



**A Nuffield Farming Scholarships Trust  
Report**

*Award sponsored by*

**The John Oldacre Foundation**

**It's time to talk:  
communicating with staff  
in a growing farming business**

**John Millington**

**August 2014**

**NUFFIELD  
UK**

## **NUFFIELD FARMING SCHOLARSHIPS TRUST (UK)**

### **TRAVEL AWARDS**

“Nuffield” travel awards give a unique opportunity to stand back from your day to day occupation and to study a subject of interest to you. Academic qualifications are not essential but you will need to persuade the Selection Committee that you have the qualities to make the best use of an opportunity that is given to only a few – approximately 20 each year.

Awards are open to those who work in farming, growing, forestry, or otherwise in the countryside, and sometimes to those working in ancillary industries, or are in a position to influence those who do. You must be resident in the UK. The normal age range is 25 to 45 but at least one younger candidate each year will receive an Award. You must have spent at least 2 years working in a relevant industry in the UK. Pre- and post-graduate students are not eligible for an Award to support their studies.

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# A Nuffield (UK) Farming Scholarships Trust Report

Date of report: August 2014



*"Leading positive change in agriculture.  
Inspiring passion and potential in people."*

Title	It's time to talk: communicating with staff in a growing farming business
Scholar	John Millington
Sponsor	The John Oldacre Foundation
Objectives of Study Tour	To discover how the best employers communicate with their staff and adapt systems to the people they employ. To research how to better manage people in a multi-site business. To find out how best to become a preferred employer.
Countries Visited	New Zealand Denmark Republic of Ireland United States of America
Findings	<ul style="list-style-type: none"> <li>• Effective communication is about clarity of message and transparency of motive.</li> <li>• The business structure must clearly define the roles and responsibilities of all the people involved in it.</li> <li>• Set, manage and live up to expectations</li> <li>• Business is not complicated. Select really good people and make the environment a happy one so that they want to exceed expectation.</li> <li>• The most successful managers place greater importance on making time for communication.</li> </ul>

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## **DISCLAIMER**

The opinions expressed in this report are my own and not necessarily those of the Nuffield Farming Scholarships Trust, or of my sponsor, or of any other sponsoring body.

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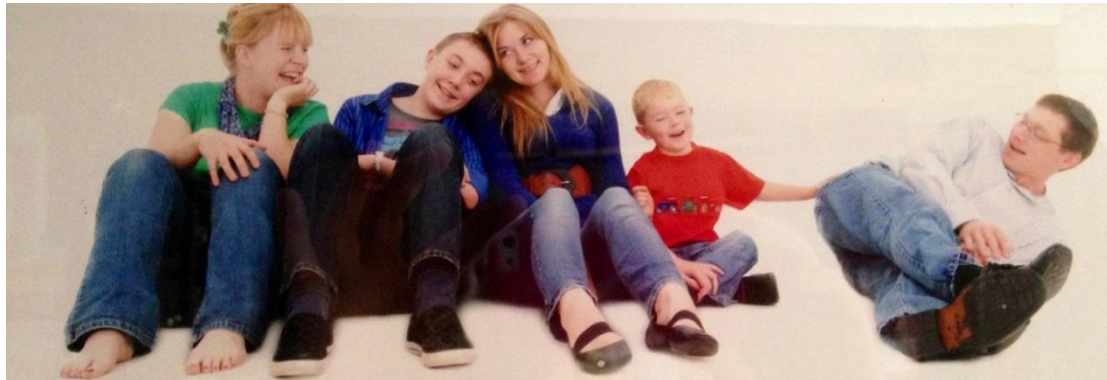
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## 1.0. Personal introduction



Team Millington: Janty, Alex, Ruth, Nathan and me, John

I live with my partner Janty, at Hardiwick Farm, in the heart of Staffordshire. We are blessed with a son, Nathan, who is 11 years old, and I have two older children, Ruth and Alex. I am extremely proud of the young people that they have become, with a wide variety of skills and interests.

Sciences and sport have always been my interests, and I managed to fit them in equally before graduating from Reading University with a degree in agriculture. Returning to the family farm, my time was split between developing the dairy herd and part time managerial work for Ken Slater assisting in the running of the Brinkmanship feeding system in several other dairy herds.

The 147-acre home farm was taken on under an Agricultural Holdings Act tenancy by my parents in 1963, and I succeeded to the tenancy in 1997. We have run a spring block calving system, milking Jersey cross Friesian cows, since 2000. My interest in the system was fired by a visit to Pdraig Walsh's unit in The Republic of Ireland two years earlier. The idea of combining more cows, less machinery (the big win), time off and greater profit with asset growth ticked all my boxes. The business has grown appreciably since making this decision and now farms 685 acres, all of which is in ELS, spanning two 250 cow dairies.

The Turf Accountants Discussion Group brings me into regular contact with some of the best grassland dairy farmers in the Midlands, and I am honoured to hold the role of Chairman currently. I am a member of the Stone Branch NFU and the Staffordshire Agricultural Society plus I've been a Parish Councillor for the last 15 years.

My passion for team sport has taken up much of my spare time. For more than 30 years I have played village cricket - a triumph of enthusiasm over talent - and continue to derive great pleasure from the friendships that the team environment creates. My rugby playing days are behind me, but have left good memories. Nathan plays age group cricket locally, and I have recently begun to scratch the cricket itch by becoming a youth team manager.

The Country Trust is involved in exposing inner city children to farms, farming and farmers. We have a well-established relationship with them as a host venue. We hope to teach the children about the food they eat, career opportunities in farming, and looking after animals and the environment. In return we never cease to be enthused by contact with bright young people.



## 2. Background to my study subject: It's time to talk

When first considering a Nuffield Farming Scholarship I was given the advice to either “choose a topic that you are very good at, and become world class, or a subject that you perceive to be a weakness, and improve your knowledge”. Having struggled to define one of the first options, I left a meeting with our staff one day to be asked by my partner, “Why do you tell them what they don't need to know and forget to tell them what they do need to do their job better?” After initial denial, I realised that communication within our business was poor, and my study topic had been identified.

One of my defining life values is the need to be treated fairly. Maybe this comes partly from my sporting background, but also from the way my parents taught my sister and me to live our lives. Because of this my passion in the field of communication is for the people with whom we need to talk, and not for the technology that can be engaged to facilitate it. I make no apologies for the lack of IT possibilities in this report; I am the wrong person to write such a report, indeed, I would have made a half decent Luddite.

With the dairy business that we run now operating on two sites, the need for clearer communication has become more acute. The people we employ require better information to allow them to manage the farms to produce good results. Casual, occasional verbal communication is no longer enough to make the most of the opportunity we have been given to grow the business. If we want to identify the correct employees for our business, retain them and grow both them personally and their capabilities, the skills to communicate the goals of all parties and how we are to achieve them are vital. The additional complication of a multi-site business, with sole working thrown in at times, adds to the importance of clear procedure and policy for all involved.

*I wanted to discover how other producers are communicating with their staff, why it was important to them and how they created and adapted the systems they used to the different characteristics of the people that they employ.*

Finding capable people willing to work in the dairy industry has become more difficult over the years. In a time of recession with higher unemployment and limited job security, why should this be the case? Are we as farmers so poor in communicating our job that the term “dairy farming” itself is enough to close a potential employee's ears to finding out more of what the job and opportunity is? Dairy farming can be fabulously rewarding for both employers and employees. We sometimes do not appreciate how privileged we are to work in such an environment, and we seem even less willing or able to communicate this to people who do not know that they are potential farm staff.

Retention of good staff and becoming an employer of choice is therefore very desirable. The ability to be able to talk openly and effectively with the people that we employ is part of the route to achieving this goal. I wanted to discover how other producers are communicating with their staff, why it was important to them and how they created and adapted the systems they used to the different characteristics of the people that they employ.



### 3. My study tour

The countries I visited on my Nuffield Farming study tour were:

New Zealand	November and December, 2011
Republic of Ireland	January 1012 and January 2013
Denmark	October 2013
USA	November 2013

The farming industry differs from other industries in that there is an innate openness in farmers to share information between each other when approached. This occurs in Discussion Groups, research trials, over-the-fence chats with neighbours and on social media. Dairy farmers increasingly turn to each other for trusted advice and to get new ideas. Seeing innovation in practice, whether next door or on the other side of the world, is the most compelling incentive to instigate its use at home.

I had been to **New Zealand** in 2003 on a business study tour and it had opened my eyes to both the beauty of the country and the innovative nature of the dairy industry. The people that we met were open with their business detail in a way I had not widely experienced in the UK, willing to share to gain from the insight of others. The effect on me was quite profound in that it changed my way of thinking about my approach to my own business. I wanted to return, catch up with some of the people who had inspired me, make use of the pasture-based global network and meet innovators in my newly defined sphere of interest.

**The Republic of Ireland** holds **The Positive Farmers Conference** in January each year. As the name suggests this presents an opportunity to be surrounded with forward thinking dairy farmers from both Ireland and the UK. I wanted to discover the challenges that the Irish were facing in staff management, given the restriction of growth that the industry and individual farms were experiencing under milk quota stranglehold. Is there a better chance to attract the best talent into a restricted industry through improved communication skills?

By the time I visited Denmark the Nuffield Farming experience had begun to alter the way I operated. My elder son Alex had moved to Billund to carry out part of his university work experience. As a family we travelled to visit him and I found myself wanting to know more about the agriculture of the country. I stayed on, encouraged by the willingness of the people I contacted to talk about how they managed the staff that they employed. The Danish dairy cow is managed in a different system to the one I had experience of and I wanted to know what challenges this threw up for the teams involved and how they were being overcome.

Right from the outset of this project the large scale dairy units of America had been on the list to visit. Dairy farms employing large numbers of staff, on many sites, need excellent communication to achieve high welfare, sustainable financial performance and a good working environment. The invitation to Wisconsin and Illinois arose as a result of a chance meeting in Denmark. The more I lived the Nuffield Farming experience, the smaller the world appeared to be getting.





## 4.0. New Zealand.

### 4.1. Involving family and staff

On returning from New Zealand in 2003 I promised my family that I would not go back without taking them with me. The country had gripped me with its stunning beauty, from volcanoes and rivers to tree ferns and native wildlife. It struck me as being like all the best parts of the UK without the sprawling urban crowd, absent minded littering and removal from its agricultural roots. As I passed through small market town high streets the milking machine shop still resided between the grocery store and the bank, and I liked that immensely. Nuffield Farming had provided me with the opportunity to make good on my promise, and make this adventure one that we could all be involved in. I will return to this theme later in the report.

Removing myself from the day-to-day business activity for an extended period is not something that I had experienced often. To be on the other side of the world for 5 weeks - 2 weeks holiday followed by three weeks of study - presented its own challenges. I needed the “communication network” answers to my travels before I set off, to make the journey comfortable for those left holding the fort at home. We spoke with our staff about how they would report to us while we were away, and decided on a system of e-mail to overcome the time difference. While this was sufficient for updating information, I needed to supply emergency support should it be required.



Time to rely on reliable staff: Jim and Simon

For four years the key members of staff have been encouraged to be active members in a herdsman's discussion group. This formed the basis of their day-to-day support network; friends with a personal knowledge of our business, having visited the farm, who could interpret any



problems relayed to them and give trusted, experienced advice. The professionals we employ - the farm consultant, veterinarians, grazing consultant and key suppliers - were also made aware that they were in the pole position for assistance. We considered we had good reliable staff, and now was the time to rely on them.



#### 4b. A guided tour of dairy farming governance.

Adrian Van Bysterveldt had spent three years leading the grazing research programme at Moorepark in the Republic of Ireland. I first met him at a conference in the UK and then again on-farm through involvement with a discussion group. He had returned to Lincoln University, Lincoln, near Christchurch, to devote his time and influence to a project aimed at improving the governance of dairy farm businesses in New Zealand.

Adrian was busy in his office working on a Roadmap to More Formal Governance when I caught up with him. A draft copy of the map took over most of the wall opposite to his desk. We had spoken for a while about my interest in good farm communication, when he stopped me and asked about the farm business at home. He asked how the people involved in the running of the business communicate between each other, and what structures were in place to ensure the purpose of the business was being fulfilled.

*He suggested I needed to go back a step and work out if I risked doing the right things to the wrong business.*



Lincoln University research dairy herd, near Christchurch

What is governance and why is it a good place to start? Adrian began to explain what he had been working on. Sir Adrian Cadbury defined governance as “The system by which (business) organisations are directed and controlled.” Good governance is not a necessity of any business size. It applies to all, from the self-employed labourer to the multinational corporation.

Most family farm businesses began with a farmer working as a sole operator, with skills in animal husbandry, crop science and managing his money. Most small farm businesses still have the business owner involved mostly in the operational and managerial parts of the business, but some of the skill set needed to run a larger business have not been learned. Partly it is the lack of understanding of the term governance and the value it can bring that restricts the time business owners devote to it.

This is not a dilemma unique to farmers. 80% of all businesses are small and medium sized family firms, and they face the same challenges. Good governance practices are transferrable across sectors of the economy, but remain the responsibility of the business owners.

The role of the business owner:

- Determine the purpose of the business, its goals and ethics
- Decide where they want the business to go, how fast they want it to get there and what they must do to make it happen
- Determine and manage the risks involved in following that course



- Assess if the skills that exist in the business are sufficient to manage that risk
- Determine the best business structure to cope with the set course
- Gather together the funding to enable it to happen
- Monitor the progress against the set course
- Benchmark their progress against others to see if the goals can be achieved in a better way
- Determine a succession plan and decide when to start implementing it
- Monitor new legislation to ensure up to date compliance
- Delegate roles and responsibilities to allow management time for owners to do the above.

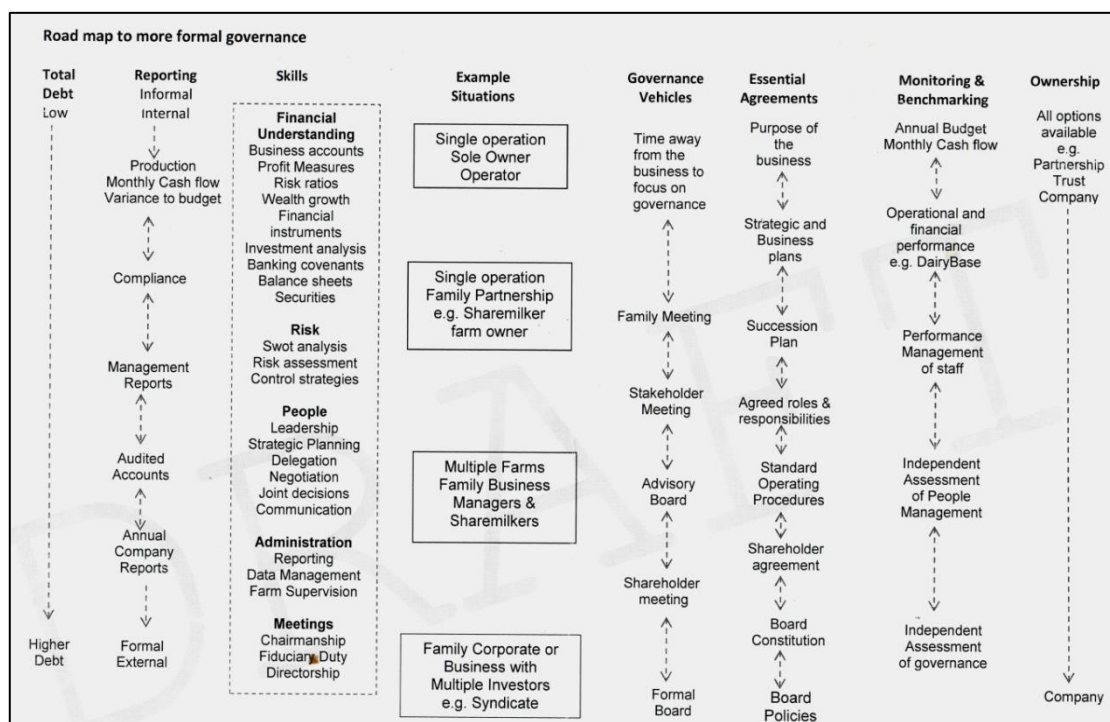
*“The business will only get to its goals given the right productive culture and the right governance structure.”*

The two main factors affecting a productive business culture are

- Setting clear ethical standards, and
- Getting the staff management right.

The size, growth and complexity of the business will determine the means by which the owners can provide themselves with the time to govern effectively. These can vary from having time away from the shop floor to take a different perspective of a sole operator’s business (separate from holiday time), through family kitchen table meetings, formalised meetings of all interested parties and advisory boards, to formal boards of directors.

Having been through the process of trying to find commonalities of governance in successful farm businesses, especially equity partnerships, he found that it was not possible to come up with a blueprint for success. Instead his work has led him to develop a **Road Map to More Formal Governance** (Van Bysterveld, DairyNZ, 2012). It is designed to help farmers and business owners frame their thinking when setting up, and running, their businesses. See below





Adrian pointed out that although the term “Communication” appeared under “People” in the Skills column, it could be splashed all over the Map, for no part of it would work effectively without good communication skills.

How does better governance deliver bottom line improvement?

There is a greater chance of achieving the financial goals of a business or individual, if the purpose is discussed, agreed, written and monitored against the progress of the business. Good governance defines roles clearly, leading to organised leadership, accountability, transparency and efficient working within the business.

Adrian went on to explain that there are four pillars to governance:

**STRATEGIC THINKING – Where do we want this business to go?**

The purpose of the business is set by the owner or Board and must include realistic management strategies for achieving these goals.

**ACCOUNTABILITY – Delivering the purpose and results expected of the business**

Ensures all people involved in the business understand their role and have an understanding of what “good looks like”.

Good governance concentrates on being accountable for delivering the goals, financial and strategic, through monitoring the key performance indicators.

The governance structure must hold management to account for its performance in these matters.

**COMPLIANCE – Is the business supervision robust enough?**

There are four fields to think of here.

- Evaluation and management of current and forthcoming risks
- Environmental code compliance
- Legal compliance
- Financial compliance to ensure solvency

**CULTURE – what are the rules we operate by?**

A well-structured business should focus relentlessly on key issues, helping to make the right decisions in the right way at the right time. Its people should follow the ethical objectives laid down, and encourage dialogue for the continued development of these ethical principles.

Concentration on internal and external working relationships, to maintain a good working environment for all involved, is one of the most important functions that the business owner or managing body performs. *Work should be a place to be enjoyed.*



There can be possible conflicts in maximising returns and environmental compliance, wealth creation and taxation law, bottom line profit and community need. All these conflicts of purpose and compliance need balancing to develop the culture that any particular business wants to create.

Adrian's point was that *"The earlier in the development of a business that good governance is established, the easier it is to ensure that it is practised, maintained and developed as the business grows."*

The theory is the easy part though, he suggested; the important process is about understanding the different ways in which a good culture can be established on farm.

With reference to the book 'Corporate Boards That Create Value' (John Carver with Caroline Oliver, 1997), he described the ways in which governance can be effected:

Some organisations are prescriptive in the functions that their staff **can** perform, with the need for these completed functions to be signed off to their superiors, whether they are managers or the board of directors. This then allows the staff to move on to the next stage of their work knowing that they have approval, but limits their ability to express themselves both intellectually and managerially. This system of governance often involves a prescriptive set of written protocols, covering a wide range of activities, ensuring that the process of running the enterprise is kept within strict boundaries. The risk to the business is minimised - but possible new improved methods cannot be explored. Very good reporting methods are needed to prevent time being lost in reporting unnecessary data.

A second governance pathway is to stipulate the boundaries around the business that the staff is **not** permitted to cross, but to allow more creative management within this framework. Such boundaries can be, for example: ethical-, environmental-, and integrity-based. Having set clear goals, communicated them well, and with the use of fewer written protocols, management is then allowed to be more instinctive and adaptable. There is not the need to sign off along the way so often, saving time in reporting back and waiting for approval. The judgement of the management is then based on results and not strict methodology. If the targets are reached or exceeded due credit and reward must be given; and if not reached, responsibility must be taken and action plans implemented. This can be a higher risk strategy, but can help in personal development and motivation of the staff. Adrian van Bysterveldt likened this style of governance to competitive team sport, where the rules of the game prescribe what you are not allowed to do, the coach lays down team goals and strategy, but the players are free to play what they see in front of them, instinctively.

I was beginning to understand.

All governance requires recording and reporting of key information to farm owners. One of the main skills is to determine what this data is, at the various levels of management within an organisation. Time spent entering information that is never going to be used is wasted time, leading to dissatisfaction and resentment. A good IT program that is tried and tested can be excellent in driving this process, as long as it is not unnecessarily complex and expensive to operate. Linking several proven programmes to create the desired results for a





company can be a better option than the development of a bespoke vehicle from scratch with all the potential headaches along the way. These existing programmes could include financial budgeting, cash flow analysis, environmental compliance, day to day production performance and staff appraisals amongst others.

Research into farm business owners and directors, who hold other non-farming directorships with good governance protocols, has shown that around 80% of these people do not transfer those good practices back to the farm scenario. Why is this? Perhaps it is that as farmers we have failed to treat our businesses as professionally as we should. As leaders of businesses that we have often built from small beginnings, we sometimes do not recognise that we need to keep upgrading our skills to meet the new challenges of business management. Our relationships with the people who work in our businesses change as we progress from the parlour to the office and the board. We need to change the way we communicate with them as our role develops. Good structured written governance can help in this respect as it gives continuity to the format of those discussions. The reporting methods that are applicable for a business change as the business develops. Identifying the stage that your own business has reached and employing the correct systems allows it to move on to the next level.



Adrian was extremely generous with his time and clearly explained the need for good communication throughout the Road Map he had developed.

*The message that came through was: ensure that you are doing the right things to the right business.*

#### **4.c. Governance theory applied**

I first had the pleasure of meeting Greg and Geri Glover in 2003. At the time they were dairy farming near Hamilton, adjacent to the house that they built and currently reside in. Having sold the farm at the top of the market, they retain a close interest in the progress of their long term planning, the sustainable way in which they operated. Nine years ago Greg had spoken to us about the riparian planting he had undertaken around the water courses on the farm to protect the water quality; to see the progress of that planting must be very pleasing for the Glovers. Their farming policy was to concentrate on a three-pronged bottom line. Although profit was important to them, it was never allowed to be at the cost of either the environment or the people that worked in the business. These three focuses made a great impression, demonstrating that a joined up, sustainable view of pasture-based dairy-farming was possible, enjoyable and profitable. To meet up with them again was a one of the reasons that I came to New Zealand.

In the intervening time Geri has completed an MBA in business governance, and she commented that *"It is not the information that you gather in doing such a course that changes and improves you, but the learning process itself."* It sounded like Geri had been primed by Nuffield Farming to continue this message from the Contemporary Scholars Conference, but it was one of the Glovers'



key messages. The success that they have seen over their business careers to date has been built on a rigorous desire to enquire and expand their knowledge. Although Greg says that much of their success comes down to luck and timing, it is evident that the due diligence that they show in their decision making has produced most of the success. From the outset they have had a clear idea of where they wanted their businesses to go, and followed through on the implementation of those strategies.

So why is there a lack of enthusiasm for well-defined governance in the dairy industry? Perhaps it is because in many cases good business structures are not in place on farms, which results in a lack of time to establish them. A more fundamental issue could be the lack of understanding of what advantages good governance brings to a business.

One of the current farming interests that Greg and Geri Glover have is as equity partners in a drystock grazing company, Koromiko Grazing Ltd. The business grazes 10,000 head of stock, made up of dairy replacements, service bulls, ewes, rams and replacement ewe lambs.

The quality of the governance of the business has to be good due its complexity of company structure, the size of the property, and the fact that the owners are not resident. The company has 17 shareholders, but a management board of only 4, made up of 3 farmers and one independent person, who is the chairman. This is unusual for equity partnerships as normally all shareholders hold a position on the board, and rarely is the chairman not a shareholding farmer. They feel that this structure allows the business to develop more rapidly, as decision making is less complicated, and has the clear vision of a chairman who can see the enterprise from a viewpoint outside that of physical farming. Both Greg and Geri believe that detailed governance is not a choice that a business should take at some point in the future, when it is deemed to be big or complex enough to warrant it, but a necessary discipline for all businesses. Introducing the desired culture from the start, and beginning with systems in place that show the way you intend to conduct your company business, ensures that it has a solid foundation, reduces overall cost and provides a basis for the replication of that business. Further, the agenda for the meetings of the board also follows a strict structure. The purpose of this is to help in the direction and quality of the discussion that ensues. *The culture of the board should match that of the business.*

*.. detailed governance is not a choice that a business should take at some point in the future, when it is deemed to be big or complex enough to warrant it, but a necessary discipline for all businesses.*

The Koromiko Company board delivers the four main functions detailed above. It decides on strategy, determining the purpose of the business. This is expressed in the goals that the business wishes to achieve. It controls the compliance issues, environmental, legal and administrative policies, and ensures that the business has the skill sets to deal with these issues. The board sets the culture of the business, encouraging inclusivity and using all the available talents of the staff it has. Finally, it ascribes clear responsibilities that lead to accountability within this business.

An advisory board can perform a role in assessing the performance of the company board and its members. But who makes a good candidate when constructing an advisory board itself? Often accountants and bank managers are called in to fill this role, but Geri is not sure that they are the right people. Accountants have to be detail oriented, and although this is an admirable trait, the role



needs people who are talented in big picture thinking. The ability not to be bogged down in the detail will enable a continuous flow of thought within the advisory board to happen. Bank managers do tend to be better at this skill, but are programmed to think about a business based on its asset value, not on its capability to generate cash. This debt servicing ability is a key to long term sustainability in a volatile market, and to producing a dividend for shareholders. Advisory board members should have demonstrated financial competency, a vision within their own business that was seen through into actions, honesty and integrity, be able to fulfil the role of a mentor and be prepared to tell you the situation as it is. They cannot give financial advice if they are not qualified to do so, but must add value to the business. To be able to bring many of these strengths to the business they have to be a good communicator, an independent thinker and have an established business history.

Sustainability has always been a Glover trait, and that includes their attitude to staff. Geri insists that “Over time, developing great people is the only way to sustainably build a great business.” She questions the reasoning behind sharemilkers only being offered three year contracts. An initial one year contract is of course sensible, allowing either party to exit if they are unhappy, but a continual replacement of staff, as is the norm in New Zealand dairying, has its downsides. Young people who have sought and received a high level of training both in New Zealand and across the globe, have the skills to succeed in their goals of wealth creation and farm ownership while retaining a healthy work life balance.



Greg Glover

However, in implementing sound plans they face the difficulty of the results being severely influenced by the policies previously implemented on a property. Industry figures suggest that there is a 60% churn of labour in the first year of employment in dairying. The cost of replacing a labour unit when all factors such as lost production, training and time are considered, is calculated to be between 1.6 and 3 times the salary of that post.

This is a huge drain on the country’s most important industry. Couple this to absentee ownership, either foreign or home based equity partnerships, and the short term that most sharemilkers endeavour to stay on one property as they grow their business, and you have a haemorrhaging of resource from the industry. The short-term thinking involved in much of the decision making processes is evident to see across a significant portion of the land base; in whose interest is it to ensure overseeding of damaged pasture occurs? That those areas of poor drainage are rectified? That effluent is dealt with in a long term sustainable manner? That there is continuity of staffing, and ensuring the valuable information that people have gained from working on a particular property is not lost with their departure?

Greg Glover repeatedly said “You only get one life!” The message is clear. Clear enough that it was carved into a beam in their house:

*“Only one life that soon is past,  
Only what’s done in love will last.”*

Greg and Geri were fabulously generous hosts, and I wish to express my sincere thanks for their assistance and the hospitality that they extended.





#### 4d. The cushion between board and farm

Mike O'Connor farms near Te Awamutu, Waikato with his wife Andrea. Their dairy farming career includes 50/50 sharemilking, farm ownership and equity farming. As a founding shareholder of Spectrum Group, Mike has been heavily involved in setting up the structure and guiding Spectrum Group's development.

The Spectrum Group was first established in late 2007. It is controlled by five directors, of which Mike O'Connor is the managing shareholder. Spectrum Group consists of twelve Canterbury-based dairy farms which collectively milk in excess of 15,000 cows and have a targeted production of over 5.2 million kg milk solids. Tower Peak Station, a dry stock support unit based in Te Anau covers an area of nearly 2000 hectares and winters up to 4,000 dairy heifers. This property provides the youngstock grazing for the Spectrum Group Canterbury dairy farms.

Each farm is a separate equity partnership, with at least one of the Spectrum Group directors involved in each of the farms. They run as autonomous companies with their own budgets that the shareholders are responsible for. This ensures that the correct decisions are made for the individual businesses, and are not compromised in the interests of the group. If it were not structured this way a decision made in the group interest could impact negatively on an individual business, which in turn could lead to a culture that produced average results across the whole group. This dual board business structure with cross population is interesting. Care needs to be taken to stop the group directors from dominating the shareholder boards if true independence is to be achieved, and the structure is to avoid being dysfunctional. This could be prevented by having an independent shareholder board chairman, and may be the case in some of the equity partnership structures.

All the directors of the Spectrum Group are farmers. Although this makes understanding of each other's positions easier and brings a mutual respect for each other's achievements, it does limit the skills within the knowledge base. For compliance issues in particular, this means a reliance on purchased professional skills. With the culture of expression within their manager's remit, these skills are vital to make the business a safe place for directors.

Mike invited me to interview him in the board room at the head office, a formal but welcoming space with images of the farming operation hung on the walls. He says that the people policy in the business is not about producing robots, despite the size of the business. Instead, *it is about building individuals into great agribusiness people*. The Spectrum Group believes in delegating clear responsibilities to their managers and staff, trusting them to want to do their best and supporting them in trying to achieve this. In doing so they set no boundaries as such, but instead prefer to encourage the managers to use Mike as a sounding board for any ideas that they may wish to implement. Tiffany Cawte, Spectrum Group accountant, describes Mike as "the cushion" that enables each company to have a different set of limits that are flexible and ever able to be remoulded.

This philosophy to process can allow innovation and excellence to flourish, but also increases the risk in the businesses of poor performance as the result of a poor decision being made. The relationships that Mike has with the farm managers are therefore very important. He describes them as being based on trust and great communication to ensure that there are no nasty surprises for either party. His role is to discover the issues quickly and deal with them appropriately and rapidly.



Mr O'Connor says that *"The global purpose of the Spectrum Group is about developing young people, especially their management skills and introducing them into land ownership."* This process will at some stage need a degree of capital and the staff in this business are encouraged to look at "non-traditional sources of capital" as well as the usual sources. He believes in the saying that success drives success, inferring that successful managers should be backed to perform well again. To achieve this on-going feedback is essential to make them feel valued and to enable them to measure their performance. All staff is treated with professional respect, and Mike always makes appointments with his managers if he wants to visit individual farms. *He concentrates on delivering on his promises which, he comments, is one of the main drivers in building staff loyalty.*

As the perception that land ownership in New Zealand is becoming more difficult to achieve gains momentum, with increasing farm size and capital intensity, some managers may lose this vision as a long term objective. In these cases the managers can become focussed on their salary. Without a culture that builds staff loyalty it could be difficult to retain high performing, quality staff. This would not be good for the group, or in the long term, the industry. To further aid in staff retention, employees are encouraged to build their wealth outside the business, with the medium term aim of being able to cash in the investments to purchase a stake in the business in which they are involved.



Billboard beside the main Route 1, south of Ashburton

The long term future of the Spectrum Group has not escaped the directors' thoughts. As the business matures it may be best to introduce a non-shareholder chairman. Their role would be to provide a continuity of vision for the Group, which is *"easier to do with no emotional connection with the money being spent to achieve it"*, says Mike. A move into research and development could be the next stage of progression for this business.

*The business purpose can then move to one of looking to provide food production solutions instead of yearly profits.*

New Zealand has a tradition of sharemilking and as such has farmers who are used to standing back, leaving others to manage their businesses. This clear division of responsibility is accompanied with a tradition of accountability, both of others and of oneself.

Mike O'Connor is obviously a people person, open and welcoming. He is ideally suited for the role that he performs with no little skill and a determination to complete on his responsibilities. He leads his staff by example, knowing when to examine his own performance as well as that of others. I'd like to thank him for the time he put aside, and that of his two associates, Tiffany and Shona.

#### **4e. Dealing with people in a large organisation**

The New Zealand Listener described Chris Kelly as NZ's most influential man in agriculture. Although he is not too keen on this description, it represents the position that Landcorp has in the New



Zealand agriculture industry. Landcorp employs 573 permanent staff, who are mostly farming based. The company is Crown owned, a result of the county's history, and as a result has a role to play in influencing government thinking as well as profitable farming. The company corporate intent is to be efficient, profitable and a good employer with social responsibility.

The vision is *"To be the world's most effective pastoral livestock farmer"*.

The entrance to Landcorp HQ is through a somewhat unremarkable doorway off one of the New Zealand capital's main streets. Chris Kelly, CEO of Landcorp, arrived at precisely the pre-arranged time and invited me to begin the discussion, before going on to share some of his views on the NZ agriculture industry, Landcorp's guiding principles, and how he carries out his leadership responsibilities.

Mr Kelly explained that when he first joined the organisation he was faced with a business that ran almost as two individual companies. The administrative centres of the business were in three cities, spread across two islands. They did not seem to integrate very well, which was an unacceptable position for a company of its size. The process of change that he drove was to create what he referred to as "One farm with 119 paddocks" (the number of units the company runs). He faced some opposition along the way, but was able to bring about that change by centralising all administration in the Wellington head office. Management practice was altered from being organised by region, to being by sector. Mr Kelly said that in his experience it was impossible to predict how people will react to change. Some will embrace it, others rally against it, and those individuals could not be picked out before the change was implemented. All you can control is your reaction to their approach. (I will deal with reactions to change later in this report).

*They look for objectivity in candidates, proof of a science-based thought process, not one based on subjectivity, art or emotion. Evidence of work produced while in education is used to identify people.*

On recruiting staff, Chris said that Landcorp have adopted a policy of looking for people with an analytical mind. They look for objectivity in candidates, proof of a science-based thought process, not one based on subjectivity, art or emotion. Evidence of work produced while in education is used to identify people. The interview process is conducted before a formal interview panel, demonstrating the business culture that they can expect, upfront. Examples of life characteristics that show teamwork and adaptability are requested. Farmers are often described as 'individuals', so the need to show teamwork capability is a key component of what Landcorp look for. In essence it is a competency-based assessment combining an examination of attitude and skill learned.

Chris Kelly's dedication to the company policy of employing only the best is demonstrated in his involvement in visiting universities, looking for graduates to employ at Landcorp. He is personally involved in recruitment, taking time out to promote Landcorp to the brightest potential employees. This is a commitment to giving youth a chance if it has shown capability to learn and be adaptable. A modern apprenticeship scheme employing 18 apprentices is run.



The company policy is to instruct new employees in the culture of the business and to encourage them to be the best that they can be in all aspects of their work. This philosophy becomes ingrained as people climb the career ladder. Mr Kelly explains that the higher up the company that a position becomes available, the more likely it is that they will promote from within.

Landcorp believes that there is an alternative way that it can help its staff to deliver wealth creation outside of land ownership. This is by paying its staff a salary that says “we value you”, and by rewarding success. Most farm owners pay themselves a meagre salary and rely on land equity growth. Employed staff will have more disposable income and are encouraged to invest in houses, share portfolios and the like, to drive growth.



Chris Kelly, CEO Landcorp 2012 at Landcorp head office

Over recent years it has become more difficult to follow the sharemilking path to farm ownership by the age of 50, and this trend is likely to continue according to Mr Kelly. The number of 50/50 sharemilkers within the dairy industry has declined significantly, with a 25 year average of 5.5% capital value increases in land, with a particular spurt 10 years ago. Cow prices also remain high. Land value has plateaued recently but is still a barrier to farm ownership for many. He commented that the long term international signs for the food industry are good, and he does not see a major fall in land values ahead. It is still a good time to buy a farm if your aim is low cost production that drives a high profit.

The increase in land value is only partly due to conversion of livestock and cropping land into dairying. Landcorp's per hectare land value has increased ten-fold in 25 years, but unconverted land has risen by four times in value in the same period. The increase in asset value has been partly responsible for the meagre cash return on the asset that is now being shown up in balance sheets across the industry. This has led Government to wonder whether it could see a better return elsewhere for its \$1.6Bn investment. Doubtless it could in the short-term, but a policy to increase Landcorp's cash return by producing off-leased blocks of land is now being pursued. Large blocks of land in New Zealand have been purchased by Chinese investors keen to guarantee a protein supply for its population, and Landcorp is acting as the sharemilkers on these properties. More corporate sharemilkers may be the way the industry goes as farms amalgamate, capital values rise, and small equity partnerships begin to find it hard to buy large blocks of developed land.

The Chinese investors are not so concerned by capital gain as by the market value of NZ provenance-milk in the domestic market against their own home produced milk that has lost consumer trust. There is a premium price of 26 rmb/litre<sup>1</sup> available as opposed to 6 rmb/litre for home produced milk. Partnerships with foreign investors provide new challenges, those of language, culture and contract security. Here communication plays an important role in the watertight governance that is essential for long term success.

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<sup>1</sup> Renminbi, Chinese currency. One rmb is worth approximately 10 pence sterling



Land ownership issues are a sensitive topic at the moment in NZ agriculture. Landcorp could give a greater return to the shareholders if it was allowed to trade more land to realise capital gain, but this is seen as too politically sensitive to happen on a large scale.

Government ownership also imposes other restrictions on the way Landcorp operates. The SOE Act states that it must strive to be as profitable as any privately owned business. However Landcorp also has to deliver an element of “public good” in their daily operations. There is obviously a degree of contradiction here. Company policy has been to try to increase the public good aspect of their operation. By demonstrating that it conducts its business to the highest possible standards on effluent control and animal welfare, it is trying to lead the industry forward by example. Chris Kelly’s approach is to be consistent in what Landcorp is trying to do, and the message that it sends out. To best communicate this to the public at large, some of the farms are overtly open for the public to visit. Benchmarking is undertaken to demonstrate that the production and financial efficiency of the units is up with the best in the industry, and covenants on some areas of land have been drawn up. This ensures a gold standard of environmental management, the aim being to perform above and beyond what the public expects. With government ownership and the ‘dirty dairying’ tag that has been attached to the industry, image protection is being considered as a serious subject by Landcorp.

Landcorp has an average spend of NZ\$1800 per person per year on training. This alone shows its commitment to increasing the value of its staff to the business. To focus on this figure alone misses the point though. The first step in the process is to analyse each individual’s performance and identify the most pressing training needs. A formal meeting with an employee’s boss is conducted to establish the competencies and weaknesses demonstrated in the past year. The previous training needs identified are considered against that which has been undertaken. In a company of the scale of Landcorp, much training is provided in-house by competent practitioners. Indeed some training needs can only be met by people with experience of operating inside such a large group. This training is formally recognised by the generation of training certificates. The mapping of an individual’s skills and suitability for the roles for which they have responsibility is tracked using an HR IT programme. Company skills cover is also monitored to enable solid succession planning within the company. Each employee is encouraged to develop a relationship with a mentor, to progress their skills at a faster rate than would otherwise be the case.

Chris stressed that the head of the organisation must demonstrate that they know the business and the processes that are required to make it function.

Quoting the work of Jack Welch, Mr Kelly added that,

*“Occasionally it was productive to undertake a “deep dive” into a single issue involved in the business. Followed right through, it was an effective grounding for leaders and a demonstration of interest and understanding to employees”.*

One of the first actions Chris Kelly took on becoming the CEO of Landcorp was to make a proportion of all employees’ remuneration “at risk” dependent on the communication of staff development in that year. It is important to lead by example here too. Leaders of even small businesses should have an executive board that they set up made up of four respected professionals, to carry out this performance analysis.





There was opposition at first, but it soon became clear that the reason for this was that it was the basis of meaningful communication between layers of staff. They had an interest in ensuring that the process occurred in a timely fashion. Objectives were set with bosses, meetings were held to see if targets were being achieved and training usefully implemented. Objective setting was formally undertaken and the quarterly reviews carried out in a less formal manner.

This was the HOW of how to begin a good communication culture within the company. The system has discipline, timeliness, detail and commitment from all parties.

*The message is that this is important to us. Communication needs a high priority and all members must be team players.*

#### 4f. A pioneer spirit

A DairyNZ open day invitation to Cranley Farms Ltd, near Hokitika, on New Zealand's west coast, provided an eye opener into creating a business where there appeared no possibility of farming. The natural vegetation of tree fern, scrub and forest dominates the landscape as you travel through the Southern Alps from the Canterbury plain to the west coast of the South Island of New Zealand. The invitation came from Tony Watson, milk supply manager for the Canterbury region, Westland Milk Products, Hokitika.

Westland Milk Products is a milk co-operative that is the main employer in the town of Hokitika. Its factory dominates the town skyline. Westland has been in existence for over 75 years and collects milk from farms throughout the west coast, and has recently begun signing up dairies on the Canterbury plain. The co-op members decided to remain independent of Fonterra, New Zealand's largest milk buying co-operative which represents around 80% of the country's producers, when they had the opportunity to merge with it several years ago. The reasons for this were partly due to the pioneer, independent spirit of 'westcoasters', coupled with their fears about the possible closure of the sole west coast milk processing factory, and its resultant effect on the west coast economy, were it to become part of a larger entity.

Tony Watson's present role is in the procurement of milk in the Canterbury region to further secure the prospects of the Hokitika plant and build the size of the milk pool as their customers grow. He is well positioned to do this having been employed previously with DairyNZ in a human resources role, and having been a farm supervisor with responsibility for nine dairy farms - spread over a large geographical area - for a large organisation. The Canterbury milk, mostly from new conversions due to the lower factory share price, is transported by train across the mountains and the road follows the railway for miles through the mountain passes. Seemingly in the middle of the forest, we begin to see dairy collection boards at the end of mountain roads, and it is up one of these roads that we find the Cranley dairy.

Cedar Farm is 13km long but only 1000m wide at its widest point. It is on two terraces, the top terrace developed from Pakihi swamp that was milled in the 1950s and left to regenerate, used only for the harvest of sphagnum moss. All the milking area on the top terrace has been developed using diggers to clear the vegetation and bring up gravels. A mixture of hump and hollow and trench flipping methods was used for this. The humps are 80m wide with 300mm of gravel on top of up to



5m depth of vegetative material that has been buried beneath it. The gravel is low in nutrient level but the organic material holds onto much of the rain water, measured in metres here, providing an innovative base for ryegrass growth.

The scale of the earthworks is enormously impressive, but the west coasters are used to sharing a single track bridge over the river with a railway, so little phases their pioneer spirit.

Tony presses the point that in the more remote parts of the country the importance of community and local support cannot be overemphasised.

*“No matter how hard the problem, people working together will always find a way to succeed”.*



Part of the Cranley Farm herd on hump and hollowed pasture  
hewn from the native forest visible in the background

#### 4g. Implementing culture

Mike Trubshaw is the managing supervisor for seven dairy units run by Rangitata Dairies. The majority shareholder is Mr John Wilson, newly elected chairman of Fonterra, to whom Mike is accountable. The business involves nine dairy units ranging in size from 450 cows to more than 1500 cows within a 25Km radius of the main farm office. Another unit is presently in the process of conversion from a dry stock farm into a dairy unit. A further remote unit, a two hour drive away, has recently been purchased and is in the initial planning stages of development. It is currently taking in dry stock on contract, while building a forage bank from grass silage, lucerne and whole crop cereal.



The deer herd on Rangitata Dairies drystock farm

As we travel from Mike's office to the newest unit in the farm 'ute' (utility vehicle), he explained that the selection of farms to buy was based on its location, rainfall, irrigation water availability and security, and potential equity land value growth. Cash from existing farms was used to develop the properties, while the equity growth of the land base provided the bank with security to buy the land. A fantastic track record with the banks had enabled them to grow at a significantly faster rate than would otherwise have been possible.

The business provides its employees with great quality housing, helping to attract the best people. The property lease agreement is kept separate to the work agreement, in an attempt to keep the issues that may arise detached from each other.



House inspections are carried out every 4 months after employment has begun, to ensure that the highest standards are being maintained by the employees. The thinking is that the people who look after their home environment are most likely to treat the farm, dairy shed and other staff members in the same manner.

Mike's main message as the supervisor of seven farms was that *"I do detail"*.

The dairy sheds are automated with cup removers, auto I.D. and the Protrac software system. If necessary this allows the supervisor to look daily at troublesome issues, but Mike insisted that this was a last resort as he strongly believes that the system should not be viewed as a Big Brother for the managers. The automation is only as good as the information that it produces, and the ability and motivation of the staff to do something about problems as they occur. Rangitata Dairies endeavours to only employ people who demonstrate drive and a "will do" attitude. He has developed what he calls the "ute test". If Mike drives up to a closed gate and the prospective candidate has not undone their seat belt and is halfway out of the door before the vehicle has stopped, they are unlikely to get the job.

Production results on the farms are monitored weekly using a farm summary sheet. The farm managers complete this immediately after the weekly farm grass walk, and it is e-mailed to Mike. The weekly summary sheet contains the following information:

**A staff record.** As well as recording who is on the property, it also includes a Health and Safety record, including near misses. The message is that we want our staff to know that their safety is important to us.

**A stock record.** All animal numbers on the farm are recorded, where the mobs are, where they have been, and, how many sales and losses there have been. This information is compared to last year's performance and this year's target levels.

**Milk production record.** Each of the farms in the company has a monthly milk production target to measure itself against. The production data is available on a daily basis on the Fonterra website to all parties in the business, and is made available to all the staff. Those managers who wish to compare against other sheds regularly can do so, but this is not a requirement of the company.

**Effluent recording.** With the high profile position of the company's chairman, the business has to show an industry leading position on this hot topic. Mike is very aware that the company, and the industry, needs to manage their image as well as their finances to secure a long term future. A real desire to get the nutrient balance right is very clear in speaking with him. The recording of fertiliser use, water storage and usage, and manure issues is all dealt with in this section.

**A feed record.** The results of the previous day's grass walk are monitored under this heading. Also the supplements on hand are recorded here, along with the volume of feed produced off the farm, bought in and used that week. "If you don't measure it, you can't record it, and as a result cannot use it to make decisions that make a difference."





**A fertility record.** At mating time the submission rate can be monitored daily as the number of animals mated per day is entered into the IT system. Again Mike emphasised that he did not look at this information every day for every farm, but it was on hand if he suspected that a problem may be developing.

**A comments box.** This is added to the bottom of the sheet to allow managers to report what they see as relevant issues to their Supervisor.

Mike believes that bad news is best delivered fast, as timely corrective measures will minimise any problem. The report sheet communicates facts but to ensure that the managers are able to relay how they feel about the current situation on the farm, Mike makes himself available for a discussion either by phone or in person as much as he can.

Financial monitoring is also conducted in a very open way with the farm managers. All the unit managers are provided with up to date comparative farm profit (CFP) style budgets for their unit, and have to monitor their performance against this. They are given purchasing power based on the premise that *“if it is in the budget go ahead and buy it. If it is not, put a proposal together and we will discuss it”*. Monthly variances to budget are provided in a NZ\$/Ha, /cow and /Kg of Milk Solids basis.



Mike Trubshaw assessing the lucerne silage crop

All managers are required to attend a monthly group meeting for an “all farms review”. The strongest performing managers are encouraged to share their best practice to help and support the poorer performing units. Mike said *“In a rugby team you don’t moan at the guy who is off his game this week, you back him up and cover ground for him, because you know it will be your turn at some time to need that support”*.

This positive attitude to team performance keeps the business moving forward rapidly, as financial performance has proven over a number of years. A secondary benefit of the system is that it gives the best managers a lift to know that they can help others in the team. The milking staff is required to attend similar bi-monthly meetings to discuss matters that specifically affect them.

The company has an in house-Staff Development Officer. This role is seen as vital support to enable staff to fully achieve their potential. The attitude in the business is to reward excellence at all levels, and personal development is no different. Employees are required to pay for the training courses that they attend, but if they pass the course these fees are fully reimbursed. Timelines are put on training needs as the business requires that all parties within it, from CEO to the milkers, work to deadlines. A policy of not letting things slide pervades all thinking.



Farm managers are encouraged to inform their staff of the job plans that they have for that week as far ahead as possible. Mike finished by saying that,

*“Not many people enjoy turning up for work on a regular basis, not knowing what they are going to do that day”.*

#### 4h. The cost of replacing a member of staff in New Zealand

When I broached the question of how much does it cost a business to replace a member of staff? the NZ dairy consultant Mike Bailey introduced me to the PeopleSmart website, run by DairyNZ. The Turnover Cost Calculator has been introduced to demonstrate how important staff retention is for the bottom line of a dairy business in New Zealand.

The average salary of farm employees and the business owner are combined with the off-farm training costs for a new employee and any agency fee, to calculate a turnover cost. The formula is based on several assumptions:



Mike Bailey of DairyNZ

- The loss of productivity equates to 19 weeks of the employee's salary.
- The loss in knowledge and skills equates to 6 weeks of the owner's salary.
- The owner's time engaging with new staff equates to 6 weeks of the owner's salary.
- The cost of errors by new staff equates to 4 weeks of the owner's salary.
- The time spent on tasks not performed to standard expectation, which equates to 2 weeks of the owner's salary
- On-farm training costs equate to 2 weeks of the owner's salary, and
- The on-farm recruitment process equates to 1 week of the owner's salary.

A worked example with an average farm salary of £28,000 and owner salary of £42,000, suggests that the average cost of one staff position turnover is a whopping £34,577. This total is the equivalent of 1 year and three month of salary for an employee.

In addition to the cost calculated, the formula totals a time input of 19 weeks in lost effectiveness of the position, and 21 weeks of time input into the new employee from existing experienced staff.

Mike commented that the cost of replacing a member of staff on New Zealand dairy farms was not fully understood on most of the farms that he visited. If the business owners had a better grasp of the cost involved in losing a person, they would almost certainly work harder at developing better work relations with the people they employed and work out problems as they arise, rather than waiting until the working relationship had become untenable.

*.. it suggests that the average cost of one staff position turnover is a whopping £34,577. This total is the equivalent of 1 year and three month of salary for an employee.*



#### 4i. Inclusive culture into practice and reducing staff turnover cost

Stu and Ginny Neal run Castlepoint Station on the east coast of New Zealand's north island. A sheep and beef unit that covers nearly 3000 Ha, the combination of topography and climate produces a farm that has to be managed with a particular attention to detail. Steep slopes, low rainfall, thin topsoils, an exposed position and a lack of mature trees, which lead to extremely high evaporation rates, all contribute to the unique nature of the farm. A long winding drive from the peak of the surrounding hills gives fabulous extended views of the Southern Ocean, but makes apparent the extreme nature of the weather experienced on this coastal farm.



The road into Castlepoint Station  
on the east coast of North Island, NZ

Stu and his staff manage the day-to-day running of the unit with a team of sheepdogs, horses and quad bikes. Despite the size and nature of the unit, regular grass walks are conducted, a feed wedge produced and a grazing plan implemented. When the ewes have lambs at foot a set stocking regime is followed, with lambs sold off as feed supply is affected by drought. Weaned ewes are then managed on a paddock system to control grazing round length (in days) in the dry season. The farm also has a year round suckler beef herd, with store cattle and lambs used to harvest grass in times of oversupply.

The results produced on the farm have been recognised with the Neals being awarded the region's Farm Managers of the Year title. Stu is quick to deflect some of the praise towards their staff, and it is this culture of inclusivity that stands out. Stu and Ginny have managed here for seven years and Stu determined that he was going to make excellent staff relations a key part of his management style from the off. *"On an isolated unit in particular, the workforce have to get on well to make work enjoyable"* he said. In carrying out his day to day duties he said *"It is the culture here that we never pull rank"*.

Getting to know the staff, and setting boundaries for what level of behaviour and performance was expected, enabled him to begin the process of getting the best out of his people. The farm owners shared this goal, and Stu was encouraged to enrol onto an advanced farm management course. The study project that developed with Ginny's help was to try to formalise the culture that had been formed into an IT system. The idea was to produce a system that encouraged all the people on the farm to contribute, while enabling all interested parties to have access to the information that was relevant to their role in the business. They were keen to harvest all the intellectual talent available within the business, to achieve the best possible financial results and effective time management.

Through her role in the field of education, Ginny had experience of an IT system that operated in the local school. It became clear to her that some of the principles of that system could be adapted to help reach their goal. After presenting his study to the advanced management course, Stu concentrated on getting back to managing the farm and left Ginny to further develop the programme. 'Agrecord' was the result of all the hard work and it is now employed to act partly as a



farm diary, partly an interactive series of record sheets and partly as administrative discipline on this unit.



The system provides a shared space, removing the need for “bits of paper”, presenting a more professional image. Indeed it is possible to involve the professionals that contribute to the running of the business, allowing them to monitor how the action plan agreed is progressing. Any change in policy, or legislation that has an effect on working, is entered in such a way

that it also flashes up on the home page, so that it cannot be overlooked by participating members. A consistent message can be given through the system to all members of staff, removing one of the causes of confusion. The discipline in the farm culture at Castlepoint demands that records are filed within 24 hours of being taken. Accountability is driven by the fact that this information has to be initialled by the staff member adding it, and the time and date are recorded on the page. Being a cloud based website, the information cannot be lost and it is accessible via PC, laptop, tablet or mobile phone. Any information gathered through a staff member’s period of employment is not lost to the business on leaving that employment. This helps in succession planning and skills cover. The amount of information available to any new farm manager at Castlepoint will be second to none, and the cost of replacing a person considerably reduced.

*As a single entry mobile office, I can see a role for this system in any farming business, enabling excellent staff management.*

The culture on the farm is not set by the system. That comes from the manager leading by example and having an on-going inclusive, respectful dialogue with his staff. But the IT system does reinforce that culture by providing the necessary detail for all staff, wherever they are on the farm, imposing the time discipline into farm recording, ensuring accountability, and encouraging all farm staff to contribute to the running of the farm. As a single entry mobile office, I can see a role for this system in any farming business, enabling excellent staff management. Further, it could be used in any type of business due the ability to build each system to the requirements of that business.

#### 4j. An innovative approach to staff management

Tauhara Moana Trust dairy farm, near Lake Taupo, is the home of sharemilkers Olly and Kim Gibberd. Kim initially says that although improvements in productivity are a key part of their business, progress is achieved while adhering to strict Maori values such as Kaitiakitanga, ensuring people and natural resources are nurtured. Cultural values on this Maori-owned land interlink with innovation, excellence and integrity. The farm covers around 700Ha with a further 200 Ha run-off block, and is close to 10Km in length. Presently milking 2250 cows split into five herds, the farm’s shape provides certain logistical problems in organising cow flow. The structured organisation





needed to manage the staffing is evident in the thinking demonstrated in everything that Kim and Olly do.

Olly says *“We operate a system based on the four principles of honesty, communication, grass and water”*.

*“We operate a system based on the four principles of honesty, communication, grass and water”.*

*“We set clear expectations for our staff, and help them to develop their skills. Managing whole farm performance is not just about communicating expectations though. It is also about providing feedback to enable staff to perform to the best of their abilities”* he adds.

The farm staff team is headed by a manager who has five people working for him. Given the size of the farm and complexity of the infrastructure, experienced staff is preferred in the recruitment process. With the farm running at 290 cows per employee, compared to a NZ average of 220 cows per man, everyone has to perform from day one to keep the operation running smoothly.

Kim says that *“Outlining the expectations of the employer to a candidate is important, but it is also important to allow them to air their expectations of the job”*. The interview process takes at least half a day, allowing the employer to *“climb inside their head”*. The existing team of staff are consulted after involving the candidate in a milking or other joint role, so that the team can determine if they think the person is up to scratch. A standard interview question sheet exists to ensure all the information needed is gathered and to ensure all candidates are treated equally. Only then is further follow-up questioning pursued.

The staff management innovation on the farm comes from the extensive whiteboard communication system that is to be found in the milking shed. This has been developed over a period of time with the consultation of all the staff, but has been driven by Kim Gibberd. Essentially the system works as a continually changing farm diary and record file; with



Olly and Kim Gibberd in the farm office

information such as work rosters, grazing plan, animal health details, jobs lists and compliance factors all involved. Every member of staff is encouraged to contribute to the system, recording which jobs have been completed, and an in-parlour board carries this thinking right to the workplace.



The key performance driver and motivational tool is the '\$5 Board'. "Extra effort, above that required to do a good job, should be rewarded" insists Kim. They record the nature of the excellence on the \$5 board under each staff member's name, and the size of the bonus earned. Equally however, if performance dips below the expected level, fines are also recorded. These are especially errors that result in others within the team being inconvenienced and that add to the daily workload, such as leaving a gate open. Only the sharemilker and the manager, who needs to be a good communicator according to Olly, can make such awards. The rewards are recorded in blue and the penalties in red. Any reason for a penalty that is repeated results in a doubling of the incurred fine to encourage people to learn from their mistakes. As long as the staff member remains in employment until the end of the milking season they can then cash in their bonuses. These can be sizeable and are available at the start of what is typically a holiday season on the farm.

The culture in this business is to give people responsibility, but for them to have accountability for their actions. There is the opportunity here for staff members to be rewarded for individual effort and excellence within a team environment. The \$5 board is the starting point for the annual review, as it outlines the strengths and weaknesses of the previous year's efforts of an individual.

The \$5 board. Blue for bonus, Red for deduction

The labour force within the primary industries of the region works an average of 2000 hours per person per year. A target of 1850 hours worked on this farm is in place to help reinforce the philosophy of caring for their staff. This coupled with the added incentive of free housing, provision of a work vehicle and of work-wear, has helped them to become known within the area as a preferred employer.

The work roster is run on a 6 days on, two days off system. Within this there are late starts, early finishes and designated breakfast and lunch breaks. The daily work schedule is outlined with responsibilities prescribed to designated people for the "must do" jobs. These rotas are produced on a four-weekly basis, with two weeks prior notice in advance. Formal staff meetings are conducted on a fortnightly basis, which all staff are required to attend. Three days prior notice of the timing is always given and they are conducted professionally with written minutes which are reviewed at the next meeting. All staff is given the opportunity to add to the agenda to air their concerns. When a poor result is reported, the opportunity to allow the responsible parties to explain how it occurred is



vital to maintaining a good flow of information in the future. It is important to ask the team for possible solutions, using all the intellectual skills available and encouraging inclusivity, but any issue must be dealt with in a timely manner.

The families of all the people working on the farm are of equal importance to the effective running of a team, and all the houses are considered as strictly private. All staff members require a space away from work, including the sharemilkers, the couple say. Kim and Olly have demonstrated throughout the day that I was privileged to spend with them that Kaitiakitanga is at the heart of the business and the people that work this farm.

#### **4k. Communication as a coping mechanism**

Young people who have sought and received a high level of training both in New Zealand and across the globe, have the skills to succeed in their goals of wealth creation and farm ownership, while retaining a healthy work life balance. However, in implementing sound plans they face the difficulty of the results being severely influenced by the policies previously implemented on a property. Some of the reasons that I think this may be coming a greater concern are outlined below.

Industry figures suggest that there is a 60% churn of labour in the first year of employment in dairying. The cost of replacing a labour unit when all factors such as lost production, training and time are considered, is calculated to be between 1.6 and 3 times the salary of that post. This is a huge drain to the country's most important industry. Couple this to absentee ownership, either foreign or home based equity partnerships, and the short term that most sharemilkers endeavour to stay on one property as they grow their business, you have a haemorrhaging of resource from the industry. The short-term thinking involved in much of the decision making processes is very evident across a portion of the land base that I have seen. The long term interested parties in a property must ensure that this trend is reversed. In whose interest is it to ensure overseeding of damaged pasture occurs? Those areas of poor drainage are rectified? That effluent is dealt with in a long term sustainable manner? That there is continuity of staffing, and the valuable information that people have gained from working on a particular property is not lost with their departure?

A period of elevated milk price has led the industry to be more production focussed than when I visited 9 years ago. This is understandable given the returns that have been possible, but the increased capitalisation of businesses has led to a lack of concentration on good pasture management in some cases. Instead the focus has been how the best use can be made of the considerable investment made in the feed pad or other capital intensive technology. How the increased cost of production, and in some cases on farm debt, will affect the industry going forward will be interesting to view. Although many farmers are incredibly good at adapting to change and adversity, this could be the biggest challenge experienced for a period of time. This season's lower milk pay-out is further limiting the corrective actions needed on some farms.

Enthusiastic, talented young couples are being expected to produce more from ever depleted resources. In tandem with a difficult season, whether it be weather related, relate to animal health issues, or to a fall in milk price, this ratchets up the pressure and stress levels on these people. They often have the responsibility of raising a young family at the same time. It is hard to keep perspective at such times when the roof seems to be falling in. The dream that you have, of a quality



family life coupled with wealth creation, can seem impossible to reach through dairying, not worth the sacrifices.

This is where communication with the support networks around you is vital. Whether this is through the unfailing help of a mentor, a neighbour or a family member is in itself unimportant, as long as it is there. After such a difficult time, it is easier to see it as a learning experience, a valuable lesson in finding out about yourself, your partner and your staff, but incredibly difficult to stand back and evaluate as you live it. On moving to a new region it is vital to develop this circle of support. The discussion group network has been fantastic at fast-tracking this process, as it brings together farmers who have similar interests and values. If the discussion group is seen to have “had its day” in New Zealand, this role must be fulfilled in another way.

The most important decision you can take in difficult times is to make time for your personal relationships. Workload can be perceived to dictate that one’s time must be taken up in forming coping strategies, rectifying problems and working harder. However, the support derived from taking time to talk with your partner, your extended family and trusted others, can lift people from the conflict and help construct a coherent plan to success. Realising that you are not the only one in the fight who wants you to succeed is a powerful tool.

Prioritising the time given to communication is one of the major lessons of my visits to date.





## 5.0. The Republic of Ireland

### 5.a. Grasping opportunity through better communication

Kevin Toomey runs a 300 cow dairy farm 30 minutes north of Cork in the Republic of Ireland. He has expanded his business in the last 3 years to include a 50% partnership in a further 400 cow unit near Waterford, 160 kilometers away, bought a 100 acre drystock block, and recently taken over the lease on a neighbouring farm, Ballydague, that was previously run as part of the Moorepark Research Station.

When asked about how he discovered the expansion opportunities and which ones to pursue further, Kevin gave the following list of necessary steps, almost all of which are benefited by being a good communicator:

- Let it be known that you are looking for an opportunity.
- Develop a large network of contacts and talk to the people who know which farms may be coming available first, such as milk buyers.
- Be ready to respond to an offer by knowing the finances and KPIs of your business allowing you to rapidly assess any proposal.
- Have a profile so that people know who you are and what you do. Go out and talk to groups, and always be prepared to host visitors.
- Understand all the available business models to be able to make a situation work for all parties involved. That includes leasing agreements, contract farming arrangements, share farming agreements etc.
- Be prepared to say no if the farm or partner is not the right one.
- Good governance is critical, if you have made the wrong decision and want to back out for whatever reason, e.g. you are not comfortable with the way your partner is conducting business. Always have an escape route for your cash.

An expanding business requires a new set of skills for the owner, as well as training and greater responsibility being taken on by some staff members, says Kevin. Staff management skills are learnt by visiting and talking to farmers and non-farm business owners who have experienced the same expansion process. A clear set of responsibilities has been described for each position, and 3-monthly reviews are conducted for each member of staff. These take the format of staff scoring themselves out of 10 in around 20 aspects of their job. Kevin also scores them and any discrepancies and weaknesses are the focus for the following 3 month period of employment. There is no financial aspect to the appraisal any more as Kevin feels that he wants it be about the development of the person, not a tick box exercise to free up a bonus payment. Some written protocols have been produced especially for calf rearing and in the milking parlour. There is more that he intends to do in this sphere over the next year.

A weekly staff meeting sets out the plans for the week, with responsibility to see that tasks are assigned to dedicated members of staff. Accountability goes with the responsibility and is checked off at the next meeting.



Kevin is working with an agricultural college to help to educate the next generation of young farmers in grass and business management. This helps him to identify the best students and to intercept them for employment purposes on their return from overseas travels. He says that he sees better quality students entering agriculture, as farming has become more important to the Irish economy again. The recent downturn in Ireland has opened young people's eyes to the fact that the building industry and urban life is not the only way to build a career on the island. Higher profile dairy farmers are encouraging high quality people to consider an alternative life at home rather than emigrating to London or further afield. The removal of milk quotas in the spring of 2015 should help to further this process as a greater number of larger units with clear career paths begin to emerge.



## 6.0. Denmark

Having arrived in Denmark as a tourist with no plan to continue my Nuffield Farming study there, the opportunity arose for me to remain and do just that. First I needed to discover what challenges were facing the Danish industry.

### 6.a. Challenges affecting Danish agri-businesses

Jorgen Kroer is an Agricultural Advisor based at Aarhus Agro Food Park. He has conducted interviews with 20 large scale farmers across all sectors to determine what the main challenges affecting their businesses today are.



Aarhus University, Department of Business Communication

To do this he asked 4 main questions:

1. How has your business changed in the last 3 years?
2. How do you see your business changing in the next 3 years?
3. What makes a good leader?
4. What is the greatest challenge for you in your business today?

Four main areas of weakness were identified.



Jorgen Kroer

1. **Making space for strategic thinking.** This is an interesting use of language, defining space not time. This suggests that the thinking is best done away from the property. Jorgen expressed his view that those who say they are too busy with financial pressure, a complex system, or that replacement labour is too expensive, may just be afraid to open themselves up to difficult answers! It may be they are not yet ready to change or move out of their comfort zone because they do not want to learn to use the right tools that will enable them to look over the precipice.
2. **Execute strategies and plans.** There is a need to write down not only the business owner's goals, but also a plan of how you are going to implement achieving those goals, step by step. This plan can be adjusted with more thinking time, but the process should be started. The alignment of the goals of all is needed to drive the business forward. Jorgen spoke of a dog sled analogy of a team of 40 dogs. It only needs 3 dogs pulling out of line and the forward movement stops completely.
3. **Compose the management team around the leader.** There is a need for good interview technique, but this can be learned. Hire on attitude, but once employed success is often



about the farmer's ability to delegate, not the staff's ability to manage. There is also need to look at the accountability of the farmer, with the use of Advisory Boards (AB) to gain an outside perspective. The AB needs to assess the farmer's capabilities through bringing a wide range of skills to the business. AB members should be employed on a formal term contract, so that there is legal security for all parties.

4. **Build commitment and enthusiasm in the workforce.** Jorgen noted that this is very individual for different employers and employees. It is about respect, managing expectations, perceived fairness and creating opportunity. There is a need to develop employee leadership skills so that they can make decisions independently. These skills can be learned, but relationships with long term employees must change and can break down as a result if poorly managed.

Jorgen's role as an industry advisor, as he sees it, is to create awareness of the issues raised, to develop a course to educate, coach and encourage networking and to find the right coaches to run the training through discussions with HR consultants. By finding leaders to use as role-models/mentors for the course participants, the aim of the training would be to create better leaders with the communication skills to address the four issues identified above.

### 6.b. Advisory Board help in restructuring

Lars Pedersen farms in partnership with his wife and son, milking a total of 1100 Jersey cows on three farms near Brønderslev, close to the northern tip of Denmark. He also runs a heifer unit and a fifth farm that grows crop to help feed the herd. The home farm, Klovborg, milks 600 all year round calving cows through 9 Alpha Laval robots, and that is where I met Lars to find out about his system.



Lars Pedersen

The cows are milked on average 2.7 times a day through the robots, with cows not recording a milking for a 10hr period rounded up and made to visit a robot. Regular offending cows tend to be in late lactation, have lameness problems or occasionally are sick. A higher level of stockmanship is required for a robotic milking system, says Mr Pedersen, as contact time with the cows is reduced. Managing the robots, and finding and collecting the reluctant cows, is a full time job for one labour unit.

Mr Pedersen and his family have grown the business from 60 cows (when the average was 30 cows) on 60 acres in 1963 to where it is now. Along the way they have bought and sold land - as it has become available - to grow crops to feed the herd. Often large parcels of land have been purchased and areas sold to neighbouring farmers to help fund the expansion. In 1980 the first 300-cow barn was erected as land was relatively cheap, but the interest rate on borrowed money was much higher. Capital appreciation of the land base has allowed further borrowing from the banks to buy more farms, with the most rapid expansion occurring in the last 8 years. Funding from the banks was



freely available in this period and interest rates low, making expansion very easy. However with land value depreciation 3-4 years ago, the business model has not looked so good.

Mr Pedersen states that Danish farmers in general took their eye off making profit from producing milk, and relied instead on capital growth to make the business situation appear better than it was. Once this capital growth trend reversed, the industry took a shock, and he was no different to many. Mr Pedersen and his family are developing a plan to completely reorganise their business in the near future. The largest farm is the crop growing farm, furthest away from urban settlement and on the better soils. The plan is to make this the single milking unit for the 1100 strong herd with the heifers reared at the current 600 cow unit, the land area being large enough to produce sufficient feed for them on site. The other farms will grow crop to feed the main herd. The barn will be of differing design to the existing ones and will have a rotary parlour, allowing for future expansion in numbers. One of the current units will be sold to fund the reorganisation, but Mr Pedersen says that he needs to focus on profit from milk production and the consolidation will help to achieve this.

At the beginning of the period when the farm was short of working capital and the future looked uncertain, the family decided to form an advisory board to help them make better strategic decisions in the future. The advisory board consists of three people with a mixed skill set. One of the members was a person known to the family but not a family friend. He is from a different industry but has a sound financial education and track record as a businessman. He recommended a second member who was not known to the family, but whom they interviewed, researched his background and liked the character of. The final member of the advisory board was not detailed, but the process was similar and the skill set necessarily different from the other two members of the advisory board, and those of the family. Purposefully the farm accountant, advisor, banker and lawyer do not sit on the advisory board. They are paid to perform their role, but a different perspective is what is needed from the advisory board. The family business's financial performance is accountable to all parties involved in the running of the business, but personal performance is also accountable to the advisory board. Members of the advisory board are asked to lock in for a set period of time and are remunerated on an hourly consultation rate.

Lars Pedersen said that there are many 60+ semi-retired successful business people who are highly experienced in the skills that farmers are generally poor at, who would make excellent advisory board members. They are often looking for a new challenge in later life and are prepared to do the hard thinking in their own time, on the golf course! He did add, though, that an age spread is desirable for continuity of the board in years to come.

Managing staff on 5 sites is an issue that has presented a challenge to the business. In recognising the problem, new systems of communication for this business have been employed. A monthly meeting is held at the home farm, that all staff members are required to attend. The meeting may be used as a training exercise, with an outside person such as a vet or other advisor, ensuring all staff is presented with the same tuition at the same time. On other occasions it is used as a means to disseminated budget information for the upcoming period. All staff is given access to financial detail, other than borrowings. This gives them insight into the reasoning for some strategic decision making and, in good people, motivates them to do the best they can for their employer's need. This





meetings is not used to air the grievances of an individual staff member; these are addressed individually with that staff member away from this platform, but in a timely fashion.

If possible Lars likes the monthly meetings to last no longer than 1 hour, as people not used to managerial meetings find it hard to take information in after more than this time period. Indeed he says he is careful not to overload members of staff with too much information. Having tried e-mailing as much information as possible to staff, to try to keep them included in the processes, he found this made people not bother to read these documents after a while. It became a very unproductive time for him, and caused some anxiety in staff when questioned on the information. He conveyed the importance of communicating the right information in the right way to different staff members.



The robot-milked dairy herd at Klovborg.  
Note the overhead viewing walkways

'Klovborg' is not just the name of the farm. It has become a brand that helps Mr Pedersen develop his business. The farm entrance is very appealing, and the manicured verges, paved drive, water feature and decorative planting in front of the dairy barn, are no accident. The Pedersen family open the farm doors to anyone who wishes to see it. Many urban visitors take a guided tour around the overhead gantries in the cow barn, without needing to change their shoes.

Many farmer groups and overseas visitors also come to see the system in

operation. Mr Pedersen says he gains his benefit from meeting interesting people with differing perspectives on his business, which helps him to format his future thinking.

The impression of the farm upon entering the driveway also creates a positive mood in the financial professionals who attend the farm. Bankers, before they have even received a proposition, feel they want to be involved with these people. Advisors and supply chain businesses want to be associated with the farm, improving Mr Pedersen's bargaining position.



Klovborg is more than a farm name,  
it's an image and a potential brand

Lars ends by stating that image and first impressions matter. Putting people with whom you need to discuss important issues in the correct frame of mind immediately prior to meeting with them helps to get discussions off on the right foot.



### 6.c. A toolkit for success

The day spent with Susanne Pejstrup, an independent dairy consultant based on the Danish coast near Faaborg, was one of the highlights of this study.

Susanne began by outlining what the characteristics of good business managers are. They need to be personally organised, be structured in their thinking, demonstrate leadership, make quick decisions, have long-sight, and have an organised production system and business framework. These can only be successfully implemented if the business purpose and personal motivation is clear.



Dairy consultant  
Susanne Pejstrup

Her view on the use of advisory boards was that they are vital for larger businesses. All other management levels in a business have peers to discuss similar issues with. The leader also has to be able to have frank discussions with trusted advisors, and an AB can best provide this service. The farm owner should however take the AB advice on board, not plough on regardless, or the AB members will lose interest and focus. Only when the farmer is prepared to do this should an AB be considered as part of the business structure.

*Advisors must help people to go in the direction that they want to go.  
Advisory board members must help people to see the best way to go.*

Staff management skills in Danish farming are improving from a low base. Roles and responsibilities on the farms Susanne works with have been defined, enabling delegation to occur more easily. Clear and visible goals and expectations that are described and achievable have been set, including the ethical standards to be observed. The responsibility to report below standard working, or the authority to correct it when it is seen, is also detailed for individual staff members. This clarity avoids friction between staff members when errors occur.

An evaluation system scored from 1-5 on tasks undertaken is a useful tool, but the interpretation of the results is the key to successfully communicating their meaning to the staff member.

**2** - is a low score demonstrating a lack of current skill to produce the desired result. In this case a training programme should be drawn up with the employee.

**3** - is below the acceptable level, and a reminder of what good looks like may suffice. The manager can choose to criticise or to give restricted praise, the latter is a motivator, and the former is a de-motivator.

**4** - is OK, give praise.

**1** - usually indicates that the manager has failed, either to communicate what he wanted doing clearly, or in assigning the task to a member of the team without the capabilities to undertake it. If this is the case the manager should be clear that the mistake was theirs.

This method can add to the certainty that staff feel in their position, as it gives a clear indication of where they stand on the expectation scale.



Teaching the LEAN Management system, established by Toyota, is another part of the work that Susanne does. The LEAN system is about that extra step to better; creating value, motivation, engagement and making employees think for themselves about how we make the work process better. It begins with viewing yourself as your own customer. For example, said Susanne, “would you accept ordering 100 heifers and 5 turning up dead?”

LEAN identifies the 8 archetypes of waste:

- Transport – moving people, products and information.
- Inventory – storing parts, pieces, documentation ahead of requirements.
- Motion – bending, turning, reaching, lifting.
- Waiting – for parts, information, instructions and equipment.
- Over production – making more than is immediately required.
- Over processing – tighter tolerances or higher grade materials than are needed.
- Defects – rework, scrap, incorrect documentation.
- Skills – underutilising capabilities, delegating tasks with inadequate training.

If people are trained to see the above and ask what they can do about them, rapid progress can be made. Susanne’s procedure of waste mapping on farm using coloured sticky notes was simple but brilliant.

- Identify the process - yellow note.
- Describe the waste seen - green note.
- Suggest possible solution - pink note.



Waste mapping by colour in action

With a full team discussion of where the waste is identified, but not attributing blame, many possible solutions for adoption come forward.





The same process can be applied to procedures. Creating a flow of the work procedure - for example, cow flow through the parlour - can establish why some staff are more efficient than others. The question should not be what are individuals doing wrong? But how can we make it more efficient for all?

Several Danish farm dairies are implementing LEAN thinking into the way that they conduct their staff meetings. The new routine is of a 15 minute standing meeting in the barn, once a week, with no distractions such as coffee. Speed is of the essence.

A typical agenda would take the form outlined below:

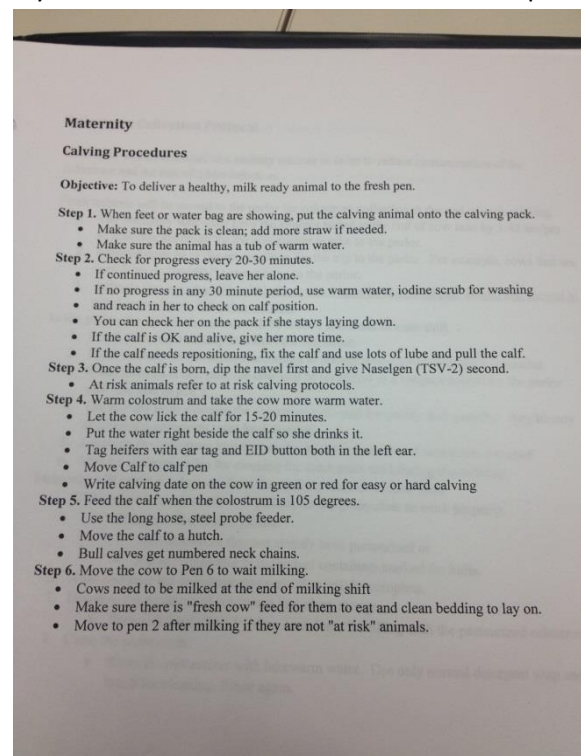
Plan for the week of jobs above normal routine:

- i. Ask employees to detail one good thing that happened last week
- ii. How do our results measure up against our targets and goals?
- iii. What are your ideas to improve things?
- iv. Develop an action plan.

This is a: who, what, where and when: approach that provides a quick and dynamic response to problems while still fresh in the mind. It is a PDCA cycle. Plan, Do, Check, and Act until the results are those required. It is the repetition of the check that gives the greatest benefit when compared to most on-farm communication systems that I saw on my travels. The continual review of recent past performance helps to avoid mistakes being repeated and leads to step improvements in performance. It is a testing procedure, improving the strength of the business and the relationships within it. Weaknesses in the system or people cannot be hidden, and ways round problems must be found to move the cycle forwards.

Susanne says that the review of what went well last week introduced the idea of *“appreciative management”*. *Focus on the successes of last week first, what people have demonstrated that they can do well. Wear the “sunny glasses”! It is a choice.*

Many Standard Operating Procedures (SOPS) have been developed in Denmark as a result of this thinking. The government advisory organisation has refined many SOPs and has them for purchase as industry standards. The similar nature of the housed system employed by most dairy farms in the country makes them applicable to a large proportion of the industry, and they were evident on most of the farms I visited here.



Danish industry protocol for calving management

Managing change is a topic that was touched on earlier and is one of the greatest challenges in managing people. It is initially about creating the right atmosphere for the acceptance of change. I



wanted to discover how to smooth the process of change and Susanne took me through the thought processes involved.

Explaining clearly the motivation behind the need to change is essential, but the reactions to the change will still vary between individuals. It is easy to take staff feelings personally during change but understanding the four Phases of Change Management will help deal with change more effectively.

These phases are :

1. **Shock** – “We can’t do that!” There may be focus on the past in this initial phase, a “continue as if everything is as usual” attitude and the refusal to hear new information.
2. **Reaction** – “I have tried that before and it didn’t work”. This is an attempt to convince the manager that they are wrong to suggest the change. It is important that the manager does not push at this stage as the person is not ready to be led through the process of the change. The incorrect action at this phase will lead to resentment. *This is the considerate listening phase.* The individual must be able to discuss their concerns and find out why the manager still thinks it is a good idea to retain the new course. The manager should be accessible at this stage to allow these conversations to occur, with the emphasis on listening. This is the most difficult stage to manage as there may be anger, blame and anxiety expressed. The more discussion of feelings that are spoken now the faster the process can proceed.
3. **Adapt** – “If we changed the way we do certain things then I suppose it could work. Things are different now, that’s why we failed before”. Now is the time to make things happen, as the individual is aligned to the goal. The manager has the opportunity to present the plan again with any improvements brought about by the previous discussions, and assert the timeframe in which it needs to occur. *Emphasising short term goals to channel staff energy is important here.*
4. **Accept** – “How can I help to make this work?” The team begin to pull together to make the change happen with a demonstration of co-operation. They have committed to the new normal and take to the long term goals again. The manager should take this opportunity to *thank those who have helped make the change happen.*

All people go through these stages but at different speeds. The manager must be aware of when to listen and allow time, and when to begin pushing forward. This will increase the level of respect afforded to them, because they allowed the staff member time to resolve their reservations at stage 2. Expression of feelings is not something that can be done well via electronic messaging. Confusion and hurt can easily result. It needs to be a two way conversation, so that staff can be reassured by the explanation of how the manager feels about the change, and the benefits it will provide long term. In-person communication is vital when initiating major change.

Susanne and her husband were very generous hosts, and it was through their connections that I found myself flying to America on the final leg of my travels.



## 7.0. United States of America.

### 7.1. Encompassing family and community

Larson Acres Dairy contains a herd of 2800 cows sending 37 million litres of milk a year to the milk manufacturer. The dairy has expanded from 150 cows in 1998, most recently with the addition of a second cross ventilated barn containing 1000 cows. The farm uses 5000 acres to grow alfalfa, maize and grass for the herd, half of which is owned, half rented. There are 65 employees, including 4 generations of the Larson family.



Sandy Larson in the new cross ventilated barn at Larson Acres Farm

The cows are milked through two 40x40 parlours that operate 21 hours a day on 8 hour shifts with a 3 times a day milking routine. Each parlour milks 1100 cows, one dealing solely with cows in the first half of lactation, the other with the stale lactation cows that are housed separately. Sick and infected cows are milked through the old 20 stall parlour in a separate building to minimise cross infection.

The family believes that they have a responsibility to teach

their children a strong work ethic. The success they have achieved has come from dedication to their herd and farm, and they wish this success to continue. The children are encouraged to gain experience on the farm at an early age, but this is becoming more difficult as the farm becomes larger and more mechanised. A generation ago milking took 2 hours, feeding cows an hour, and feeding calves an hour. It was easy to be involved for a relatively short period of time and to have a sense of achievement in a job well done and completed. This is not the case now as the tasks are almost continuous throughout the working day, carried out by shift workers who are not well known to the children.

To encourage contact with the animals and drive a passion for the cows, the Larson family are keen to involve the younger family members in caring and preparing the team of show cows. This is further extended into junior handling classes, where much success has been achieved. The main purpose is to drive a passion for the farm in the next generation, who have their own successes at an early age to share with the rest of the family.

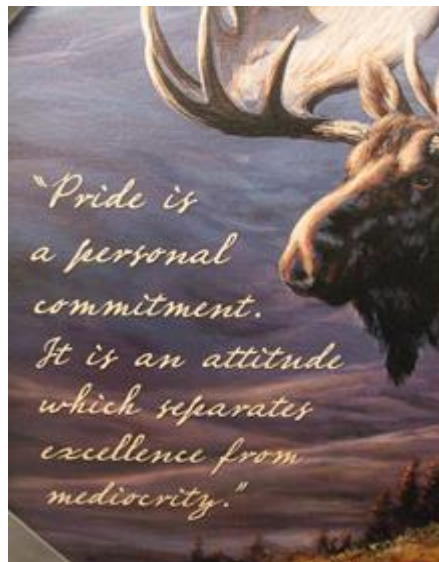
In June the farms holds an open day for its employees and their families, the central event being a huge picnic. The family sends Christmas presents to the vendors it deals with. The farm hosted the County Dairy Breakfast this year attracting 6000 visitors, many of whom took up the offer of a farm tour. All these actions demonstrate the awareness of the Larson family to communicating their story



to the local community. They are keen to set an agenda by which people visit their property, and they succeed in fostering exceptional relations with the people of the surrounding settlements.



Communicating the values of the Larson family to the community (above and below)



### 7.b. A case study in good communication

*"Juan Quezada is the best teacher I ever had. He shares everything he knows with me, and often says to me "I want you to be better than me". Carlos Ruiz, Milk Source employee.*

Milk Source is a growing multi-site farming enterprise with five dairy farms, a calf rearing unit, a heifer rearing facility and 10,000 acres of land. One of the business partners visits each dairy every two weeks, and always makes a point of saying hello to as many of the people on the shop floor staff as possible. Milk Source makes it their business to know as many staff by name as possible, showing that they have a personal interest in the people that they employ. According to Juan this is an





approach that is very much appreciated by the employees on their farms. In a business of the size of Milk Source, over 300 full and part-time employees spread over 7 sites, greater personal detail and concern for each individual from the business partners is all but impossible to achieve. The responsibility to acquire a greater level of interest in, and support of, individuals is not abdicated in this business though.



Carlos Ruiz of Milk Source,  
Leadership Award winner

Juan Quezada began his career at Milk Source milking cows in one of the company dairies. He knows what it is like to be on the rota milking 8, 10 and 12 hour shifts. He has developed his own career by grasping the opportunities afforded to him by his employers, being aware of his own training need and learning new skills. Steadily he was promoted through the business to be a team leader. He was identified by the business partners as being a skilled communicator, an ideal man to fulfil a pastoral role within their business. Juan seemed to know everyone who worked in the business and care for how they were feeling.



Calf Source hutches  
facing east to catch the morning sun

This had not happened by accident. Juan made it his business to remember how many children people working with him had, what their names were and when their birthdays were. He showed real interest in people. To introduce an excellent Health and Safety culture into the business, the owners identified that they needed a man who really cared about the employees to successfully manage it.

Staff meetings at Milk Source take many different forms. The duty dairy manager meets with his team leader every morning to discuss the day's priorities. There is a daily report on the previous day's milk quality, staff

performance, and the jobs for the day. A once-a-week lunch meeting has been introduced to discuss the strengths and weaknesses of the week gone by. A more formal review of performance happens every month, with results measured against targets, discussed and a way ahead agreed upon. Twice a month the milking teams meet as a group to discuss any problems or to share ideas of how routines or practices can be improved. There is no set time frame for more formal group meetings, they happen only when there is a need. A meeting with no purpose is a waste of time for all involved and a de-motivator for employees, especially in periods when they are under time pressure.

*It takes many years to  
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When a potential team leader is identified within the business, training is provided before the person is promoted to the position. New skills have to be learned to manage people, and training is both in-house and from outside professional providers. All training is certificated, including in-house training, rewarding an employee for his effort. The business pays for all training courses, as the owners believe that even a failed course provides them with valuable information about an employee. A failed course identifies where a non-compliance within the business is occurring and is used to plan with the employee a satisfactory way forward.

Certification of training enables a skills matrix to be maintained inside the business. This matrix gives Juan a clear description of the most pressing training need for the employees he manages.

It takes many years to create the right culture within a business. Cultivating it takes time and consistency of message, but also needs the difficult conversations to be had from the start. The business owner must lay out the path.

*This is the way, these are our values, we need you to conduct yourself like this.*



**Juan Quezada, a natural communicator**

*... a discussion with a member of staff is not a discussion if they are not allowed to have their say. ... Maintain eye contact to demonstrate that you really are listening. ... It is hard to get the best out of someone if what drives them is not known*

Juan told me that a discussion with a member of staff is not a discussion if they are not allowed to have their say. When a question is posed, allow them to frame their thoughts, do not fill the gaps in conversation but allow them time to think. Do not be tempted to finish sentences for someone if they struggle for the right word. If sufficient time has been scheduled for the discussion waiting for them to express their own thoughts will help them to think that you want to know how they feel. Further conversation is then easier to make and they are more likely to open up at a later date. Maintain eye contact to demonstrate that you really are listening, taking note of their concerns. Input positive actions, a nod of the head or a positive word of encouragement while listening. This will help elongate the conversation and generate a more complete picture.

Managing expectations is a key to satisfaction at work. It is important that the owner understands why an employee is working for them. Making an incorrect assumption in the motivation for work can lead communication with an employee to be confused. It is hard to get the best out of someone if what drives them is not known, insists Juan. As I have heard before, the owners must communicate where they want the business to go and how it is to get there, but Juan points out that it is vital that owners also know why the employee wants to be part



of the business. The factors for an individual wanting to work for a particular business can be wide ranging and multifaceted. They can include respecting the owner's reputation, liking the image of the business, the terms and conditions offered, the availability of quality housing, fulfilling family needs, a structured career path, location, working with existing employees, an opportunity to use their skills, training offered, or clearly defined roles and responsibility. The reasons will be different for each individual and will reflect their personal situation as well as previous experiences in work. Knowing the reasons for employment will help the owner understand the priorities that a person is likely to rank in their decision making. Confusion and frustration are more easily avoided in this defined situation.

Juan loves to pass on his knowledge to others. It was not until Juan was 48 years old that he discovered that teaching was his real passion.

*"It is realising the potential of others that drives my passion,  
not the imparting of my knowledge in itself".*

In communicating his experience Juan gains a greater understanding of the issues. To be able to teach it is necessary to have a structured understanding of matters, to have thought things through. A disjointed ramble around a subject will not benefit the recipients of the information. The teacher needs to see the potential in a person

*The teacher needs to see the potential in a person before they can teach someone the right way to do something*



Visual SOPs in two languages to involve all staff

method of delivery of the training must suit the learning need of the employee. Juan will alter the place for the training depending upon where he assesses the employee will be sufficiently relaxed to learn. On other occasions, he will take shop floor employees into the board room to train, to impress to them how important the issue is. Much of the Health and Safety theory training is conducted in this environment. The training in this environment lasts no longer than the employee can give full concentration for. Juan aims for all sessions to be no longer than an hour and a quarter. The right information to an unreceptive employee is not a good message.

On-farm protocol booklets have a role to play in generating and maintaining farm culture. Juan Quezada has introduced many for training purposes, but prefers not to have folders full of protocols around the farm. He says that the best protocol booklet gathering dust in a drawer is a



useless document. Instead a few laminated sheets are attached to walls in close proximity to where the task is being undertaken. These provide a constant reminder to newly trained staff to reinforce the training method, and experienced operators are kept up to date with any evolving changes in procedure. One major advantage of having some protocols to follow is as a reference point for junior staff when they may have a disagreement with a more senior employee. The security that a protocol brings that the junior employee will be supported by the employer in his position of insisting that the procedure is followed, may help to prevent bullying in the workplace.

Although Juan has the responsibility for Health and Safety management in the company, he is keen to always ask of his fellow workers, *"What can we do better for safety in this workplace?"* He sees part of his job as canvassing the opinion of the employees to make best use of the combined brain-power available.

Monitoring the reaction to an outside trainer on Health and Safety can be revealing about the attitude to change that someone has. If the employee's first reaction is, *"You must care for us to be implementing this"*, you have created a trusting culture, with a happy workforce. If on the other hand the first reaction is, *"This means more work for us"*, there is a gulf to bridge. The attitude to safety is the most important change that can happen, not the awarding of the certificate.

If the mind of the employee cannot be changed on a factor affecting Health and Safety there are two options that are available to Juan. The first is to recommend an offer of a different opportunity within the company. The second is to share the employee with the rest of the industry!



Recognising innovation:  
Milk Source quarterly Leadership Award Plaque

Milk Source rewards length of service with the company with small tokens of appreciation. A new operative is provided with standard work clothes. When the employee has become a permanent staff member and served a period of employment the clothes then carry his/her name, a mark of being part of the business. After further periods of employment, mugs, hats and jackets are made available. These signify more than the physical items that they are. The rewards tell the employees that they are valued and that their efforts are appreciated. Although small in their nature it is the message that they carry that is important. To reinforce this sense of

thanks, a quarterly shield is presented to the employee who introduces the best new idea or working system to the business. This encourages innovation and keeps employees thinking about how they do their job.

"When we end a person's employment it is because we have to, not because we want to" says Juan. The most frequent cause is for termination disobeying safety regulations. It is important that the *action* is seen as the mistake, and not that the individual is a bad person. The question must be raised as to why the action was taken. It may be because the person did not buy into the culture of the company. That may have been a failing of the manager to explain the importance of the value



involved. The action may have come from a frustration or time pressure. A full debrief with the departing member of staff is a valuable way to learn lessons for the future.

Juan says that the people in the company are the most valuable piece of the company. There is a mutual respect between different employment levels in the business and this is partly created by the freedom with which information circulates within it. A poor leader will protect his position by retaining information for fear of being seen to be ineffective. A person who is good at their job has no such insecurity and greatly increases their worth by sharing the information. Their stock rises with those who work with them and this breeds respect. Recognising, admitting and correcting one's own failures also breeds respect. When a manager is able to say "I got it wrong" and "this is what I am going to do about it", he has the opportunity to show that he is prepared to go the extra mile. A mistake can be turned into a positive message to the other members of a team by a positive action.

*A poor leader will protect his position by retaining information for fear of being seen to be ineffective. A person who is good at their job has no such insecurity and greatly increases their worth by sharing the information.*

The language that is used in describing the roles of the people around the manager needs to be carefully thought through. If a member of staff is described as a manager's right hand, this can have a detrimental effect on other members of staff who have ambition within the business. They can feel undervalued and that their efforts are not recognised.

A phrase that Juan repeated was that "constructive criticism is better than passive acceptance" if a task is not being completed in the desired way or with the necessary result. Passive acceptance of poor performance is a rapid destroyer of the culture in a company. A reminder of the standards required and a possible remedy for the situation using positive language can make this a positive experience for both parties. When one employee is allowed to let standards slip, others will rapidly follow. Timely recognition and action are required to stop one problem leading to many others.

No-one should ever be allowed to say "That's not my job!" in a team situation. This is the biggest destroyer of team culture that Juan has experienced.

The use of nicknames at work can be good for team morale. Employees can feel as if they belong to the group, similar to a sports team where all strive for the same result. All nicknames must remain respectful at all times, most especially if used by people on the edges of the group. The danger is that the line at which someone can become upset may be different every day depending on their mood.

*A phrase that Juan repeated was that "constructive criticism is better than passive acceptance" if a task is not being completed in the desired way or with the necessary result*

Juan Quezada does not just impart information to his staff, he gives of himself. He is the embodiment of the Buddhist proverb, "If the student is ready, the teacher will be there".





### 7.c. Listen and interpret

On other large farms in Wisconsin that I visited almost all of the milkers were of Mexican origin. I was often told that they have a fantastic work ethic, willing to milk long shifts while maintaining a high standard of work. Many speak only Spanish, while their supervisor herdsman are the communications translators, required to be both Spanish and English speakers. In one business owner's experience "You need to be very clear as to what you have heard". He said that the Mexicans have three types of yes as the response to a request.

- "Yes, I will do it".
- "Yes, I don't understand", and
- "Yes, I won't do it".

Starting a response with "Yes" is a cultural thing, a willingness to help being part of their community value. However, this can lead to misunderstanding when speaking to non-Mexican work colleagues or business owners.



With Juan, Ann, Karan, Uwe and Christien  
outside Milk Source's New Chester Dairy



With the same Danish group  
at Gordy Jones's Central Sands Dairy





## 8. Discussion

No matter where I went or whoever I spoke to on my Nuffield Farming travels, the theme that kept recurring was that of team, and driving team spirit.

In Denmark Jorgen Kroer identified forming the team, and building commitment and enthusiasm in the workforce, as two of the major challenges affecting the Danish agricultural industry, but this finding would have been equally valid in all of the other countries I visited. A self-supportive workforce, communicating clearly and often between themselves, can reduce the time demands placed on business owners in the day to day activity of running a business. Owners can concentrate on putting the building blocks of governance in place which allows each member of a team to know exactly where they fit into the workforce and how they relate to each other. This may be seen as a chicken and egg situation; good team working allowing time for structured management which, in turn, helps to develop good team working. The cycle can be broken, though, by those who see the value to be gained from better governance and communication. Employing temporary staff, to generate the space to strategically think the way ahead, is relatively inexpensive when compared to the benefits that I witnessed. How this space is filled and what conversations take place will determine the relative gain achieved.

*No matter where I went or whoever I spoke to on my Nuffield Farming travels, the theme that kept recurring was that of team, and driving team spirit.*

This, in microcosm, is the space Nuffield Farming forced me to create.

The day-to-day workings of a farm have become estranged from much of the UK population. The move to promote the facilitation of urban children to access farms, farming and farmers is welcome; but with further mechanisation and rationalisation of the industry into larger units, as identified by the Larson family, do we risk the same thing happening to the next generation of *country* children who are, in reality, more likely to be the food producers of the future? Sandy Larson outlined how their show team of cows had helped them solve the issue in Wisconsin, but I am left wondering how many other large producers have considered the issue as thoughtfully.

So should we think team or family? Juan Quezada perhaps demonstrated that the two need not be viewed as separate entities. On units with larger than average workforces he aims to create a family environment within the team, where colleagues look out for each other while serving the business purpose. The managers of each of the farms he looks after are competitive in terms of production and financial results achieved, but this is a positive competition, not the curse of over competitiveness that can destroy a working relationship. The people involved are keen to share the technical skills employed in achieving the best results and the whole business moves forward as a result. This atmosphere comes from the knowledge that the supervisors are in their roles to help, not to criticise. They have come up through the system and have a working knowledge of the roles being undertaken. Personal interest shown in them gives the staff reassurance that they are valued members of the business. As Juan put it, *"I can repay the Company's trust in me by having faith in the people who work alongside me"*.



Many of the businesses that I visited were run as either family concerns or managed by couples. It is possible that the strength provided by a close relationship within the management structure helps to drive the pace of progress in these businesses. Discussing the needs of the business and making decisions as a management team adds confidence and clarity of thought to a well-structured business. In the case of one couple, I heard it described as the “*Power of Two*”.

Managing change was also a recurring theme. The better people managers had moved away from driving change solely according to their own timescale. Instead they employed the strategies that were outlined by Susanne Pejstrup, and managed the reactions to people to a change before fully implementing the new order. The ability to listen and give concerned staff the time to express their misgivings seems to play a vital role in minimising disruption.

*Managing change was also a recurring theme. The better people managers had moved away from driving change solely according to their own timescale*

Mike Trubshaw received several telephone calls in the time that we were together, and I noticed that the conversations were never rushed or distracted, but that he gave his full attention to the concerns that his staff relayed to him. Making the time to communicate, and giving it a sufficient priority depending on its urgency, seems to be a skill that Mike has mastered. This gave the individual staff a feeling of calm and reassurance before they hung up. Encouraging this attitude to communication throughout the company staff structure was one of the key messages of the day.

Much of the communication we make is non-verbal. Chris Kelly spoke of the “*deep dive*” demonstrating an interest and understanding of a business to employees. The reaction of interviewees to the ‘Ute test’ spoke volumes to Mike Trubshaw. I witnessed how the reaction of a manager differed depending on his attitude, not on farm, but while at a supermarket café in America. One store manager entered the café, collected some crockery and delivered it to the kitchen before beginning to talk to the café supervisor. His actions were appreciated throughout the café team. Another manager approached the supervisor directly and was not afforded the same welcome.

Communication is not only about words and data, it is equally about the meaning and feelings behind the issues discussed. Non-verbal signals need face-to-face discussion to be picked up. On dairy farms we are mostly dealing with people who find it easier to talk to their stock than to their bosses. Although cows are said not to answer back or have opinions that might be challenging, they show significant changes in behaviour dependent on the person’s attitude. The reaction of the herdsman to the cows is a reflection of the actions of the owner. The owner has the opportunity to show leadership here, through very clear non-verbal communication. Good stockmen have spent their lives learning to pick up on these silent signals, and may have a heightened awareness to them in discussions with people. By talking with staff and giving them the time to express their views, attentive eyes and ears will help to discover the message behind the words.

The Health and Safety Executive “*Make a Promise*” campaign is a fantastic example of how a simple physical item can send out a strong message. A short length of rope tied to a key ensures that whenever a worker leaves home he is reminded of his promises to his family to work safely and



return home that evening. This is a system we have employed at home now for some years, on house keys, as a constant reminder of the dangers we face on a daily basis. A commitment to think every morning about how a person works helps to engrain the desired working culture into a business. Your commitment to safety is not to your work but to your family including the business family that you have created.



If the goal is to make work enjoyable - Oscar Wilde said that work should be more fun than fun itself - it is important that people should be encouraged to innovate and problem solve, as these are drivers to greater self-worth. The two options outlined by Adrian van Bysterveld around *either* prescribing functions protocols that have to be followed, *or* stipulating boundaries that cannot be crossed, are interesting in this respect. Following many highly structured Standard Operating Procedures can only stifle such innovation, but having a few key functions that represent significant financial or compliance

risk to the business may be sensible. As with most things in life, a balance needs to be found, knowing your own business in great detail, with a grasp of the most important functions of it, will define the tasks that should be undertaken under stricter guidelines. Generating the time to understand the business in such detail is one of the benefits that good communication creates through more effective delegation. It is through research and knowledge that we identify opportunities within our industry. Good governance within our businesses frees us from being pulled into the day to day manual running of our farms, allowing us the time to conduct this information gathering.

*... it is important that people should be encouraged to innovate and problem solve, as these are drivers to greater self-worth.*

Landcorp, Larson Acres and Klovborg are all places where the public are invited in. The people running these properties are rightly proud of the businesses that they have created and are happy to open to the public at certain times of the year. The skills that the owners have in communicating the best view of the industry have been learned. They have spent time considering the message that they want to send out, and the whole of the industry benefits from their knowhow and openness. They gain from better community involvement and understanding of their situation, smoothing the concerns of those who live and work in the surrounding area. Planning consent becomes less of a problem if a higher than expected level of environmental care has been demonstrated in advance. Understanding of farm owners by outside agencies tasked with compliance enforcement is just as important as owners understanding their staff.

Managing off-site staff for a small businesses presents added risks both for the employer and the employee. From the employers' viewpoint, an employee can be out of sight and out of mind, not receiving the back-up that they otherwise get working on a home unit. There is a risk of the abuse of a position of authority from the employee whether it is from absenteeism or poor relations with work colleagues, possibly even unseen bullying. The Health and Safety risk of sole working on remote sites is a particular concern, and needs close monitoring. But the greater need for clear



communication can lead to new and innovative systems that have been specifically designed for one farm but whose ideas are transferable. Productivity can be increased with a self-motivated member of staff, attracted to the position by the offer of management by results rather than by process.

The risks for the employee are of the feeling of isolation, of home distractions or even the opposite, 'workalcoholism'. Invisibility in a business can be a career killer and being away from the home farm can lead to limited access to resources. But the opportunity presented by working away from the business owner, allows employees to manage their own time, accept responsibility, take accountability and generate much greater self-esteem.

For a business to be ready to manage off-site staff it must have put the building blocks in place. These can be loosely described as:

1. Commitment and support of management – consistent management practices needed throughout the business with effective policies, practices and processes.
2. Clear guidelines must be considered, documented, communicated and consistently applied.
3. The contract agreement should state what times the employer and employee should be available by phone, email, etc.
4. A greater need for a well-thought-out policy on training for staff and managers.
5. A method of evaluation of success – clear criteria measureable against goals.

On most of the farms that I visited there was reference to the need for training. There was general acknowledgement of a need to improve people management skills when a business had undergone expansion. The role of the employer had changed and so too had the role of some employees. The importance of a clear understanding and defining of the respective roles and responsibilities of each member of a team was generally seen as a good place to start.

The job standards need to be established detailing how many errors or omissions will be tolerated. A measure of production level should be outlined with description of the quality expected and a timeline for delivery. Detailing the acceptable variance from budgets/standards helps to give employees a barometer to measure themselves against.

I observed three elements to training need:

employees, employers and team training

The most common themes identified for **employee training** were skills in IT communication, strategies to cope with isolation, and learning to be a proactive communicator. Retaining some face to face communication was seen as very important to both employees and employers.

The **employer training** need was encapsulated in the role of Mike O'Connor at Spectrum Group. He had worked hard to become a better supervisor, concentrating on results, fine tuning expectations, giving feedback on performance, detecting problems early and dealing with them effectively. In his own gentle but clear manner he challenged me to think about which of these are my strengths and weaknesses.

**Team training** is being used on many of the larger enterprises I visited to enable staff to understand each other's problems. Encouraging people to visit other worksites in the same business aids in



appreciating another's point of view, and was a regular feature. Holding regular scheduled staff meetings that are mandatory for all staff helps in disseminating policy to all staff at the same time. Gauging the various reactions within a group to any can help determine which people are most accepting and which are most unsure. Management time can then be used effectively to reassure the most uncertain and discover the reasons for the reticence. Internal communication between staff can be encouraged, allowing the most pro-active to support the most unsure.

The format of meetings being conducted on farms varies considerably, from 15 minute LEAN meetings in the barn, Health and Safety communication, team meetings, through to board room discussions. They are different in timescale, tone and formality but there are some common themes to holding a successful meeting that come through:

- Being prepared and organised in what you want to say and what you want from the meeting. Drawing up an agenda and having the discipline to stick to it.
- Limiting the time of the meeting to fit with others' needs but being concentrated during that time with no distractions
- Seek active listening skills, let people speak (don't step on their line)
- Encourage participation at and within meetings by scheduling regular timing of meetings, and ensuring that all have the opportunity to speak openly once there.

One of the big de-motivators for people is hearing new policy or procedure from colleagues who are considered to be in a less senior position. An advantage of regular formulated staff meetings is that all staff can receive the same information, put in the same context, at the same time. Time wasting repetition is avoided, as are conflicts that arise from a slight change in message unconsciously communicated.

Olly Gibberd was particularly keen to emphasise the importance of continuous feedback, but the issue was raised by several owners and employees to whom I spoke. If you assume that your employees want to do a good job, it is vital to inform them of your level of satisfaction so that they know where to improve. Employees need to understand the criteria for any praise or criticism, be that of their work or in their review. One formal review per year does not count as feedback. It is a good focal point around which continual discussion should occur throughout the year. The process has to be a two-way feedback to retain good working relations, with concentration on the results not on the characteristics of the people involved. Don't judge how they spend their time, only the results they achieve.

*Don't judge how they  
spend their time, only  
the results they achieve.*

The reasons that off-site staff relationships are most likely to fail appear to me to be a lack of quality face-to-face time, absence from the workspace by staff, lost creativity through lack of interaction with others, and, unmet expectations of either party being left unresolved.

The common success features that I observed were planning and readiness, innovative communication methods, management adaptability, learning to proactively communicate, all staff





being treated equally, retaining teamwork (even for sole workers), and a movement towards remote management.

**A final word to try to sum up what this experience has delivered:**

We need on occasion to remove ourselves from the day to day thoughts and processes. It is difficult to grow if we pollute every environment we visit with the same worries, the same issues that we confront in our daily lives. As a result we risk shrinking the world to the size of a mobile phone. In New Zealand my phone allowed me to be away from home, but also to feel connected to the people there. It was comforting to be able to share a laugh or a tear, or to discuss which tractors I'd seen that day on farm with my youngest son.

But comfort is not always what you want on a journey into new surroundings. The nervousness that comes from leaping headlong into a new world and coming out a more rounded person will last long after returning home.

Ideas are the easy part of the process. Everyone can have 10 good ideas a day. Sharing them so that others can run with them and help you to implement them is the key to success. It is our willingness to communicate and making time to communicate that enables us to share our ideas in a logical, joined up and inspirational way that delivers results.

*The common success features that I observed were planning and readiness, innovative communication methods, management adaptability, learning to proactively communicate, all staff being treated equally, retaining teamwork (even for sole workers), and a movement towards remote management.*



## 9.0. Conclusions

1. Communication from the top down is all about clarity of message and transparency of motive.
2. Set, manage and live up to expectations. Resolve any unmet expectations in a timely manner.
3. Making the time to communicate, and giving it a sufficient priority depending on its urgency, gives individual staff a feeling of calm and reassurance.
4. Business is not complicated. Select and employ really good people. Adapt a job for them if you really want them. Make the situation a happy one so that they want to exceed expectation.
5. A business is only as good as the employees within it, combined with their relationship with the owners.



## 10.0. Recommendations

1. Start at the beginning. Ensure that the business structure is in place that clearly defines the roles and responsibilities of each member of the team.
2. Conduct regular formalised staff meetings that are attended by all staff. Have an agenda and stick to it. Listen to the responses.
3. Plan ahead and create a weekly plan of the jobs ahead.
4. Create a reference point for employees to work from. This can take many forms including SOPs, a Farm Manual or IT system.
5. Give regular feedback to employees based on outcomes.
6. Talk regularly to a person close to you to ease any feelings of isolation.
7. Deliver on your promises to staff, from resource provision to personal improvement opportunity.
8. Construct a structured training programme with each staff member.
9. Look at whether an advisory board is right for you and your business.
10. Gather your thoughts, know your message and communicate with the public.



## 11.0. After my study tour

Having some of the tools to create a more focussed approach to on-farm communication is only of value if put into practice. One of the messages from the tour is to have patience with people who are not yet ready to embrace change, and patience is important for me now too. Instigation of the desired new order has to be driven at a pace that those around us feel comfortable with and needs to be clear in its objectives and motives. The process towards better communication has started, the business structure is clearer and people's roles have been defined more precisely, but I have waited (perhaps too long) to implement some of the detail, to be clear in my own mind that the systems being put in place are the correct ones for us. I was very conscious not to create a feeling of incessant change by rushing to implement the latest on farm tool that I had witnessed, only for it to be superseded by the next new idea.

Creating the reference point for staff to base their expectations on was one of our strengths. The farm manual was written some years ago, but it has been updated with a greater emphasis on how we get to the goals - working as a team rather than the goals and targets in themselves.

We are fortunate in that we have good people working with us. The discipline of standing back in itself can create a more healthy work environment as it creates opportunity for others to take on the challenge of greater responsibility. By planning more as a team we are generating more engagement in the staff organising their own time and priorities for the week ahead.

It is clear now that one of my greatest failings in the past has been not following through with promises in a timely manner. I am trying to catch up, and determined not to make the same mistakes again.

My elder son informs me that 42 is the magic age by which you must develop your IT skills or you are likely to have children who manage the IT for you. He was right, but the process of the study has removed some of my barriers to implementing an IT communication system in the future.

One step at a time, but never say never. Having witnessed the benefits of a system designed specifically for farm team organisation and communication as a tool, it may even seem tempting. I didn't see that coming!

The responsibility to communicate our industry's side of the news agenda has seen a change in the way that I think. I'm becoming more actively involved in the NFU and next June we are committed to host an Open Farm Sunday. We enjoy engaging with school children, introducing them to agriculture, and we will continue to work with The Country Trust.

The greatest change has come in the approach that I personally have to communication with our staff and the professionals that we deal with. It is no longer with a sense of foreboding the subject is approached, but with more confidence that we can make a significant difference and improvement to the environment that we work in. I am encouraging those in the team to become proactive communicators, at the same time as trying to make that change in myself. Most importantly, instead

*Most importantly,  
instead of viewing time  
talking as wasted  
unproductive time, the  
eyes have opened and  
hopefully the ears have  
too.*



of viewing time talking as wasted unproductive time, the eyes have opened and hopefully the ears have too.

A word of warning though, as the picture below demonstrates, communication systems can be open to hi-jack from a tractor mad son!

John Millington







## 12.0. Executive summary

As farm businesses evolve and grow the role of the farm owner changes. In the early stages of my farming career, like so many other producers, I worked alongside my parents and one employed member of staff; essentially I milked and managed cows. Our farm has incorporated three other holdings in the recent past and now we milk on two sites, employing 6 full or part-time staff. My job has changed, I rarely milk, and the management of people takes up more time than managing cows. Born and bred a stockman my talents are around communicating with cattle, not people. I found that my skill set for the new role was less than adequate.

The need for clearer communication has become more acute. The people we employ require better information to allow them to manage the farms to produce good results. Casual, occasional verbal communication is no longer enough to make the most of the opportunity we have been given to grow the business. If we want to identify the correct employees for our business, retain them and grow them both personally and their capabilities, the skills to communicate the goals of all parties and how we are to achieve them are vital. The additional complication of a multi-site business, with sole working, adds to the importance of providing clear procedure and policy. I wanted to find out how other producers had tackled the issue of people management to create profitable businesses that operated within an enjoyable workspace. I wanted especially to know how better to support off-site staff and how to manage change in our business.

It soon became clear that without an effectively functioning business structure, clear communication is very difficult to achieve. Well defined roles and responsibilities for all within the business, with clearly described expectations, enable people to communicate from a secure position. The motives behind any changes in working practice or policy are known and, with the understanding of the mechanics of change, a team ethos is easier to preserve.

The skills to plan and conduct regular staff meetings effectively, interpret the meaning behind all forms of communication received, and to deliver support and considered feedback to employees on a regular basis are some of the key ingredients to success. It is the importance placed on making time for communication that is the one factor that set the most successful managers apart.



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