

# Organizational Planning

**M**anagement of human resources begins with the overall business plan. Company characteristics, such as business purpose, form of ownership, commodities produced, and acreage or scale of operation, have a fundamental influence on organization structure, the feel of the work environment, and the approach to labor management.

Production technology and scale of the operation dictate roughly how much of what kind of human work is to be done when, over the course of a year, and they have obvious influence on the size, skills, stability, and supervision of the workforce. The relationship between top manager and production-level worker in a small family dairy with a year-round need for four or five hired employees, for example, is quite different from that in a multi-location, fruit-growing subsidiary of a diversified conglomerate with actively traded shares of equity.

To paraphrase management theorist Peter Drucker, every organization needs to operate from a “theory of itself as a business,” with knowledge (or at least good working assumptions) about three fundamental dimensions: its environment, its mission, and its core competencies. Such working knowledge is the basis for setting realistic business goals and planning strategies to achieve them. Sometimes a candid review of environment, mission, and competencies generates a determination to change one of them. Ideally, it launches a deeper examination of how the business is doing and why.

## Taking Stock

Many agricultural managers start to diagnose problems only after feeling a symptom of pain in their organization—or in their family. Taking stock regularly, however, contributes most to identification and reduction of labor-related risks. Whether routinely scheduled or triggered by an alarming event, conducted as a structured audit or an informal collection of data and perceptions, the process is key to planning in any organization. Its essence is answering questions about results from the business operation (see third and fourth columns of Chapter 1, Fig. 1.1, “Personnel Management in Context”) such as:

