller firms. For example, managers of larger firms more frequently used applications, reference checks, and skills tests than did managers of smaller firms. There was no difference in the use of formal interviews between larger and smaller firms, indicating that most firms tend to use an interview process even if they are not likely to use some other more formal selection practices. There were no major differences in effectiveness ratings for recruitment and selection methods between the two groups.

**Table 3**

### Recruitment and Selection Practices *by size of business*

	Small Firms 1-9.9 employees		Large Firms 10 or more employees	
	55 Firms		49 Firms	
	Use (%)	Effective- ness	Use (%)	Effective- ness
<b>Recruitment Methods</b>				
Employee Referral	83.6	3.81	93.9	3.63
Word of Mouth	80.0	3.26	91.9	3.22
Advertisements	41.9	2.78	69.4	2.92
High Schools or Colleges	54.5	2.77	77.5	2.67
Government Employment Agencies	12.8	1.65	20.4	1.62
Private Employment Agencies	7.3	1.84	22.4	1.96
<b>Selection</b>				
Written Interview Questions	23.7		40.8	
Ask Each Applicant Same Questions	71.0		77.6	
Identifying Job Candidates				
Application Forms	72.7	3.20	91.9	2.94
Informal Interviews	78.2		95.9	
Formal Interviews	80.0	*3.93	79.6	*3.96
Reference Checks	78.2	3.47	83.7	3.21
Skills Tests	25.5	2.76	42.8	3.29

\*Respondents were asked to rate the effectiveness of interviews with no distinction between formal or informal.

## Compensation

Managers of larger firms were more likely to base their wage rates on what other employers in the area were paying than smaller firms (Table 4). Managers of larger firms most frequently provided pension plans, profit sharing, retirement, health insurance, life insurance, and dental insurance. These are the more expensive and highly valued benefits. The small firms more frequently provided benefits requiring flexibility and indication of close working relationship, flexible working hours, and social events. It is interesting to note that in larger firms an overwhelming majority of the managers perceived their wages and benefits as better or the same as other employers (84 percent), while only six percent of managers of smaller firms perceived their wages and benefits as better or the same as other employers. This finding is consistent with the concern over compensation voiced by employers in the last question of the survey and illustrates a concern on the part of managers of smaller firms regarding their ability to provide competitive wages and benefits and thereby attract the best employees.

As expected, a higher number of small firms keep payroll records by hand than large firm managers. It is also as expected that a higher number of larger firms use an outside service for keeping payroll records than small firms.

**Table 4**

## Compensation

*by size of business*

	Small Firms 1-9.9 employees		Large Firms 10 or more employees	
	55 Firms		49 Firms	
	Use (%)		Use (%)	
<b>Base Wage Rate on Other Employers</b>	56.4		61.6	
<b>Pension Plans</b>	14.5		20.4	
Funds Accessible Before Retirement, Average Years Until Available	10.9	18.5	14.3	5.71
<b>Other Benefits</b>				
Sick Leave	34.5		38.8	
Vacation Policy	69.1		81.6	
Vacation Days Carry Over to Next Year	21.8		14.3	
Floral Discounts	96.4		98.0	
Flexible Working Hours	89.1		77.6	
Bonuses	83.6		71.4	
Paid Holidays	70.9		75.5	
Social Events	74.5		69.4	
Health Insurance	49.1		67.3	
Disability Insurance	32.7		34.7	
College Tuition Refund	25.5		28.6	
Life Insurance	14.5		28.6	
Profit Sharing	12.7		16.3	
Dental Insurance	1.8		8.2	
<b>Wages and Benefits Perceived Better or the Same as Other Employees</b>	6.3		83.6	
<b>Type of Payroll System</b>				
By Hand	47.3		34.7	
Purchased Package	30.9		16.3	
Business-Developed Software	7.3		14.3	
Outside Service	14.5		30.6	

## Employee Training and Development

In the majority of both large and small firms, managers set aside time to train and provide an orientation for employees (Table 5). On-the-job training is used by 100 percent of both small firm managers and large firm managers. Each of the other training methods was used more frequently by large firms. Interestingly, the order by frequency of use did not change. The perceived effectiveness of each training methods was similar between small firm managers and large firm managers. The less frequently used training methods were perceived as the least effective by managers in both groups.

**Table 5**

### Employee Training and Development *by size of business*

	Small Firms 1-9.9 employees 55 Firms		Large Firms 10 or more employees 49 Firms	
	Use (%)	Effective- ness	Use (%)	Effective- ness
<b>Manager Sets Aside Time to Train</b>	81.8		79.6	
<b>Manager Provides Orientation</b>	65.5		77.5	
<b>Employee Training Methods Used</b>				
On the Job Training	100	4.56	100	4.53
Trade Association Conferences	72.7	3.56	85.7	3.47
University/Extension Seminars	47.3	3.67	67.3	3.42
Internally Conducted Sessions	47.3	3.56	57.1	3.27
Employees Pursue on Own Time	27.3	2.84	57.1	3.00
Training by Product Supply Dealers	32.7	2.59	49.0	2.70
Local Adult Education Courses	21.8	2.54	28.6	2.28
Training by Outside Consultants	7.3	2.33	12.2	2.35

## **Performance Appraisal**

As expected, a far greater number of large firm managers use performance appraisals than do small firm managers (Table 6). Managers perceptions of the effectiveness of uses of information from performance appraisals do not vary greatly between large firm managers and small firm managers. Also there is not a great deal of variation between how small firm managers and large firm managers handle unacceptable performance with the exception of immediate termination of employees. Seven percent of the small firm managers indicated that they terminated employees quickly. None of the large firm managers indicated that this was a method for handling unacceptable performance. This tends to indicate a greater commitment on the part of large firm managers for retaining employees in the business rather than abruptly terminating them.

Table 6

## Performance Appraisal *by size of business*

	Small Firms 1-9.9 employees		Large Firms 10 or more employees	
	55 Firms		49 Firms	
	Use (%)	Effective- ness*	Use (%)	Effective- ness*
<b>How Managers Handle Unacceptable Performance</b>				
Terminate Employee Immediately	7.3		0	
Informally Advise Employee	69.1		65.3	
Issue a Written Warning to Employee	7.3		14.3	
Tolerate	7.3		8.2	
<b>Performance Appraisal</b>	12.7		42.9	
<b>Performance Appraisal Procedures</b>				
Orally Describe Employees' Strengths and Weaknesses	100	3.71	100	3.86
Evaluate Degree of Goal Accomplishment	86	3.29	81	3.62
In Writing Describe Employees' Strengths and Weaknesses	57	3.43	52	3.60
Use a Rating Scale	43	3.43	52	3.50
<b>Use of Information From Performance Appraisals</b>				
Develop Employees to Their Fullest Potential	100	3.57	25	4.00
Identify Training Needs	100	4.14	90	3.63
Determine Wages	86	3.49	81	4.06
Validate Effectiveness of Selection Procedures	72	3.80	86	3.33
Update Position Descriptions	43	3.40	81	3.24
Discipline Employees	72	4.00	52	3.53

\*Effectiveness was only rated by those who use that method

# Summary and Conclusions

The overall objective of this research is to assess the personnel management practices of florist crop producers and to determine how formal or informal managers are in their personnel management practices. This study has found that florist crop producers are relatively informal in their personnel management practices as compared to other small businesses which have been studied and are cited in the literature review. Perhaps one of the most important reasons for these differences in formality is the size of business as measured by the number of people employed. The number of workers for virtually all of the florist crop production firms in this study was under 100. In other small businesses studied there is a greater proportion of firms with more than 100 employees. In general, the greater the number of employees, the more formal the personnel practices. Therefore, given the relatively small size of florist crop production firms, it is understandable that many have not adopted formalized and sophisticated personnel management practices. The purpose of this section is to summarize the conclusions found in this study by topic area.

## **Characteristics of Businesses and Managers**

- Seventy-one percent of the firms studied had production facilities ranging in size from .25 acres to 2.5 acres.
- The majority of managers interviewed were middle-aged. Thirty-nine percent ranged in age from 40-49. However, 17 percent of the managers surveyed were at or nearing the retirement age of 60 or over.
- Survey participants were very well educated. Seventy percent of those surveyed had at least some college experience, and 36 percent had at least a four-year college degree.
- A majority of survey participants had no formal horticultural college training. Only 40 percent reported having had formal training in horticulture. It appears that while many producers have had some college education, many have not had formal horticulture courses.
- Thirty percent of those surveyed indicated that before joining the current business as manager they had horticultural experience in a non-family owned business.
- The overwhelming majority of firms in this study (73 percent) had five employees or less. The average number of employees in the businesses studied was 16.82. This included an average of 13.69 non-family employees and an average of 3.18 family employees (all of these figures represent full time equivalents).
- Family ownership has a strong influence on florist crop production firms. Fifty percent of the survey participants acquired the business through a family transfer. It is also important to note that 37 percent of the firms were started by the owner-operator and only 13 percent were purchased from a non-family member.
- Fifty-five percent of the firms studied had no part-time family workers in addition to the owner-manager and only 12 percent of the firms studied had no family members employed in addition to the owner-manager.

## **Personnel Management Policies and Practices**

- Only 12 percent of the firms studied employ a full-time personnel manager. This is consistent with the size of firms in the study. The majority of firms in this study simply do not need a full-time personnel manager.
- The majority of managers in this study assume primary responsibility for personnel tasks including determination of wage and benefit levels, counseling employees, interviewing prospective employees for jobs, performance appraisal, recruiting, training, and payroll. There were differences in the degree to which managers per-

formed these tasks. As the size of firms increases, some of these tasks are more likely to be delegated.

- Managers in this study were most likely to determine wage and benefit levels for employees themselves. Seventy-three percent retained this responsibility. By contrast, only 38 percent assumed maintenance of payroll and personnel record responsibilities. In the majority of cases, however, the manager either assumed sole responsibility for the personnel tasks mentioned above, or shared the responsibility with an employee. Only rarely were any of the aforementioned personnel management tasks delegated to an employee. As florist crop production firms grow in size, managers will be challenged to develop key employees to whom they can delegate management responsibilities.
- Twenty one percent of the firms studied had a comprehensive written personnel manual while 16 percent reported having a partially developed personnel manual. Given the number of firms in this study with five employees or less, the fact that 37 percent of the firms have at least a partial personnel manual is a very positive sign. It indicates a movement in the direction of more formal personnel management policies. It also represents an opportunity for increased employee satisfaction since employees appreciate having their employment policies clearly spelled out.
- Despite the fact that human resource management tasks are performed in nearly all firms, only 32 percent of the survey participants attended workshops on personnel-related issues, and only 13 percent attended more than three in the previous year. There appears to be a great opportunity for human resource management education within the industry.
- Nineteen percent of the survey participants indicated that they had written position descriptions for most of the jobs in the firms. Written position descriptions can be helpful as a basis for recruiting, orientation, training, and performance appraisal. An increase in use of job descriptions in the florist crop production industry would help to improve overall human resource management.

## **Recruitment**

- Only the least time-consuming and most informal recruitment methods (employee referrals and word of mouth) are used frequently by more than a quarter of the firms studied. More formal methods such as advertisements, recruiting at high schools and colleges,

government services, and private agencies were used far less. Using more formal recruitment methods to improve the quality of applicants in florist crop production firms is recommended. This recommendation is particularly appropriate since the issue of attracting a qualified work force was the second greatest concern raised (after compensation) in the last question of the survey.

- The managers' perceived effectiveness of the six recruiting methods correlated with the amount of use each method received; the more a method was used, the higher it was rated.
- The effectiveness ratings were very low with an average of less than 3 on a 1-5 scale. This reflects the overall dissatisfaction managers have with recruiting. Perhaps the low rating for more formal techniques comes from impression rather than experience, and their use should be tried.

### **Selection**

- Application forms and formal interviews are commonly regarded as formal selection methods. These two methods were frequently used by a majority of the survey participants. Managers reported using formal selection methods to a greater extent than formal recruitment methods. In addition, the managers' perceptions of formal selection methods were in many cases higher than the perception of the effectiveness of formal recruitment methods. It is likely that more formalized recruitment methods in conjunction with the formalized selection methods already being used would make the overall recruitment and selection process more effective for the florist crop production industry.
- Use of a written set of interview questions indicates formality in the interview process. Only 20 percent of the managers surveyed indicated that they frequently used written questions in interviews and 12 percent indicated they sometimes used written questions in interviews.
- Asking each job applicant the same questions is another way to be more formal and achieve more reliability in the interview process. While relatively few managers report using a written set of questions, 52% of managers indicated that they frequently ask each applicant the same questions, indicating some forethought and preparedness on the part of the manager.

### **Compensation**

- Only 9 percent of the managers surveyed indicated that they base their wage rate on what other employers pay.

This is surprising, since managers often express concern over the competitiveness of their salary and wage levels.

- The sophistication of sick leave and vacation plans are an indicator of the extent to which an employer is willing to provide these benefits. The majority of firms in this study would not be considered progressive in their vacation and sick leave policies. Sixty five percent indicated that they had no sick leave policy, 26 percent indicated they had no vacation policy, and 81 percent indicated that employees cannot carry over accumulated vacation days.
- Only 17 percent of the firms in this study offered a pension plan to employees. Those who did provide pension plans used a variety of plans including SEP, 401K, profit sharing, and others.
- As a group, the firms studied offered a variety of employee benefits. Benefits offered by at least 70 percent of the firms included social events, paid holidays, vacation policies, bonuses, flex-time, and floral discounts. Benefits offered by 20 percent or less of the employers included pension plans, profit sharing, and dental insurance. Health insurance was offered by 58 percent of the firms in the survey. Health insurance, pension plans, and profit sharing are highly valued by many employees and are an indicator of the attractiveness of a given wage and benefit plan. It is recommended that as an industry, florist crop producers explore ways to provide these and other very attractive benefits if they are not already doing so.
- The majority of employers interviewed felt that their wage and benefit package was about the same as other florist crop producers.
- Fifty-seven percent of managers indicated that they had automated their payroll systems. Twenty-two percent said they used an outside firm. Eleven percent said they used an in-house computer system with software developed within the firm, and twenty-four percent said they used a microcomputer with purchased payroll software. This indicates an awareness on the part of many in the industry that the payroll function can be either delegated or automated to save management time for more pressing business concerns. Even the firms with five employees or less could benefit by some type of automation.

### **Employee Training and Development**

- Forty-five percent of florist crop producers reported that they frequently set aside time to train employees.

Thirty-five percent indicated that they sometimes set aside time to train employees. There appears to be a strong recognition that training is important, and time is specifically set aside to see that employees are trained properly.

- Orientation is regarded as important by florist crop producers. Forty-five percent said they frequently provide orientation for new employees and thirty five percent said they sometimes provide orientation for new employees. This reflects a recognition of the importance of starting employees correctly.
- Employers use a variety of training methods with on-the-job training being used by all employers. Trade association seminars and university extension workshops were the second and third most commonly used methods. These results indicate a commitment to training with emphasis on informal low-cost alternatives.
- When asked to rate the perceived effectiveness of training methods, on-the-job training was rated the most effective, followed by university extension workshops and trade association seminars. These perceptions are highly correlated with the training methods most frequently used.

### **Performance Appraisal**

- Only 27 percent of the managers surveyed indicated that they use a formal performance appraisal with their employees on a regular basis. This is a relatively low usage of performance appraisal and is yet another indicator of the level of staffing practices utilized in florist crop production firms.
- Of the firms which use performance appraisals, all reported that the procedure they use is to orally describe the employees' strengths and weaknesses. About half of the survey participants who use performance appraisal describe in writing the employees' strengths and weaknesses.
- Managers using performance appraisal perceived that the most effective performance appraisal technique was to orally describe the employees' strengths and weaknesses. While performance appraisal is a formal staffing technique, managers appeared to be more comfortable in an informal, oral way as opposed to in writing.
- When asked how unacceptable performance is treated, 70 percent of the managers responded that they informally advised that performance must improve or they will be fired. Again, this informal approach is consistent with the prior results of this survey.

- The primary ways that employees with outstanding job performance are rewarded are through positive feedback, increased responsibilities, salary increases, and bonuses. The least used ways employees with outstanding job performance were rewarded were with gift certificates or investment opportunities. Managers appear to recognize the extreme importance of rewarding employees who are doing a good job. This is a very positive sign since there is often a tendency for managers to devote the majority of time and energy to employees who are doing a poor job and somewhat ignore those that are doing a very good job.

## **Managers Perceptions of Important Human Resource Management Issues**

- Sixty three percent of managers surveyed indicated concerns in the staffing area. Fifteen percent cited external concerns, such as government regulation as important issues in the next three years. Fourteen percent cited directing issues such as motivation, communication, leadership, conflict resolution, and discipline as most important personnel issues.
- Compensation issues were the most important single concern of managers. Issues generally cited were providing competitive wages and providing a strong benefit package. Fifteen percent of the survey participants felt health insurance issues, and specifically the high current costs of providing health insurance, would be major concerns over the next three years.
- The second greatest concern, voiced by 11 percent of the group, was in recruiting qualified applicants to work in the business. Many of those responding indicated that they could not find a sufficient pool of applicants to apply for jobs who had the skills and work habits employers required.
- These results are very consistent with those concerns of small business employers outside the florist crop production industry. Attracting qualified people and providing the wages and benefits necessary to retain qualified people over the long term is a major concern of most small business employers. Florist crop producers should address these concerns by operating modern profitable businesses that will support good wages and benefits. In addition, devoting more time to the recruitment process and using more formalized recruiting methods, such as advertisements in newspapers and magazines, recruiting through educational institutions, and use of recruitment agencies would improve in many

cases the ability of employers to attract a pool of qualified applicants. Above all, florist crop producers are encouraged to be creative in their recruitment and selection methods. Creative advertisements as well as using variations on recruiting procedures that are not frequently used by other employers will help to recruit the qualified applicants that florist crop producers need to effectively run their businesses.

## **Summary**

Managing people in a florist crop production business or any small business is indeed a challenge for the manager. The successful human resource manager in any small business must bring together the firm's need to have a productive work force and the wants and needs of the employees. In general, employers want qualified workers who consistently attend work promptly and who will be productive and satisfied. Employees on the other hand, want to work in a place with pleasant working conditions, to have an opportunity for growth and development, to be treated with respect and dignity by their employer, and to receive competitive wages and benefits for their work. The skillful human resource manager in any firm or organization will carefully bring together and balance the need for productivity in the firm with the wants and needs of the employee.

The results of this study show a tremendous variation in the personnel management practices used by florist crop producers. Particularly larger florist crop production firms have formalized staffing practices, indicating a commitment on the part of management to treat employees well and create a highly productive work force. Variation in the range of personnel management practices is indicative of the wide range in the size of firms in this study. Florist crop producers are utilizing many progressive personnel management practices. As an industry, the florist crop producers are continually challenged to be creative and progressive in their personnel management practices in order to meet their personnel objectives as well as the mission and objectives of the firm. Continued diligence on the part of florist crop producers in human resource management will pay dividends in the future.

# Implications for the Future

This study raises implications for the future in two main areas, research and education. Since this is a baseline study of personnel management practices in the florist crop production sector, there are obviously many issues raised which could be further researched. In addition, it appears that an educational program in staffing practices for the industry would be very beneficial based on some of the results in this study.

## **Implications for Research**

- This study focuses on the personnel management practices of florist crop production firms in northern states. It would be helpful to study personnel management practices of florist crop production firms in southern and western states as well as in the retail and wholesale sectors of the industry.
- While this study clearly shows the types of personnel management practices used within florist crop production firms, it does not specifically address the directing function of management, which includes issues such as motivation, leadership, communication, and delegation. A manager must not only employ appropriate staffing

practices in managing people in the business, but must also employ good human relations and directing practices in managing people. Further study of the directing function of management in florist crop production businesses would be helpful.

- The participants in this study represent a very diverse group of florist crop producers in terms of size, they also use a very wide range of personnel practices, ranging from the very informal to the very formal. Further study of what types of practices and combinations of personnel practices are optimal for a given business size would be helpful.
- Florist crop producers in this study voiced concern over their ability to attract qualified workers and more importantly, their ability to provide wages and benefits that will be attractive to highly qualified workers. Many issues in the areas of employee compensation and employee recruitment could be further studied to help producers in addressing these challenges. For example, producers want to know how to provide benefits to employees in a cost-effective manner. The most notable example of this is providing health insurance. Producers also want to know how to attract a qualified work force and then retain that work force in the firm over a long period of time. Applied research that would help identify ways that successful employers recruit and compensate their employees would be very helpful to others in the industry.

### **Implication for Education**

The implications for human resource management education within the florist crop production industry are substantial. Human resource management as an academic discipline has been emerging over the past five decades, yet the knowledge and research emanating from that discipline has not been adopted and utilized in the florist crop production industry to the extent that production research and technology has.

- The extension/university system has devoted most of its effort providing production research and technology and delivering it to the industry. Trade associations and organizations have also supported and augmented university research and education. In the area of human resource management education for horticultural and agricultural producers, only a few states (including California, Michigan, Ohio, New York, and Florida) have made a substantial effort to develop human resource management education programs. Further effort

in this area is needed on a state-wide or regional basis.

- Management education in the florist crop production industry should be elevated to the same level of education as production technologies within the industry. Managers are encouraged to develop long-term educational plans for their own management growth and development. By viewing management education as a long-term proposition, producers will be in a better position to attract and retain the type of productive workers required and ultimately to run a progressive and profitable businesses.



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# **Appendix I**

## **Survey Instrument**

## SCREENING QUESTIONS

- 1) Which of the following best describes your role in this business?
  - 1 I own this business and I am primarily responsible for its day-to-day management.
  - 2 I own this business but I am *not* primarily responsible for its day-to-day management. -----> **SKIP TO QUESTION 4 BELOW.**
  - 3 I *don't own* this business but I am primarily responsible for its day-to-day management.
- 2) I need to talk to the person who is primarily responsible for the day-to-day management of this business. Could you give me this person's name?  

---
- 3) Is it possible to talk to (NEW PERSON)?
  - 1 YES -----> *(INTERVIEWER, REPEAT INTRODUCTION, OR IF CALL BACK, SPECIFY TIME.)*
  - 2 NO, manager not available during interview period. *(TERMINATE INTERVIEW AND RECORD 19 IN "RESULTS" COLUMN.)*
- 4) Is florist crop production your primary business ?
  - 1 YES
    - 4a) IF YES, are you also involved in *(CHECK ALL THAT APPLY):*
      - 1 Wholesale marketing of florist crops
      - 2 Retail marketing of florist crops
  - 2 NO *(INTERVIEWER, TERMINATE INTERVIEW AND RECORD 17 IN "RESULTS" COLUMN.)*
- 5) In the past year have you employed at least one full-time non-family member in your business?
  - 1 YES
  - 2 NO *(TERMINATE INTERVIEW AND RECORD 15 IN "RESULTS" COLUMN.)*
- 6) Do any of your employees operate under a union contract?
  - 1 YES *(INTERVIEWER, TERMINATE INTERVIEW AND RECORD 16 IN "RESULTS" COLUMN.)*
  - 2 NO

## BUSINESS CHARACTERISTICS

- 7) I am now going to read to you statements which may or may not apply to your business. Please tell me which statement is true of this business. Please wait until I have finished reading all the statements before giving me your response. (INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.).

- 1 This business was started by the current owner/operator
- 2 This business was acquired through a family transfer, that is, it has been in the family for at least two generations
- 3 This business was acquired from a non-family member

Now we'd like to know how many people -- both family members and non-family members -- worked in your business in 1991.

(INTERVIEWER, WRITE NUMBER ON BLANKS.)

- 8) In 1991, how many family members were full-time, year-round employees?

\_\_\_\_\_ FAMILY MEMBERS WHO WERE FULL-TIME EMPLOYEES

- 9) How many were part-time, year-round employees?

NONE -----> SKIP TO QUESTION 12, NEXT PAGE.

\_\_\_\_\_ PART-TIME, YEAR-ROUND EMPLOYEES

- 10) Of these part-time year-round employees, how many were:

\_\_\_\_\_ HALF-TIME YEAR-ROUND EMPLOYEES

- 11) How many worked *quarter time*?

\_\_\_\_\_ QUARTER-TIME YEAR-ROUND EMPLOYEES

**\* INTERVIEWER, MAKE SURE THAT 10 AND 11 ADD UP TO PART-TIME TOTAL.**

12) In 1991, how many seasonal employees did you have who were family members?

NONE -----> SKIP TO QUESTION 14 BELOW.

\_\_\_\_\_ SEASONAL EMPLOYEES

13) Of these seasonal employees, how many worked:

**FULL-TIME**

**HALF-TIME**

\_\_\_\_\_ ONE MONTH?

\_\_\_\_\_ ONE MONTH?

\_\_\_\_\_ TWO MONTHS?

\_\_\_\_\_ TWO MONTHS?

\_\_\_\_\_ THREE MONTHS?

\_\_\_\_\_ THREE MONTHS?

*Any other monthly arrangement?*

\_\_\_\_\_ SPECIFY MONTHS  
WORKED FULL-TIME:

\_\_\_\_\_ SPECIFY MONTHS  
WORKED

PART-TIME:

\_\_\_\_\_ *Months*  
*Months*

\_\_\_\_\_

\_\_\_\_\_ TOTAL FULL-TIME  
SEASONAL EMPLOYEES  
EMPLOYEES

\_\_\_\_\_ TOTAL PART-TIME  
SEASONAL

*\*INTERVIEWER, MAKE SURE THAT 13 ADDS UP TO SEASONAL TOTAL.*

14) In 1991, how many non-family members were full-time, year-round employees?

\_\_\_\_\_ NON-FAMILY MEMBERS WHO WERE FULL-TIME EMPLOYEES

15) How many were part-time, year-round employees?

NONE -----> SKIP TO QUESTION 18, NEXT PAGE.

\_\_\_\_\_ PART-TIME, YEAR-ROUND EMPLOYEES

16) Of these part-time year-round employees, how many were *half-time year-round* employees? \_\_\_\_\_

17) How many worked *quarter time*? \_\_\_\_\_

*\* INTERVIEWER, MAKE SURE THAT 16 AND 17 ADD UP TO PART-TIME TOTAL.*

18) In 1991, how many seasonal employees did you have?

NONE -----> SKIP TO QUESTION 20, NEXT PAGE.

\_\_\_\_\_ SEASONAL EMPLOYEES

19) Of these seasonal employees, how many worked:

**FULL-TIME**

**HALF-TIME**

\_\_\_\_\_ ONE MONTH?

\_\_\_\_\_ ONE MONTH?

\_\_\_\_\_ TWO MONTHS?

\_\_\_\_\_ TWO MONTHS?

\_\_\_\_\_ THREE MONTHS?

\_\_\_\_\_ THREE MONTHS?

***Any other monthly arrangement?***

\_\_\_\_\_ SPECIFY MONTHS  
WORKED FULL-TIME:

\_\_\_\_\_ SPECIFY MONTHS  
WORKED

PART-TIME:

\_\_\_\_\_ MONTHS  
**MONTHS**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ TOTAL FULL-TIME  
SEASONAL EMPLOYEES

\_\_\_\_\_ TOTAL PART-TIME  
SEASONAL

EMPLOYEES

***\*INTERVIEWER, MAKE SURE THAT 19 ADDS UP TO SEASONAL TOTAL.***

**FOR CODERS ONLY:**

**Family FTEs**

**Non-Family FTEs**

Full-time Year-round: \_\_\_\_\_

Full-time Year-round: \_\_\_\_\_

Half-time Year-round: \_\_\_\_\_

Half-time Year-round: \_\_\_\_\_

1/4-time Year-round: \_\_\_\_\_

1/4-time Year-round: \_\_\_\_\_

Seasonal Full-time: \_\_\_\_\_

Seasonal Full-time: \_\_\_\_\_

Seasonal Part-time: \_\_\_\_\_

Seasonal Part-time: \_\_\_\_\_

**TOTAL Family  
Full-time Equivalents: \_\_\_\_\_**

**TOTAL Non-Family  
Full-time Equivalents: \_\_\_\_\_**

-----

- 20) What is the approximate size of your production facility in acres or square feet?  
Is it..... (*INTERVIEWER, CIRCLE ONE RESPONSE.*)

- 1 Less than 1/4 acre (Less than 10,890 sq. ft.)
- 2 1/4 acre TO 1 acre (10,890 - 43,560 sq. ft.)
- 3 1 TO 2 1/2 acres (43,560 - 108,900 sq. ft.)
- 4 2 1/2 acres TO 5 acres (108,900 - 217,800 sq. ft.)
- 5 5 TO 7 1/2 acres (217,800 - 326,700 sq. ft.)
- 6 More than 7 1/2 acres (More than 326,700 sq. ft.)

### General Personnel Management Practices

- 21) Do you have a full-time personnel manager? (*CIRCLE ONE RESPONSE.*)

- 1 YES
- 2 NO

- 22) I am going to read a list of personnel tasks. As I read each task, please indicate if the task is primarily performed by you, primarily delegated to someone else or not done at all. Shall we start? (*INTERVIEWER, CIRCLE ONE RESPONSE PER ITEM.*)

	<i>Is this task .....</i>		
	Done by the You?	Delegated to Someone?	Not Done?
1 Establishment of wage levels and benefits	1	2	NA
2 Maintenance of payroll and personnel records	1	2	NA
3 Recruiting applicants	1	2	NA
4 Interviewing and hiring applicants	1	2	NA
5 Counseling, complaints, and discipline	1	2	3
6 Training and development	1	2	3
7 Performance appraisal	1	2	3

- 23) Which of the following three statements best describes your business situation with regard to personnel manuals? (*INTERVIEWER, CIRCLE ONE RESPONSE.*)
- 1 We have a comprehensive written personnel manual
  - 2 We have a partially developed personnel manual
  - 3 We have no written personnel policies -----> **SKIP TO QUESTION 25.**
- 24) **IF 1 OR 2**, how long has your business had this personnel manual?
- \_\_\_\_\_ **YEARS**
- 25) In the past two years, how often have you attended meetings and workshops that included personnel management topics? Have you attended meetings or workshops ... (*INTERVIEWER, CIRCLE ONE RESPONSE.*)
- 1 Frequently, about three or more times a year
  - 2 Somewhat frequently, about twice a year
  - 3 Infrequently, about once or less than once a year
- OR**
- 4 Have you **NOT** attended any meetings or workshops that included personnel management topics in the past two years?

## RECRUITMENT AND SELECTION

26) Do you have written position descriptions for at least two-thirds of the jobs in your firm?

1 YES

2 NO      26a) IF YES, how frequently are they updated? \_\_\_\_\_

27) I will read a list of employee recruitment methods. As I read each method, please tell me if you use that method "Frequently", "Sometimes" or "Never".  
(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE PER ITEM.)

*Do you use this method.....*  
**Frequently   Sometimes   Never**

1	Referrals from employees	1	2	3
2	Word of mouth	1	2	3
3	Advertisements in local newspapers	1	2	3
4	Government employment services	1	2	3
5	High schools or colleges	1	2	3
6	Private employment agency or search firms	1	2	3

*Do you use any other methods to recruit employees?*

7	Other: _____	1	2	3
8	_____	1	2	3

- 28) I am now going to ask you how effective each of the same items is in **recruiting employees**. It does not matter if you use them or not -- we still need your opinion. A rating of 5 indicates a most effective method and a rating of 1 indicates a very ineffective method.

In other words, the higher the number you give using a scale from 1 to 5, the more effective you think that method is. (*INTERVIEWER, CIRCLE ONE RESPONSE PER ITEM.*)

*a*

*How effective is this method on  
scale of 1 through 5?*

1	Referrals from employees	1	2	3	4	5
2	Word of mouth	1	2	3	4	5
3	Advertisements in local newspapers	1	2	3	4	5
4	Government employment services	1	2	3	4	5
5	High schools or colleges	1	2	3	4	5
6	Private employment agency or search firms	1	2	3	4	5

- 29) How frequently do you use the following methods for **gathering information about potential job candidates**. Just as before, as I read each method, please tell me if you use that method "Frequently", "Sometimes" or "Never".  
(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE PER ITEM.)

*Do you use this method.....*  
Frequently    Sometimes    Never

1	Application form	1	2	3
2	Reference checks	1	2	3
3	Formal interview	1	2	3
4	Informal interview	1	2	3
5	Skills tests	1	2	3

*Do you use any other methods to gather information about potential candidates?*

6	Other: _____	1	2	3
7	_____	1	2	3

- 30) On a scale of 1 through 5 how effective are (*READ FIRST ITEM*) in identifying good potential candidates? (*INTERVIEWER, CIRCLE ONE RESPONSE PER ITEM.*)

<i>a</i>		<i>How effective is this method on scale of 1 through 5?</i>				
		1	2	3	4	5
1	Application forms	1	2	3	4	5
2	Reference checks	1	2	3	4	5
3	Interviews	1	2	3	4	5
4	Skills tests	1	2	3	4	5

*Are there any other selection procedures that you think are effective in identifying potential candidates?*

5	Other: _____	1	2	3	4	5
6	_____	1	2	3	4	5

- 31) How frequently do you interview with a written list of questions? Do you do this frequently, sometimes, seldom, or never? (*INTERVIEWER, CIRCLE ONE RESPONSE.*)

- 1 Frequently
- 2 Sometimes
- 3 Seldom
- 4 Never

- 32) How frequently do you take care to ask each applicant the same questions? Do you do this frequently, sometimes, seldom, or never? (*INTERVIEWER, CIRCLE ONE RESPONSE.*)

- 1 Frequently
- 2 Sometimes
- 3 Seldom
- 4 Never

- 33) Does your business use a "terms of employment agreement" that both parties sign at the time of employment? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

1 YES  
2 NO

#### COMPENSATION

- 34) Which of the following statements best describes to what extent you base your wage rate on what other employers are paying? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

1 We generally ***do not*** base our wage rate on what other employers are paying. We pay what we can afford.  
2 We have a general sense of what others are paying and ***sometimes*** use this as a base to decide our wage rates.  
3 We find out specifically what others are paying and ***generally use*** this to decide on our wage rate.

- 35) Do you offer a pension plan to any of your employees? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

1 YES  
2 NO -----> SKIP TO QUESTION 39.

- 36) **IF YES**, what type of plan is it? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

1 SEP (Simplified Employee Pension Program)  
2 401K  
3 Profit sharing  
4 Savings account  
5 Other (*Please specify.*): \_\_\_\_\_

- 37) Can an individual employed by your business have access to the pension funds prior to retirement? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)
- 1 YES  
2 NO -----> SKIP TO QUESTION 39 BELOW.
- 38) How many years before the employee is fully vested in the plan, that is, how long must an individual be employed before he or she has access to the funds? (*INTERVIEWER, WRITE NUMBER OF YEARS ON THE BLANK. OTHERWISE, PLEASE CIRCLE ONE RESPONSE.*)
- 1 \_\_\_\_\_ YEARS  
2 Don't know
- 39) Do you have a sick leave policy? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)
- 1 YES  
2 NO -----> SKIP TO QUESTION 41 BELOW.
- 40) **IF YES**, which of the following statements best describes your sick leave policy?
- 1 We have a formal written sick leave policy distributed to employees.  
2 We have an informally communicated sick leave policy.  
3 Other (*Please specify.*): \_\_\_\_\_
- 41) Do you have an employee vacation plan? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)
- 1 YES  
2 NO -----> SKIP TO QUESTION 43, NEXT PAGE.
- 42) **IF YES**, which of the following statements best describes your vacation plan?
- 1 We have a formal written vacation policy.  
2 We have an informally communicated vacation policy.  
3 Other (*Please specify.*): \_\_\_\_\_

- 43) Can an employee carry over accumulated vacation days to the next year?  
(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.).

1 YES  
2 NO

- 44) What other benefits do your employees receive? (INTERVIEWER, READ EACH ITEM AND CIRCLE ALL THAT APPLY.)

***Do they receive....***

- 1 Health insurance  
2 Dental insurance  
3 Disability insurance  
4 Life insurance  
5 Social events such as summer picnics or holiday parties  
6 Flexible working hours or "flex time"  
7 Tuition refund for courses taken on own time  
8 Discount on floral products  
9 Profit sharing  
10 Bonuses  
11 Paid holidays

***Does your company offer any other benefits to your employees?***

- 10 Other: \_\_\_\_\_  
11 \_\_\_\_\_

- 45) In your opinion, how competitive is your wage and benefit package compared to other employers in your area? Is your package better than most other employers in your area, about the same, or is it less competitive?(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.)

- 1 ***Better*** than most other employers in our area.  
2 ***About the same.***  
3 ***Less than most.***

46) Which of the following statements most closely describes your payroll system?  
(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.)

- 1 Our payroll is calculated by hand within the business.
- 2 Our payroll is completed on a personal computer using a purchased software package.

46a) What software package do you use?

\_\_\_\_\_

- 3 Our payroll is completed on a personal computer using a system developed within the business.
- 4 We use an outside payroll service. (Please specify by name.):

\_\_\_\_\_

- 5 Other (Please specify.): \_\_\_\_\_

#### EMPLOYEE TRAINING AND DEVELOPMENT

47) How often do you give new employees a clear and complete orientation to the business? Do you provide employee orientations frequently, sometimes, seldom, or not at all? (INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.)

- 1 Frequently
- 2 Sometimes
- 3 Seldom
- 4 Not at all

48) How often do you specifically set aside time to train individual employees? Do you train individual employees frequently, sometimes, seldom, or not at all? (INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.)

- 1 Frequently
- 2 Sometimes
- 3 Seldom
- 4 Not at all

- 49) Which of the following employee training methods do you use and how effective are they in your opinion? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE PER ITEM PER COLUMN.*)

<i>Do you use ....</i>			<i>How effective is this method on a scale of 1 through 5?</i>				
YES	NO						
1	2	On-the-job training	1	2	3	4	5
1	2	University/extension sponsored seminars or workshops	1	2	3	4	5
1	2	Internally conducted training sessions	1	2	3	4	5
1	2	Employees pursue training and development on their own time	1	2	3	4	5
1	2	Trade association conferences or seminars	1	2	3	4	5
1	2	Training by outside consultants	1	2	3	4	5
1	2	Training by product supply dealers		1	2	3	4
5							
1	2	Local adult education courses	1	2	3	4	5

*Does your company use any other employee training methods?*

1	2	Other: _____	1	2	3	4	5
1	2	_____	1	2	3	4	5

## PERFORMANCE APPRAISAL

50) Do you use performance appraisal procedures that may include meetings with the employees to assess their performance on a regular basis? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

1 YES

2 NO -----> SKIP TO QUESTION 54, NEXT PAGE.

51) IF YES, how often are performance appraisals conducted? \_\_\_\_\_

52)		<i>Does your business use performance appraisal procedures that ....</i>	<i>How effective is this method on a scale of 1 through 5?</i>				
YES	NO	_____	_____				
1	2						
		Use a rating scale to rate specific areas of job performance?	1	2	3	4	5
1	2	Describe orally the employee's strengths and weaknesses?	1	2	3	4	5
1	2	Describe in writing the employee's strengths and weaknesses?	1	2	3	4	5
1	2	Evaluate the degree of goal accomplishment?	1	2	3	4	5

*Does your company use any other procedures?*

1	2	Other: _____	1	2	3	4	5
---	---	--------------	---	---	---	---	---

1	2	_____	1	2	3	4	5
---	---	-------	---	---	---	---	---

- 53) How do you use the information gathered during performance appraisals?  
(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE PER ITEM PER COLUMN.)

**\*INTERVIEWER, ASK EFFECTIVENESS QUESTION ONLY IF RESPONSE TO FIRST COLUMN IS "YES".**

*Is the information used...                      How effective is the information in accomplishing this?*

YES 1	NO 2		1	2	3	4	5
1	2	To determine wages?	1	2	3	4	5
1	2	To discipline employees?	1	2	3	4	5
1	2	To identify training needs?	1	2	3	4	5
1	2	To develop employees to their fullest potential?	1	2	3	4	5
1	2	To validate or show the effectiveness of the selection procedures?	1	2	3	4	5
1	2	To update or modify position descriptions?	1	2	3	4	5

*How else does your company use performance evaluation information?*

1	2	Other: _____	1	2	3	4	5
1	2	_____	1	2	3	4	5

- 54) How frequently do you provide informal feedback to employees on their job performance? Do you provide feedback ....  
(INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.)

- 1     **Frequently**, that is, several times a week?  
2     **Somewhat frequently**, that is, several times a month?  
3     **Infrequently**, that is, only when you find the time?

55) Which of the following statements most closely reflects how employees with unacceptable performance are treated in your business? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

- 1 They are terminated quickly.
- 2 They are informally advised their performance must improve or they will be fired.
- 3 They are provided with a written warning that performance must improve or they will be fired.
- 4 They are tolerated.
- 5 Other (*Please specify.*): \_\_\_\_\_

56) How are employees with outstanding job performance rewarded? (*INTERVIEWER, READ EACH ITEM AND CIRCLE ALL THAT APPLY.*)

*Are they given....*

- 1 Salary increases
- 2 Bonuses
- 3 Gifts
- 4 Positive feedback
- 5 Increased responsibilities
- 6 Job promotion
- 7 Certificates
- 8 Investment opportunities in the business
- 9 *Any Other?* \_\_\_\_\_

57) In the next three years, what do you think will be the most important personnel management issues for small businesses like yours? Could you start with what you think is the most important issue and continue from there?

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## DEMOGRAPHICS

58) How many years have you been associated with the business?

\_\_\_\_\_ YEARS

59) We want to know your age range. Let me read the ranges and stop me when I get to your age bracket, okay? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

- 1 Less than 20 years old
- 2 20-29
- 3 30-39
- 4 40-49
- 5 50-59
- 6 60 years old or more

60) What is the highest level of formal education you have completed? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

- 1 Less than High School diploma
- 2 High School diploma
- 3 Attended college, did not receive degree
- 4 Two year college degree
- 5 Four year college degree
- 6 Masters degree
- 7 Doctorate

61) Do you have formal education/training in horticulture?

- 1 YES
- 2 NO -----> SKIP TO QUESTION 63 BELOW.

62) IF YES, what is your most advanced horticulture degree?

63) Before joining this business as the owner/manager, did you have non-family horticulture business experience? (*INTERVIEWER, PLEASE CIRCLE ONE RESPONSE.*)

- 1 YES
- 2 NO

***Thank you very much for your cooperation. You've been a great help.  
Have a nice day. Good-bye!***

# Appendix II

In the next three years, what do you think will be the most important personnel management issues for small businesses like yours? (Refer to pages 39-40 for summary.)

finding good labor

the economy in general

growers must make workers realize that "the industry will not make them millionaires" because growth is limited and so is advancement

customer relations

people willing to buy, wanting product

providing benefits

treating employees fairly

health insurance

attendance of employees and morale

health care should be given

be able to get satisfactory workers

health insurance

finding trained people (more than just liking flowers) math skills, etc. employment of non-readers is a problem

finding trained employees

paying competitive wages  
laws and regulations regarding hiring practices  
to identify employees who may be upgraded in their jobs to reach their potential  
cross training between departments so employees may maximize work hours and contributions to the company  
we are about to phase out our business as the younger family members are not interested in the floral industry. Too many restrictions, long hours and little profit for the small family business  
keeping the workers happy  
finding seasonal help  
government mandated benefits  
insurance due to rising cost whether we the business can afford to pay 100% of the total cost.  
health care  
getting good workers  
manager should be able to give all info possible to employees  
employees must understand the competition of this business  
hard work=thriving business  
communication-both ways  
fair and equal treatment  
reliability of workers  
properly trained people  
cost of unemployment insurance taxes  
cost of worker compensation  
job security  
benefits  
wages  
lack of employee productivity, motivation, job satisfaction and care for their work, awareness of company's needs in general  
go to private employment agencies, through which you can request previously experienced greenhouse operators  
eliminate payroll bookkeeping-use private service  
mandatory health insurance  
shrinking pool of applicants after baby boom and recession will necessitate voluntary addition of fringe benefits to attract high quality workers  
automation of greenhouses to cut labor costs—the greenhouse business will become less labor and more capital intensive.  
health insurance

wages  
health benefits or health package which includes health insurance  
profit sharing  
finding good people  
keeping goof people  
government mandates that are coming down: health insurance, work place, EPA enforcements, environmental control of working area, hospitalization, etc.  
benefits that employees will be interested in  
financial  
health insurance  
drugs/alcohol in workplace  
absenteeism  
need for responsible workers who can work without supervision  
dedication  
salaries  
dependability  
educate young people to be more responsible for their work.  
apathy is a serious problem  
taxes  
better economy  
building self esteem, image of business, pride in work and self and employer  
health insurance  
benefits  
worker satisfaction and how they feel about their work  
flex-time  
wages  
benefits  
cost of health care and insurance  
pay a competitive wage  
health insurance  
future in employment that the business is still solvent  
depend on health care to employees if passed through Congress  
individuals taking more responsibilities for a more productive business  
affordable benefits

reorganize job descriptions to lessen the burden on management  
wages  
benefits  
employee turnover  
trying to find self-motivated employees (also having good personalities)  
ability to pay better benefits  
providing health insurance when full-timers are employed  
environmental issues: regulations on use of pesticides and waste disposal  
profitability after a "flat" year (not unique to small businesses)  
wages  
issue of medical compensation plans  
family leave  
government cutback on burdens taxes/paperwork (esp. state of Ohio)  
benefit packages, such as health insurance  
employee free time  
profit sharing  
government-mandated programs in insurance, compensation and leaves  
what's going to happen to hospitalization? Government intervention is killing small businesses  
re-entry laws-pesticide applications  
acute awareness of pesticide-employees become afraid  
benefits ( medical)  
salary and benefits  
cost of health care and insurance  
finding educated people to work in this business  
benefits  
workers' compensation states  
government regulation  
health care issues  
wages  
health plan if force to enact would make it so we couldn't afford employees  
provided health care  
dependability  
application to work

finding staff  
higher wages for employees in floriculture industry  
keep good health  
rising cost of health insurance for salary employees  
cost of doing business within a business—fixed costs that are out of control (workmen's compensation; higher cost of general insurance)  
greenhouse structures can be overlooked w/ taxes—pretty steep (over taxed)  
maintaining benefits  
providing job security  
adequate compensation  
job stability  
government paperwork required  
requirements for hiring and firing  
benefits  
mandatory insurances  
human relations—preference, faults, etc. (when you hire a person you hire their problems)  
benefits  
wages  
high turnover  
absenteeism  
lack of willingness to do a good job  
health/hospital insurance  
wages  
health insurance and benefits  
wages  
training & seminars  
government rules and regulations  
making enough money to pay everyone who wants to work  
health care  
motivation  
screening applicants to get the right people for the job  
getting maximum performance from continuing employees  
providing benefits now offered by other industries  
health benefits  
wages  
increase profitability  
government regulation

health insurance cost  
wage scale  
finding people willing to work  
odd hours and stress due to deadlines  
effectiveness of work  
wage and business/employee rights  
legal aspect of wage and business/employee rights  
benefits  
taxes  
training  
health insurance  
government mandatory insurances  
benefits  
getting quality help and keeping it  
wage structure  
health insurance  
wages  
availability of good employees  
benefits  
wages  
benefits  
flex-time for the parents of children  
pay that corresponds with other businesses  
getting qualified help  
health insurance  
benefits—to hold good employees  
lack of qualified managers  
finding good help  
inventory control  
overall employee enthusiasm  
competition outside a 150-mile radius (eg south & Canada)  
price of energy  
quality of labor market  
labor costs  
labor overheads  
keep percentage of labor cost down  
finding people who want to work  
creating an atmosphere they get excited about  
maintaining good help

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