
The Human Resources Plan

The human resources plan describes your expected staff requirements over the next two years. The areas of responsibilities, training and experience requirements for each staff position, organization chart as well as compensation and benefits should be summarized. Also, review the labour management programs that you plan to initiate and the goals you wish to achieve. The human resource plan is often included as a subsection in the production portion of a business plan. But, given the increasing importance of labour management you may choose to highlight your labour management plan as a separate section as we have in this example.

Human resource management requires thinking about how you will recruit, screen, motivate, train and discipline the staff you work with. The British Columbia Ministry of Agriculture, Fisheries and Food provides a publication called *Farm Labour Management in B.C.* Copies are available from the Farm Management Branch or your closest district office.

1. Employee Plan

As the following form shows, management of Peace Farms will be shared between the two partners. One part-time casual labourer will be hired during spring and fall high activity periods. The teenage son will be paid for labour contributions throughout the year.

Note: If your business plan will be used to obtain financing, you should include resumes for the managers. An outside lender will base his or her decision on the management skills and experience available. The resumes should show the name, education and business for the managers and the skilled workers in your firm.

2. Organization Chart

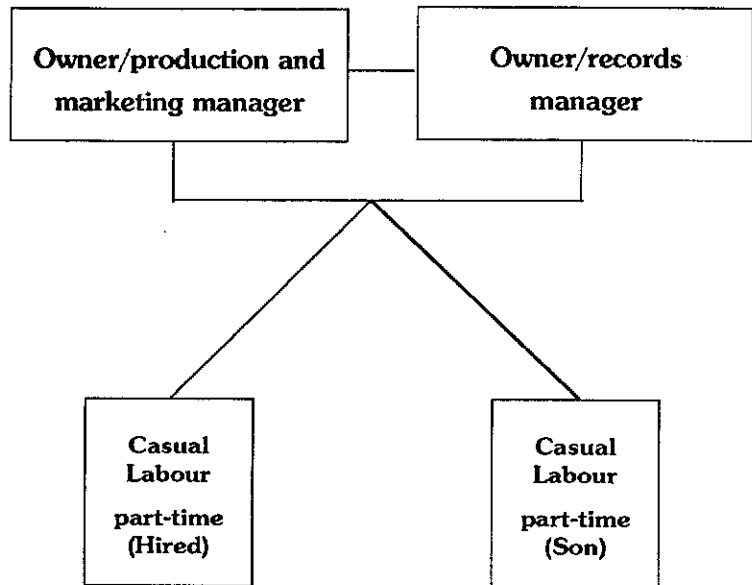
Once you have prepared your employee plan, complete an organizational chart as well to illustrate how your staff members are organized and to whom they report. This is important for two reasons. Firstly, readers outside your firm will want to see evidence that you have thought through and organized the staff and management needs of your business. Secondly, your own employees will want to know how their firm is organized. The following form shows Peace Farms' organization chart.

If major organizational changes are required because of changes in your operation during the period covered by the plan, these should be noted.

**Employee Plan
Example**

Job Title	Functions
Owner/production and marketing manager	Business management, production management, sales management, promotion and marketing development, supervising workers, worker training, repair and maintenance, upgrading and developing facilities
Owner/records manager	Business management, bookkeeping, billing and cheque writing, off-farm income
Part-casual labour	Spring tillage, harvest, grain hauling, fall tillage

**Organization Chart
Example**





3. Compensation and Benefits

The final step in preparing your Human Resources Plan is to complete the compensation and benefits chart. The sample on the following page shows the Peace Farms example. There are a number of potential sources of information for items such as likely salary and wage levels. Statistics Canada produces a number of summary reports showing compensation by various groups. Or, local producers or government organizations (such as employment offices) may be able to help you estimate the various compensation levels for which you will need to plan.

If you anticipate changes in wages and compensation during the period covered by the plan these should be noted.

4. Labour and Training Goals

Successful recruiting, hiring, motivation and discipline procedures are keys to the growth and success of your business. Your labour plan should show how you plan to promote and maintain good labour relations, strong morale, and high quality/high output per worker.

Your labour targets and planned programs can be summarized on a form similar to the one for Peace Farms.

Compensation and Benefits Example

Position	Salary and Benefits
Owner/production and marketing manager	50 % profit share: \$10,000 cash draw, balance left in farm
Owner/records manager	50 % profit share: \$10,000 cash draw, balance left in farm
Casual part-time worker (Son)	\$5/hr (\$2000 annually)
Casual part-time worker (Hired)	\$12/hr (\$3600 annually)

Labour and Training Goals Example

Target	Barrier	Planned Response	Measurement
Employee safety - an accident-free workplace	Knowledge; working conditions; cleanliness	Training; safety equipment; regular clean-up; awareness and supervision	100 accident - free days
High productivity	Limited knowledge	On-farm testing and demonstration of new tillage and cropping systems	Increase in gross margin on specific fields
Improved marketing	Limited knowledge and experience	Enrollment in regional marketing course and membership in local grain marketing club	New markets developed; higher returns on specific crops
Improved financial and record management	Limited accounting skills	Enrollment in farm business management course	Meet financial targets in 3 years
Low staff turnover ratio; obtain more reliability	Work is temporary; workers are highly transient	Work pool with local farmer(s) to provide a reliable work period; encourage return workers	Tenure > 1 year