



# Special Research Report:

## Human Resource Management and Dairy Employee Organizational Commitment

### Purpose

The purpose of this research was to gather information about human resource management (HRM) practices that were used in dairy farm organizations and the effects these practices had on employees' feelings of commitment toward the organization.

*To earn commitment, dairy producers must offer a workplace with effective performance feedback and opportunities for participation.*

### What is Human Resource Management (HRM)?

HRM is the set of practices that businesses use to ensure that they have an effective workforce in place to meet operational needs. HRM practices included in this study were selection, benefits, training, performance feedback, communication systems, standard operating procedures (SOPs), and employee participation.

### What is organizational commitment?

Organizational commitment is the relative strength of an employee's attachment or involvement with the organization where he or she is employed, in this case the dairy business. Organizational commitment is important because committed employees are less likely to leave for another job and are more likely to perform at higher levels. There are three dimensions of organizational commitment:

- Affective commitment is a feeling of emotional attachment. For example, "I work here because the people are great and the work is fun."
- Normative commitment is a feeling of obligation. For example, "I work here because they hired me when I needed a job so I owe it to them."
- Continuance commitment is a feeling that the costs of leaving are too high or it is too much trouble to go somewhere else. For example, "I'd leave if I knew I could get another job that paid as much."

Obviously, an employer wants valuable employees to feel affective commitment, normative is OK too, but continuance commitment may not be desirable. Does a dairy owner really want an employee who only stays because the prospects of going elsewhere are dismal?

### Methods

In February 2005 a survey was sent to owners and employees of dairies with herd sizes of 250 or larger in the states of PA, NY, MD, OH, and VT. Owners or HR managers from 131 farms completed the owner survey. Owners distributed an employee-focused survey and 201 employees responded with information about their attitudes toward the business and their perceptions of HRM practices. All surveys were returned anonymously. Farm-level response rate was 14.8%.

### What HRM practices were dairies using?

**Selection.** Most dairies used interviews, reference checks, and job applications to choose among jobs applicants, but only 17% used a performance test. The dairies had an average of 3.7 candidates for the position they hired most often.

*Committed employees are less likely to leave for another job and are more likely to perform at higher levels.*

**Training.** There was great variation in how much training dairies provided, in part because dairies defined training differently. On average, employees received 22 hours of on-farm training and almost 5 hours of off-farm training in the 12 months prior to the survey.

**Benefits.** Almost all of the dairy workforce in the Northeast had access to workers' compensation, while nearly half received housing or a housing allowance. Just under 40% had health insurance and access to farm vehicles or machinery. About a quarter of the workforce received food or meals and some form of retirement plan. Pay rates were not measured in this study.

**Communication Methods.** Staff meetings (68%) and bulletin boards (66%) were the most common communication methods used. Twenty-six percent of respondents wrote in another method of communication under the "Other" category. Those who wrote "other" mainly meant one-on-one verbal communication, but there were comments about written notes sometimes being included with the paycheck. The use of interpreters was also a means of formal communication.

**Standard Operating Procedures (SOPs).** SOPs have gained widespread use among larger dairies, mainly for milking. The table below shows how SOPs were used for different work processes.

**Table 1.** Use of Written Standard Operating Procedures by Work Process (n = 128)

Work Process	n	Percent
Milking	94	73.4
Calf care	70	54.7
Fresh cow care	67	52.3
Feeding	50	39.1
Reproduction	36	28.1
Barn maintenance	23	18.0
Other	18	13.7

**Other HRM Practices.** Written job descriptions were in place for about 39% of the dairy workforce. Just over 30% of the workforce received some kind of incentive pay or profit-sharing, and about 27% of the workforce received a formal performance review at least once a year.

### **Which HRM practices were related to organizational commitment?**

We received information from both dairy employees and owners about HRM practices. The owner information focused on objective, measurable practices such as how much training was provided or if SOPs were used. Information from employees was more subjective, focusing on employees' perceptions of HRM practices in the dairy. The first step in our analysis was to see which of the HRM practices were correlated with organizational commitment.

The only owner-reported HRM practice that was correlated with commitment was the level of off-farm training, those receiving more off-farm training tended to be more committed. Employee-reported HRM practices that were correlated with commitment were measures of satisfaction with training, performance feedback, and employee participation. Table 2 lists the HRM practices that were correlated with the three dimensions of organizational commitment.

**Table 2.** HRM practices that were significantly ( $p < .05$ ) correlated with affective, normative, or continuance commitment

Affective	Normative	Continuance
<ul style="list-style-type: none"> <li>• Level of off-farm training</li> <li>• Adequacy of initial training</li> <li>• Adequacy of continuing training</li> <li>• Satisfaction with training</li> <li>• Informal feedback was provided</li> <li>• Satisfaction with feedback</li> <li>• Satisfaction with performance reviews</li> <li>• Employee participation</li> </ul>	<ul style="list-style-type: none"> <li>• Adequacy of initial training</li> <li>• Adequacy of continuing training</li> <li>• Satisfaction with training</li> <li>• Informal feedback was provided</li> <li>• Satisfaction with feedback</li> <li>• Satisfaction with performance reviews</li> <li>• Employee participation</li> </ul>	<p>None of the HRM practices were correlated with continuance commitment</p>

### Which HRM practices were strong enough to *predict* organizational commitment?

We conducted further statistical analysis to uncover which variables might *predict* affective and normative commitment. (No further analysis was conducted with continuance commitment because no HRM practices were correlated with it.) We found that dairy employees who were satisfied with the feedback they received and who felt that they had opportunity to participate in work by offering input and being involved in decisions were more likely to feel both affective and normative commitment. Among those who received formal performance reviews, satisfaction with reviews predicted the same dimensions of commitment. These findings are summarized in Table 3.

**Table 3.** HRM practices that were significant ( $p < .05$ ) predictors of affective, normative, or organizational commitment

Affective	Normative
<ul style="list-style-type: none"> <li>• Satisfaction with feedback</li> <li>• Employee participation</li> <li>• Satisfaction with performance reviews*</li> </ul>	<ul style="list-style-type: none"> <li>• Employee participation</li> <li>• Satisfaction with feedback</li> <li>• Satisfaction with performance reviews*</li> </ul>

\* Note. This group was analyzed with a smaller subset because not all employees received performance reviews.

### Do demographic factors predict organizational commitment?

In addition to information about HRM practices we also collected demographic information about the dairies, the owners, and the employees. We wanted to know if other factors such as the type of dairy facility, herd size, job type, or educational levels of owners or employees would influence organizational commitment. There were relationships between organizational commitment and demographic variables, but the connections were much weaker than with the HR practices of feedback, participation, and performance reviews.

Employees who were in higher positions, were related to the owner, and had higher education tended to feel more affectively committed to the dairy where they worked. Employees on dairies with a greater number of employees felt less normative and continuance commitments. Employees with more education also felt less continuance commitment to the dairy where they worked. Finally, normative commitment was higher among employees who were related to the owner.

## What did employees say about why they felt committed?

Employees also had the opportunity to write in their responses about why they felt committed to the dairy where they worked. These responses were combined and analyzed in order to identify common themes. The most common reasons employees gave for their feelings of organizational commitment were: (1) because the owners were good people, (2) because they enjoyed the work or the animals, or (3) because they were given responsibility, opportunity to participate, or they were shown respect. A few example comments include:

- *“The owners make you feel important, and they make an effort to care about you. They also help you in any way they can and value your input and opinions.”*
- *“I love working with calves and cows and other employees.”*
- *“I am treated with respect and made to feel like an important part of the farm picture. The owners make every attempt to do what they can for me and in return I try to do the same for them.”*

## Conclusions

This research confirms what many other organizational studies have found: good communications are critical to an effective workplace environment. Performance feedback is a key part of this communication. Dairy producers who want to increase organizational commitment among employees should ensure that employees receive feedback about their performance. This feedback may include frequent, informal performance discussions with a supervisor, access to performance data, and formal periodic performance reviews.

Participation in work by offering suggestions and joining in decisions was very important to employees. In this study, the level of participation that employees felt predicted their level of organizational commitment. Analysis of employee comments supported the statistical findings. Dairy owners seeking to build commitment, especially in key employees, should make sure that employees have chances to offer input and influence decision making whenever possible.

Finally, it is important to note that simply implementing HRM practices such as benefits, job descriptions, or SOPs is not enough to earn employee commitment. In order to enjoy the benefits of a committed, and therefore stable and high-performing workforce, dairy producers must offer a workplace with effective performance feedback and opportunities for participation.

*Special thanks to the dairy owners and employees who completed the survey.*



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