

Guiding Principles: Respect Pays

By [Tanner Ehmke](#) (This month Tanner is expanding on key themes from our prior interviews with leaders.)

Treating employees like family is a core value frequently held among farm business leaders.

Kip Tom, CEO at Tom Farms in Leesburg, Indiana, stresses the importance of making employees feel like they're family members. "We want to have good employee engagement and treat them like they're family," says Tom. "If they've got some issues at home that they need to take care of, we all chip in together to try to fill that gap when that person's gone. We want them to know we do care."

Steve Henry, CEO of Longview Farms in Nevada, Iowa, says, "We want to make sure we treat everyone like family – the way we would want to be treated."

Tom and Henry's philosophy of valuing and respecting employees isn't just a good philosophy, it's good business, says Christine Porath, associate professor at Georgetown University's McDonough School of Business. In a survey of 20,000 employees, Porath found that no other leader behavior had a bigger effect on employee commitment and engagement than being treated with respect. It was more important than recognition and appreciation, communicating an inspiring vision, providing useful feedback, and opportunities for learning, growth and development, Porath writes in her article, "Half of Employees Don't Feel Respected by Their Bosses," for [Harvard Business Review](#).

Employees who were respected at work, Porath points out, had better health and well-being, more trust and safety, more job satisfaction and better focus and prioritization. They also felt they had more meaning and significance and were more likely to stay with their organization.

And the more respect leaders gave, she says, the higher the level of engagement they received from employees.

Meanwhile, a disrespectful work environment undermines employees' efforts even if they want to perform well, Porath says. Incivility taxes working memory, thereby decreasing performance on cognitive tasks. Employees witnessing incivility were less attentive to information and solving puzzles, and brainstorming tasks were stifled, she says.

All that negative energy is bad for business. Disrespected employees commonly decrease their effort or lower the quality of their work, she says. Incivility also damages customer relationships. Witnessing just one short negative interaction, she writes, leads customers to generalize about other employees, the organization and even the brand.

Respect pays, Porath concludes, and it's up to leaders to be the role models for civility.

Failsafe Feedback

By [Davon Cook](#)

Early in my career, I worked in several corporate environments with extensive systems in place for giving employees feedback. The process that was most helpful for me was simple, and I've used it for many years since. It has three steps:

1. Make an **OBSERVATION** about actions you see. If you use specific examples, it's easier for the person receiving the feedback to understand how to apply your critique.
2. Describe the **IMPACT** of the actions: the impact on you, on others, on the person doing it, on the company.
3. Make a **SUGGESTION** of what he/she should do more or less.

Why does this work well? It takes out the personal accusation and replaces it with more objective observations, and it links the feedback to **WHY** it matters.

One example of feedback, which I wouldn't recommend, is: "You are not managing your employees well, and



we're not getting enough done. You need to keep them busy!" Rather, you could use the method outlined here to say, "I *observe* that your team members sometimes finish their work and don't know what to do next. The *impact* is we aren't as efficient as we could be and pay people for time they aren't working. I *suggest* you try to have an "extra task" list posted at all times so they can pick up some odd jobs until you are able to reassign them."

The first statement can quickly escalate into conflict because of the potential confusion created between a criticism of the person and observations about his or her actions. The second statement takes some of the emotion out and leads to joint problem solving.

I recently read in family business guru David Bork's book [The Little Red Book of Family Business](#): "Effective communication starts by being clear and constructive. Because why would anyone wish to be unclear or destructive?" If you feel your feedback isn't hitting the mark, try the 3-step method above.

And remember, feedback can be positive, too!

Making a Difference: Turning Tax Into Gifts

By [Walt Mozdzer](#)

It's often said that farmers and ranchers are "land rich and cash poor." Most of their net worth is tied up in land, and while land may appreciate in value, its actual cash return can be low. And when farmers have significant income, they often want to invest those profits in more land.

But when retirement comes, there can be a spike in income as assets are sold or grain and livestock are marketed, without the benefit of offsetting expenses. For example, Hank and Harriett (not their real names) are retiring from farming. In their last year of business they will have significant income, and with it, significant income tax liabilities. They are also involved in their community and believe that giving back is important. They wondered: Is there a way to lessen the tax burden and at the same time help their community?

To answer Hank and Harriett's question, the folks at [Syverson, Strege and Company](#) helped them establish a Charitable Remainder Unitrust (CRUT). The tool allowed the couple to immediately sell their grain to eliminate market risk, but take the cash as income *over several years*, thereby deferring the tax and using lower tax rates. At their deaths, the amount remaining in the CRUT will go to local charities, cementing their legacy and creating opportunities for their favorite organizations.

Retirement and succession planning don't have to be financially painful and significantly taxable events. In fact, those transitions offer great opportunities to make a difference for churches, charities or colleges. We've profiled one tool here, but there are many others. Make sure your team of advisors includes people who understand how to make a difference for those organizations who are helping others.

Faith and Family Business: Proverbs and the Paradox of Generosity

By [Dr. Bill Long](#)

For years I wondered how the following verse could be true: "A generous person will be enriched, and one who gives water will get water" (Prov. 11:25). I wondered how it could be true because I was brought up in a family that was very strict on numbers. My father was an accountant; a brother is an accountant; my son is an accountant. I hear their words ringing in my ears: "Bill, there is no way if you give things away that you will have more than when you began giving."

So I lived with an inner tension for years on this subject until I began to realize that, for the author of Proverbs, there is a "double recipient" for our gifts of generosity. Let me explain.

When we give, we have a target in view and, in the Book of Proverbs, this should be someone who is less fortunate than we are. They can't repay. That is the first recipient.

But I also realized that every act of generosity, every gift of our resources, is also a gift to God. Listen to Proverbs: "Whoever is kind to the poor lends to the Lord, and will be repaid in full." In fact, our gift functions as a "loan" to God. At least that is how God considers it. And, look what God does: He "repays in full." I confess, I don't know the exact mechanism of how this works, and my accountant relatives might still have some skepticism, but in God's "double-recipient bookkeeping" system, all generosity is repaid. Have you experienced that in your life? Your family business? Are you courageous enough to try it?

