

Growing Your Business with People

**The dynamics between family farming and labour
management systems**

A report for



**By Reece Curwen
2015 Nuffield Scholar**

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Executive Summary

"If you want to grow your business successfully it needs to be done through people"

(Klinefelter, 2015).

People are a critical element to the success of farm businesses, and with the right people there are no limits to how large a business can grow. Managing people in any organisation or business, consequently, is one of the most important tasks; people are all different, therefore there is no standard procedure when it comes to managing them. This report highlights the need for strategic people management.

Some of the challenges identified by Australian farm businesses include that the number of people in rural areas is decreasing, the average age of farmers is increasing and the industry has not focused enough on the development of their workforce to engage the next generation into agriculture. The key objective of this report is to provide farmers, and business leaders, direction when it comes to attracting, engaging and retaining quality people within their businesses.

Developing a positive company culture should be the number one priority for farmers. Culture is defined by behaviour, and it is created by design or default. The most successful farm businesses visited had developed company cultures people wanted to be a part of. The key elements influencing the development of culture include;

- Strong leadership: with a clear vision of where the business is heading, bound by good governance, core values and business goals.
- Effective and productive communication: binds the plan with the action and ensures that team members are well informed.
- An understanding of the employee's vision: getting the best out of a colleague is difficult if the employer does not understand what drives them.
- Training, training, training: gives the employee every opportunity to grow their knowledge, take on more responsibility and make their own decisions.

- Empowering employees: If an employee fully understands the purpose behind the business, receiving added responsibility improves the standard of work and creates a mutual benefit between the business and the individual.

Human resources plans, designed for both employers and employees, must embed the company's culture into workplace practices. Farmers who do this will help alleviate the issues of staff retention and help develop the business reputation as an "employer of choice".

Industry expertise in developing human resource plans will be essential in supporting farmers to better manage their workforce. This can come from industry bodies and/or private companies to help fill the gap between the needs of the farmer and the resources readily available.

The next generation will be the source of our future leaders. They are looking for dynamic workplaces that provide challenging and autonomous opportunities. Agriculture is an exciting industry facing stiff competition from other industries, such as mining, to attract this next generation. It is up to everyone to sell their stories, to promote their business and industry and show the next generation why it is worth being a part of. A key component of this will be to present a positive culture informed by strategic governance, training and employment plans, and a commitment to business and personnel growth opportunities that benefit the whole organisation.

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Foreword

From a young age, I always knew I wanted to be a farmer. Sometimes, before school, my brother and I would be up early helping Dad draft sheep or pick rocks in the old red truck. There was not anybody else around nor could the business afford to employ someone else. From a young age, we worked hard as a family; it paved the way to who I am today.

I spent six years at University of Western Australia (UWA), Studying Agriculture and Economics, followed by two years at a highly regarded grain marketing and consulting business in Perth.

When I moved back to the farm in 2012, we were farming over 8000 hectares with three permanent staff, plus casual staff during seeding and harvest. Mum and Dad are true inspirations for what they have achieved from where they started. The family operation is very different from the farm of my childhood. Technologies and farm practices have changed significantly which has allowed the family farm businesses to grow in order to remain viable. The biggest challenges my father faced in the 1980s and 1990s are different to those we will face into the future. As the business continues to grow, so does the need for more team members, and in a low margin game it is critical that all team members are working with a common goal in mind. For my father and I, this is a major challenge, and it has been a limiting factor in our ability to capture opportunities. We are not alone, and it became apparent people management is the ultimate limitation to many family farm businesses, which led to a strong passion to see what other farm managers are doing.

My Nuffield Scholarship allowed me to travel for 16 weeks through the United Kingdom, France, United States, Canada, Mexico, Brazil, New Zealand, Ireland, Germany, Czech Republic and Poland. In the end, passion was the key driver to business innovation and success; passionate people find a way to be successful regardless of the challenges they face. Throughout the year, I was amazed at the willingness of people to disclose information about their business and to explain what defined success to them. I asked some deep and meaningful questions at times and people were more than willing to disclose their knowledge. I don't

think it would have been possible without the Nuffield emblem on my shirt. I will be forever grateful.

There are so many exciting possibilities in agriculture, producing food is full of opportunities and if businesses are organised and have the right people around anything is possible. I hope this report adds value to farming businesses and encourages other non-farming industries to consider these findings as avenues for further growth.

Acknowledgments

I would like to thank Jim Geltch and Nuffield Australia for providing me with a life changing experience and showing faith in me to represent Australia on behalf of this organisation.

Thanks to my investor, Grain Research and Development Corporation, the GRDC, for giving me the chance of a lifetime to study a topic, which means so much to me. Without the GRDC's investment in the Nuffield Australia scholarship program, opportunities such as this wouldn't exist. Nuffield has changed the way I think, it has provided me with invaluable insights, exposure to world agriculture, and clarity for our business. It has exceeded all expectations.

Many thanks to the many hosts and interviewees, who gave up their time and knowledge to help challenge my objectives and the way I think, and their exposure into fantastic businesses.

To my inspirational parents, Derek and Kim, without your support none of this would have been possible, thank you for all the opportunities you have provided from a young age. Dad; you are a constant source of inspiration and I'm continually inspired by your work ethic, resilience and drive to succeed.

To Max Brooks, who has been a part of the team for over 20 years on the farm, your hard work enabled me to get away from the farm during a busy period. You are a great friend (like a brother), a teammate and you have been a great teacher.

The 2015 Brazil GFP group – Ben Allomes, John Buckley, Joe Bourke, Michael Craig, Jonathon Dyer, Andrew Freeth, Ben Haslett, Colin Hudon and Tom Quigley; after six weeks together, I have some great friends, we had an eye-opening experience which was challenging, enlightening and inspiring.

Most importantly, an enormous thank you to my partner, Elsa, whose support has been unbelievable. You embraced the Nuffield experience and continually encouraged me to make the most of the opportunity.

Abbreviations

ESOP: Employee Stock Ownership Plan

GFP: Global Focus Program

GRDC: Grains Research and Development Corporation

Ha: Hectare

HR: Human Resources

RACI: Responsible, Accountable, Consulted, Informed

SIL: Spearhead International Limited

SOP: Standard Operating Procedures

UWA: University of Western Australia

Objectives

The key objective of this Nuffield study is to provide farmers with direction when it comes to attracting people and retaining them within their business, giving them the confidence to grow their farm business.

The report seeks to answer:

- What are the best ways to attract and engage the current and future labour force?
- What are the best ways to build a winning team and retain team members for the long-run?

A personal aim is to add value to the Australian farming industry and encourage other non-farming industries to consider these findings; to think deeply about the concepts put forward throughout this paper.

Chapter 1: Introduction

The Australian grain industry is experiencing a period where prosperity and growth is sustainable due to demand for our products. A rapidly expanding Asian middle class, low interest rates and improving terms of trade are just some of the factors, which could lead to a golden era of prosperity and growth across all agricultural sectors. Asia's middle class will be the biggest and most powerful purchasing group globally by 2050 (Reuters, 2017). It is a change that will eventually translate to increased demand for Australian products. As farming businesses grow to meet this increased demand, so does the need to attract and retain talented people. The challenge faced is "the number of people employed in regional and rural Australia is falling" (Crawley, 2016). Good people management skills, therefore, are necessary to help capture new opportunities and attract potential employees, ensuring that the business remains efficient and productive in the long run.

Farming is still a low margin enterprise and, historically, owner-operators have been the most effective at focusing on the details of their business needed to produce consistent profits. Technological advances over the last ten years have certainly allowed the capacity of an owner operator to increase, however, there comes a point when hiring people is required to ensure timeliness in farm practices. Some farmers in the past have struggled to hand over farm responsibility and ownership to others. Nigel Crawley from Rimfire Resources said, "Generally, businesses have not focused enough on the management of people and the development of their workforce" (Crawley, 2016). Many farmers find it easier to buy a tractor or make improvements in technology before hiring outside (non-family) help; employee management can be difficult because colleagues are all unique and there is no one size fits all when it comes to people management.

The most successful businesses visited agreed that people were their greatest asset, and treated them accordingly. The most successful businesses had developed a reputation as the "employer of choice" with high staff retention. They had strong leaders and systems in place to attract people, retain staff and get the best out of them. It must be said that there were a number of businesses facing significant challenges and were clearly missing a defined human resource (HR) plan.

At the end of the day good people management practices are critical to profitability. The author believes this is the next boost in productivity in Australia; a positive outcome in this can have a multiplying effect for farm businesses. The next generation of people coming through will be important for this.

Key Questions:

What is your Human Resource Plan? Do you have one?

What strengths and weaknesses exist within your Human Resource plan?

What influenced an employee to leave your business?

What is your method to attract quality candidates?

The Next Generation

Farmers worldwide are their own worst enemy when it comes to attracting people to their industry; the typical stereotype portrayed is farmers being hard working and underpaid. Furthermore, the media tend to only promote negative aspects of farming such as droughts or floods; instead of all the positives this industry has to offer (Gladigau, 2006). As such, agriculture is finding it difficult to source talented staff who are passionate about the industry. In addition to this, a 2015 report highlights the issue of sourcing employees from graduates, “The number of students graduating from agricultural science courses continue to decline, and those who do aren’t necessarily going to work on farms” (Agricultural Appointments, 2015).

The average age of farmers in Australia is 56 (ABARES, 2012) and the majority of employees in 2020 will be Generation Y (born in the 1980s and 1990s) and Millennials (born in the 21st century), (McCrindle Research, 2013). Therefore, the greater agricultural sector needs to find a way to encourage high school graduates and university students to look at agriculture as a positive career choice. The next generation are future leaders and the industry needs to work harder to engage them otherwise it will be stuck with whatever is left. Currently in Australia, backpackers are filling a very important role in most agricultural sectors during seeding and harvest, they are employed because they are accessible and are driven to work hard for a short period. The sector would suffer a significant financial loss without them, however it does

mean that trained staff are exported abroad bi-annually, which creates instability within a business's team. Finding ways to embrace the next generation and attract them to agriculture would certainly decrease reliance on foreign workers.

Case Study – Lye Cross Farms

Farmers: John ('83 scholar), Peter and Johnny Alvis ('14 scholar).

Country: Mendip Hills, Somerset

Farm Type: Dairy, Cheese, Pigs, Contract Arable, and Farm Shop.



Figure 1 Lye Cross Farms. L-R Johnny and Peter Alvis; touring their Cheese Factory, Brazil GFP Group in front of Lye Cross Farm Shop, Somerset (Source: Author's Collection).

History: Three generations of farmers who have lived on the land for over 100 years.

Key Learnings:

- A market leader through integration, not by quantity of production;
- Grown the business substantially by renting ground;
- “Boots are more important to managers than desks” (Alvis, 2015);
- Ownership and management don't have to be the same thing,
- Find the right people to do the work. For example, Lye Cross Farms own a contracting business, which is built around a partnership with a manager, “if you can't do it, go and find someone else who can do it” (Alvis, 2015).

John Alvis is co-founder of FarmLink – a classroom in the countryside. FarmLink enhances the National Curriculum providing opportunity for more than 10,000 children every year to learn about farming, food, the countryside and environmental issues. The company, with a charitable status, is something John is very proud of, he says “FarmLink is building on the Alvis aspiration of every consumer understanding where their food comes from, and the impact their purchasing decision has on the environment” (Alvis, 2015). In a very urbanised country this ensures the next generation maintains a link with farming, understanding what it produces and how.

Australian farm and industry bodies should take note; learning opportunities through formal programs supporting young people in their transition from education to working life are critical if they want more students graduating with an interest in agriculture.

Understanding the next generation

Being able to attract and engage the next generation of talent is crucial for the future success of family farming. This is a generation of self-confident and ambitious individuals with high expectations of their workplace and employer. As this generation enters the workplace, farm businesses will be forced to adapt their management style in order attract and retain them for the agricultural industry.

Gaining an understanding of what potential employees are looking for from their employment will be crucial. Spangler and Knoblock pose the question, “What do the next generation want from their employees”?

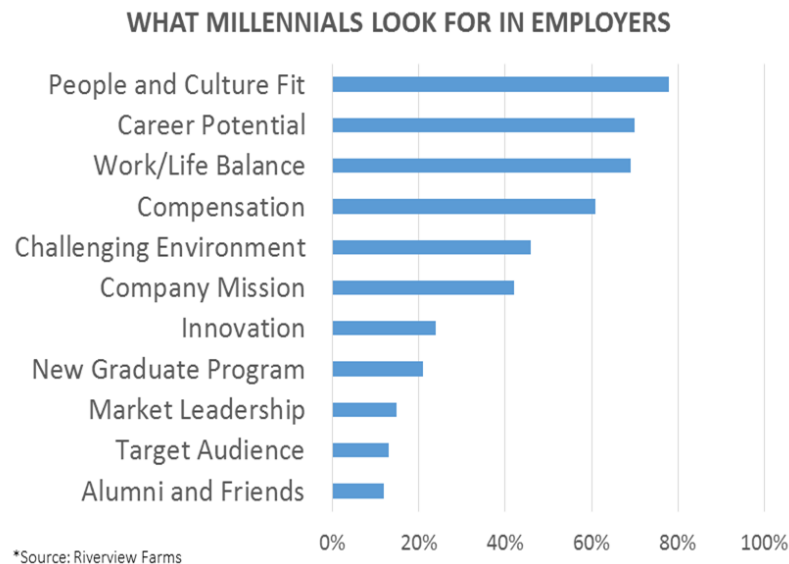


Figure 2 What millennials look for in employers. Source: Riverview Farms.

Figure 2 highlights what the next generation looks for in employers. As can be seen, Millennials or Gen Y are unlike generations before them. For example, remuneration, whilst in the top half of priorities, is only fourth, confirming that money is not the primary driver for employment; confirmed by the work of Mccrindle below. People and cultural fit is number one, which highlights the fact that a relationship with the people they work with and strong leadership from the owners of the business is a key attraction.

According to Mccrindle, a social research agency, gen Ys

- Average more than four careers in a lifetime
- Stay an average two years in a role
- Work for 17 employers in their lifetime
- They “work to live” rather than “live to work” (Mccrindle Research, 2013)

These demographic changes have made attracting, engaging and managing people one of the biggest challenges moving forward. This will be difficult but not impossible, and farmers need to change to accommodate and create an environment that people want to be a part of. The following chapters seek to provide a number of tools and concepts that can make a positive contribution on a farmer’s HR plan.

Chapter 2: Attracting and engaging people

– setting the culture

Before considering creating an environment that people want to be a part of, as a farmer or business owner people need to understand *the why*, “You need to understand why what you are doing is important” (Smart & Street, 2008). Bob Milligan, senior consultant at Dairy Strategies, LLC, said, “If the leader of the organization can't clearly articulate WHY the organization exists in terms beyond its products or services, then how does he expect employees to know WHY to come to work” (Milligan, 2015)

If business leaders do not have a clear answer to ‘why’ then they may struggle to promote clarity within their workforce. This was evident during a number of visits during the Nuffield experience. If family units are not on the same page they become counterproductive which will have a trickledown effect to the rest of the team. In other words, leadership from the top is critical.

Corporate Governance

“Corporate governance is the system of rules, practices and processes by which a company is directed and controlled.” (Investopedia)

Effective governance was found to be critical in order to help control the direction of the business and improve organisation between the business owners (family, in most cases). The most successful businesses visited had a clear level of governance throughout the business. Therefore, no matter what business size, governance should be considered now or in the near future, especially if there are a number of family members involved.

The basic principles of good governance are fundamental to the sustainability of a business, irrespective of the size. The structure however, will differ. The creation of a strategic plan, vision, setting core values, risk management, succession planning and ensuring there is accountability and transparency to leaders are just a few of the vital components. Throughout John Millington’s (NZ scholar) report he highlights that culture and governance should go hand in hand, “The culture of the board should match that of the business” (Millington, 2014). Good

governance creates a great discipline for all family members and it sets the tone for strong leadership.

Case Study – SmartGroup

Farmer: Brendon ('90 scholar), Ryan ('12 scholar) and Damien Smart ('07 scholar)

Country: Keith, South Australia

Farm Type: Irrigation, Lucerne seed, Export hay, Cereals, Livestock.



Figure 3 Brendon Smart determining the timing of swathing lucerne (Source: Author's collection).

History: The Smart family has been farming for over 35 years, 25 years ago; Brendon (1990 scholar) introduced a quality management program and corporate governance within the family including a board with a mix of family and non-family board members. The change involved more responsibility and accountability for each team member instead of one boss. "The members of the company who aren't related began to work with, not for, the Smarts". The change has brought huge benefits in terms of business growth and professionalism, discipline and accountability. The greatest observation was seeing a father and two sons working together harmoniously as a team, something not often seen. Brendon stated that, "the introduction of the quality management program ... has given a greater return than other investments, and has also allowed me to work with the boys" (Smart B. , 2016).

Key Learnings: It took great courage for Brendon to make a structural change in the way he managed the business, but this courage has led to a huge growth of the business over the last eight years. Keeping the partnership together with good governance is probably the biggest factor contributing to the success of the business.

Key Questions:

In what ways could an advisory board, or board of directors benefit your farming business?

What sources are in the farming industry to help establish a governance structure for farming business?

The Strategic Plan

Many farmers seem daunted by the idea of having a strategic plan, however it is much easier than imagined. A strategic plan is a set of business goals (long and short term) that helps to instill vision and purpose. It is a very powerful tool, which forces a company to think deeply and write down where the future is headed and why. Without a plan, the company's purpose and culture will be questioned because it is missing a focus, a direction. It is important to understand that the strategic plan is not set forever, it is a process, and over time it should be reviewed and can change if necessary. In farming "Change is the only constant in this game" (Curwen D. 2015).

This plan is the single most important tool to ensure that governance between all family members is sound; its long-time horizon means succession planning should be included (and can, in fact become a part of the strategic plan). Establishing the plan will be the challenge (and can be best achieved with outside help), however once all members have agreed to accept the strategic plan then governance between the leaders becomes a lot easier, and when problems arise within the family and or leaders they can be more easily resolved.

During the visit to the Smart Group, Brendon Smart emphasized that every significant business decision is tested by the strategic plan, for example, "Is this opportunity consistent with our objectives in the strategic plan, which we all agreed upon?" (Smart B. , 2016). At some level, the plan helps in the day-to-day decision making on the farm. The vision statement component of the strategy outlines the short and long-term view of where the business is headed. Everything that is written into the plan and business goals from this point onwards will ultimately be helping get closer to the vision. A truly well-written vision statement will provide guidance and inspiration for all engaged in the business, it might even help attract talent and investment into the organisation. When a business has a plan of where it is going, it is easier to sell the story to others to join your team.

Steve Stanley, Managing Director of TeamSmart specialises in personal development of people and he believes that business leaders can go one better if they establish a *shared* vision with staff involvement. He said “It is very hard to fight against a vision, when you’ve helped create it. The starting point is a powerful vision described three years out so it is believable and attainable” (Stanley, 2016).

Case Study – Riverview Farms

Farmer: Fehr Family and Partners

Country: Morris, Minnesota, 8 other locations across the USA

Farm Type: Dairy (60,000 cows per year), Feedlot (50,000 cows per year)



***Figure 4 Riverview’s indoor feedlot to manage through the North American winters
(Source: Author’s Collection).***

History: Riverview was established in the 1930s by the Fehr family. In 1995 the business structure changed to an Employee Stock Ownership Plan (ESOP). This allowed an inflow of outside capital and allowed community members and employees to invest in the company. The business continues to grow; the dairy has multiple sites across the US including a recent purchase in New Mexico. Each site has a manager who reports to the seven-member board of directors. Its employees own 70% of the business, while neighbours and family own 30%. It took great courage for Garry and Brad Fehr to change the company structure but since then growth has been significant. Out of the 800 employees, 600 are Mexican. A significant amount

of training was given to employees once they were chosen. Riverview has its own recruitment office in Mexico.

Key Learnings: Incredibly organised governance structure was paramount to help satisfy the requirements of multiple investors. The high level of professionalism and community involvement has led to a strong reputation, which made the employment process a lot easier. More on Riverview Farms in the following section.

Key Questions:

Where should this business to be in 10 years?

What is the vision?

Where is your business going?

What is its future direction?

Core Values – planning the action

Core values are the single most important tool when it comes to establishing behaviour within the business in order to work towards the company's strategic plan and vision. Values can be applied to any organisation, no matter what industry and provide a guiding light to set behaviour and action.

Based on observations, the pathway to achieving the vision and business goals is through strong core values; 90% of businesses visited in the USA had a set of established values that the business worked by. The author was enlightened by Riverview Farms' core values, as well as the emphasis on discipline when abiding by them.

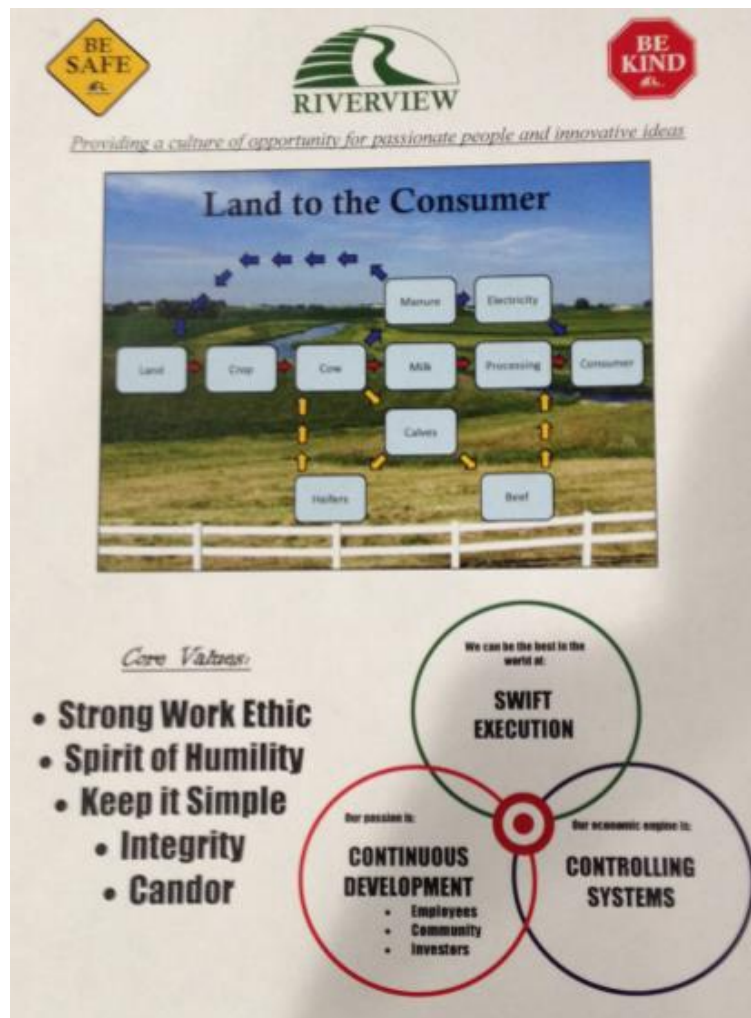


Figure 5: A key to the management of 800 employees is Riverview’s well-defined core values and operating model (Source: Riverview Farms).

The underlying principles of Riverview Farms are embodied in the Core Values (as shown in figure 5). A lot can be taken from a simple set of core values, especially if the team has been involved in establishing them. Stanley commented, “in order to reach the vision, we must change behaviour. This is where core values come in to play. Everyone selects the values, or behaviours, they need to exhibit to change enough to reach the vision. This is an important part of a staff development policy” (Stanley, 2016).

Riverview Farms is strict about their core values, their HR manager Erin Sprangler commented: “If an employee doesn’t abide by any one of these values, he is out. We employ to our core values. If an excellent candidate doesn’t personify all five of our values then he will not be employed here” (Spangler & Knoblock, 2015)

Chris Graf Grote, 1989 UK scholar, and co-founder of Spearhead International Limited explained the German Football team's winning world cup plan as a classic example of planning in an organisation, it took ten years in the making to achieve the holy grail in world football,

- Clear and determined **strategy**, practised, tried and tested for over ten years
- One for all and all for one, sharing the **operation** on the pitch
- Beautiful **tactical** execution resulting in goals from set pieces (Grote, 2015)

"The need for basic rules (core values) about how you want those people to work together is no different as to why a soccer team needs guidance, they exist to give a common purpose to your team (scoring goals)" (Grote, 2015).

The author believes establishing core values with everyone involved will significantly change a business's culture. If a team stays true to the core values they created it gives them purpose. It will bring clarity to difficult decisions and strengthen the team.

Purpose

While the strategic plan, business goals and core values should be required for company guidance, one element that is just as important is discovering the purpose of the organisation, which drives the individual. The author had never given this much thought until discussions with Bill O'Keefe, 2010 Nuffield Scholar from Ireland.

"How do you establish purpose in an individual? I really believe if we can figure this out the rest becomes easy. A purpose greater than ourselves." (O'Keefe, 2016).

Bill's business values aim to do this and include:

- Developing employees as individuals - "learning is constant and never ending".
- Create opportunities for progression within the business (O'Keefe, 2016).

O'Keefe's business last year leased a farm and went 50:50 with one of his employees. His employee owns part of the business. They have skin in the game, which helps to drive engagement and purpose.

Case Study – Leitissimo

Farmer: Simon Wallace

Country: Bahia, Brazil

Farm Type: Milk production, genetics, on farm milk processing, local market sales



***Figure 6 Simon Wallace, originally from New Zealand, pictured at his milk processing plant
(Source: Universe Spirit).***

History: 15 years ago, Simon spent years finding the ideal area to turn grass into milk powder; he found an area of Brazil, which was not too hot in the summer and not too cool in the winter. Western Brazil was the ideal destination to transplant New Zealand's world-class dairying techniques. With some outside investment, the results have been truly world class, that 85% of the cow's diet is pasture is the greatest advantage; there is three times more grass production per hectare than in NZ. This allows Simon to produce high quality milk products. The company has since continued its growth including building its own processing plant, purchasing a fleet of distribution trucks, and establishing a school.

Leitissimo drives engagement and purpose in its employees via ownership through an equity model under a carefully worked set of conditions. Simon explains, "A part of this is financial but another part is the autonomy and purpose that comes with being able to have influence over the outcomes of your efforts. If the domain you influence does well there is satisfaction and reward, if not, then the opposite" (Wallace, 2015).

Wallace believes often great people are without the capital and commercial education to take the ownership step. On his best farms, the managers own part of the business, results outperform, staff retention is better and often new managers come from these farms who have seen what is possible (Wallace, 2015).

The Wallace and O’Keeffe discussions led to two important conclusions that should be considered around purpose:

- People will be more willing to work for an organisation with a purpose greater than the business itself;
- Organisations with a clear purpose that provides the opportunity for ‘skin in the game’ with strong conditions outperform those that do not (Haudan, 2015).

Instilling purpose will be important when looking to attract and retain the next generation. Farm businesses need to understand its own purpose before it can share it, and inspire others with it.

Key Questions:

Do you understand the core purpose of your own business – are you able to explain it to others?

What is the purpose of your business AND how can this inspire your employees to develop their own purpose?

Understanding the employees vision

As outlined earlier, it is becoming more and more important for a business to clearly define its strategic pathway for all members involved, this concept is equally important for employees. The author had never thought to consider the employees’ pathway, their vision. Ben Allomes, a 2015 NZ scholar asked, “What do your employees expect to achieve? Where do your employees want to be in ten years’ time? What’s their vision?” (Allomes, 2015). Understanding this will help to retain good employees.

Business leaders should consider the above quotation with their employees in mind. The question benefits the employer and employee. Such questions are an important component

of leadership and personal development. They force the employee to think deeply about their lives, and if the employer has an understanding of what employees aspire to then the employer can find a pathway to suit both the business's and the individual's goals. It is hard to get the best out of someone if the employer does not know what drives them; therefore also involving the employee's spouse or partner in the discussion is critical. Understanding a person's strengths and weaknesses improves the employer's ability to adapt the employee. As stated by DairyNZ, "the more you understand about what makes people tick, the more motivated and effective your team will be" (DairyNZ, 2016).

There are a number of ways to understand personality types. Personality testing including the DISC model or Myers-Briggs type indicator are handy tools, which can help identify what drives and inspires a person, and their dominant characters and traits. These and other models can be readily accessed on line, or through consultants who are also able to complete useful analysis.

Key Questions:

Have you ever sat down in a review and asked:

- What do your employees expect to achieve?
- Where do your employees want to be in ten years' time?
- What's their vision?

Communication

"Employers whose managers hold regular meetings with employees are almost three times as likely to be engaged as employees whose managers do not hold regular meetings with them" (Gallup, 2016).

Based on observations by the author, from personal experience and during the Nuffield journey, communication is the most important aspect of a business when there are multiple team members. Communication, whether in person, over the phone or electronically is the glue in binding the plan with the action, in other words, good governance will never work without good communication skills.

Case Study – Frahm Farmland

Farmer: Lon Frahm

Country: Colby, Kansas

Farm Type: Corn and Wheat



Figure 7 L-R The Frahm Farmland team at their daily meeting, the author marveling at a cornfield in Colby, Kansas (Source: AgWeb and Author's Collection).

History: Lon returned to the farm in 1986, since then he has grown the business from 2833 to 12,140 hectares with nine employees who share in leadership and responsibility. The author spent two days with Lon and to this day, this was the most impressive business when it came to managing people. For example, Lon has never had an issue with any member of his team. There is a combination of principles that have allowed him to achieve this while growing the business 60% in the last five years. Frahm Farmland exemplified good communication; perhaps to some extent they over communicated. Everyday Lon and his team would have breakfast together in the boardroom of the staff headquarters (pictured above) and discuss the daily operations. In this business, there was no secrecy or hierarchy between the intern and the manager that had been there for over 40 years, there was complete exposure to all business decision making. Lon explained, “Secrets are a lot of work. There are many people who call me a pretty up-front sort of guy, but up-front to me means transparency. If you don’t tell someone the answer, they’ll make something up” (Frahm, 2015).

Whether they be daily, weekly or fortnightly, meetings with the team are necessary to ensure each team member understands what needs to be done and what their role is. Not many people like showing up for work on a regular basis and not knowing what they are going to do that day or week. Talking freely in open discussion gives employees a feeling of belonging,

which can be even more valuable when living in a remote area. Aspects of communication within a meeting environment can promote a sense of belonging, motivation, engagement and accountability (see chapter 3).

The author found a range of productive phone apps that a number of farmers use to communicate electronically with smart phones;

- WhatsApp: was very popular through the US, Canada and Brazil. The free service uses internet connection and allows text messaging, voice messages, group chat, and can send photos. Group chats between the team is a very efficient way to communicate to multiple people on the go.
- Wunderlist: A cloud-based task management application. It allows users to manage their to-do lists via their smart phones and link other people to those lists. It is possible to have multiple lists, linked to specific employees who can also add to the list and tick-off the task as completed once finished.

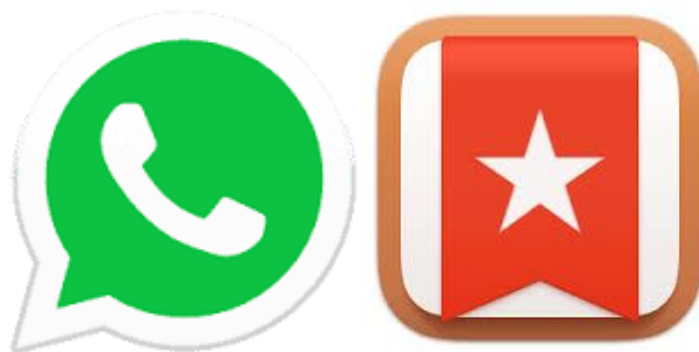


Figure 8 L-R WhatsApp and Wunderlist logos.

Reputation: what others say about your business

In the current landscape, anybody can type in “Reece Curwen” into a web browser and there will be a surplus of information about the author. Whether it is good or bad, information travels very quickly (whether via the internet, locally or within an industry) and can contribute to the reputation of an individual or a business. With this said, a business’s reputation is incredibly important when it comes to recruitment and attracting people to their business and industry. The author believes that company websites are not only important ways to connect to the urban and international populations but also a valuable tool for recruitment.

People talk, and the next generation are driven to work for the employer of choice, if employers satisfy this desire, as a number of very successful businesses have, they will not have to look far to add a new member to the team.

As mentioned previously, the next generation thrives on being a part of a successful working culture. Generally speaking, success attracts people and with Australian agriculture entering a period of prosperity and growth, conditions are ideal to attract top talent and building winning teams and businesses. Farmers need to tell their personal success stories for the betterment of the industry. Again, selling positive stories will be important in recruitment of the next generation (Crawley, 2016).

Key Questions:

What communication strategies and approaches will work best in your business?

What are your most/least effective communication strategies?

What technology could help your business communicate more effectively?

What sort of reputation does your business have as a potential place can work? Is it what you would like it to be and how can you influence it?

Are you communicating to the public what's great about this industry?

What's your businesses story?

The employment process – starting on the front foot

“You are who you hire. Hire C players, and you will always lose to the competition. Hire B players and you might do okay. Hire A players, and life gets very interesting, no matter what you are pursuing” (Smart & Street, 2008).

The success of an employment process is a function of the businesses governance plan in articulating “what you really want” when employing someone. A clear and disciplined approach is required, instead of relying on ‘gut feel’ when employing someone. Brian Vulgamore, a farmer from Scott City, Kansas said, “If we were going to take a step back from the business we were going to need to be much more organized in how we managed and recruited staff, otherwise we would be back to the beginning with one extra staff member” (Vulgamore, 2015).

A job description is an important tool for alignment between the business goals and the job description; it promotes accountability and sets objectives for performance reviews. Terry Betker from Backswath consulting in Canada, outlined that job descriptions are especially important for the employer. "Having a defined job description avoids a number of difficulties when it comes to dismissal; a detailed description before employment makes the removal much smoother" (Betker, 2015).

Furthermore, crafting a compelling job description will set a precedent for those who apply, it may be the first impression an individual has of a business, therefore making the description intriguing and worth applying for may appeal to the A players. "Providing detail can make your advert stand out from the rest which will help attract the best possible people to you" (DairyNZ, 2016).

Finding the right person is the hardest part of the process, especially if the business is situated in a remote area. A number of business leaders are sometimes forced to make-do with what is available and hope for the best - this is only a short-term fix; three months later they will probably be looking for someone else. As a business leader, being willing to let people go is critically important. From the author's experience, removing someone is one of the most difficult things business leaders have to do, however removing someone who doesn't fit the company culture (or core values) is just as important as engaging someone who does. Having the right people on the team will make a huge difference to company direction and team morale; having good corporate governance throughout the business makes the decision easier. From the author's experience, initializing employment with a short-term trial period is an effective way to test that the person employed is the right one.

A number of well-structured farm businesses visited had a persistent flow of resumes even when they were not hiring. Other businesses relied on advertisements to source applicants. The overall conclusion from interviews was that advertisements are a good way to generate a flow of resumes but a poor way to generate great candidates. Other methods such as, using recruitment agencies and researchers was beneficial. The number one way to source good applicants was to ask for referrals from a personal and professional contact" (Agricultural Appointments, 2015).

Resumes were used as a starting point, and phone-based interviews were used to save time and eliminate people who were inappropriate for the position. The book, *The Who* explores, “What is a resume? It is a record of a person’s career with all of the accomplishments embellished and all of the failures removed” (Smart & Street, 2008).

Corporate style businesses such as Spearhead International, Bedfordia, Beeswax Farming (in the UK), as well as Riverview Farms in the US are meticulous in the interview process where there are up to five interviews undertaken before an offer is made. Frahm Farmland involved the whole team to interview a new applicant. A number of businesses recommended reading the book, *Who*, by Geoff Smart and Randy Street, it is a short book which provides expertise on finding the right team member. The interview process they provide is somewhat confronting but it would bring out honesty in applicants.

A persistent theme was to look for people with a great attitude, as skills can be taught easily; attitude less so. Aligning the attitude with the company culture can be invaluable.

Key Questions:

Does your business have a well thought out recruitment process?

What are the most important characteristics of your position available?

What questions can you ask to see if an applicant is aligned with your current core values?

Have you reference checked with references not included in the applicants resume?

Chapter 3: Retaining quality people

The ability to keep quality people, the A players, is the most underrated attribute of any successful business. Retaining staff was the biggest problem in every country visited. “Reece you need to continually motivate your employees, otherwise they will motivate themselves to work somewhere else and you will be stuck with whatever’s left” (Horsch, 2015). People motivate themselves to leave for a number of reasons such as becoming dissatisfied with the work-life balance, lack of recognition, working conditions, conflicts with the leader, payment below market rates or management.

Retaining people is a reflection of the whole company and the way it does business. Keeping those A players directly affects the productivity and profitability of businesses. “Many young people have jobs not because there is a compelling reason to leave but because there is no compelling reason to stay” (Mccrindle Research, 2013).



Figure 9 GFP Brazil group, meeting with DairyNZ representative, Mark Paine, DairyNZ board - GFP member, Ben Allomes also present (Source: Author’s collection).

There are various studies around the world, which analyse the true cost (\$ figure) of losing an employee; the cost varies depending on the employee and the business. When a quality person leaves, the business is hit with expenses including costs of recruitment, training, loss of experience and efficiency, loss of farm-specific knowledge, loss of team morale. Mark Paine, DairyNZ outlined the PeopleSmart website. The DairyNZ turnover cost calculator was

introduced to help show how important staff retention is for the bottom line of dairy businesses in New Zealand. The author believes that the full cost of losing an employee was never fully understood on the farms he visited. Regardless, at the end of the day, holding onto a quality person is far easier than finding a replacement.

In reality, losing people in any business is going to happen but limiting the turnover is desirable. As mentioned earlier, the next generation is very mobile professionally and on average, stays two years in a role. Nigel Crawley from Rimfire Resources summed it up in an interview, “I think you are going to have to accept the fact that people come and go; just have a good training system in place and be prepared to use it...Some people also asked me, what the point in training people is when they just leave anyway; imagine if you didn’t invest in training and they stayed” (Crawley, 2016).

Key Questions:

Why did people leave the business?

Could this have been avoided?

Was there an exit review to understand why?

Leadership

“Leadership is hard work. It is the hard work of letting go. It is the hard work of training, coaching, believing and trusting people. And leadership lasts beyond whatever happens during the workday” (Sinek, 2016).

Strong businesses possess strong leaders; leadership from the top is the most critical element of retaining quality people. A leader inspires others as a team, to work together to achieve the shared vision while keeping all members of the team professionally stimulated. “Culture reflects leadership. And one of the most essential components to leadership is to model the culture the company needs to succeed (Nicolls, 2016).

Through the scholarship it was possible to meet a number of leaders who were truly inspirational. Deirt Rieve, from the following case study said, “we support employees”, expressing positive leadership around employee retention.

Case Study – Muuks

Farmer: Deirt Rieve

Country: Stralsund, NE Germany

Farm Type: Wheat, canola, barley, dairy



***Figure 10 L-R Deirt Rieve explaining the seeding system, myself, Elsa and Deirt on farm
(Source: Authors collection).***

History: Deirt started his career without a farm and then made the most of opportunities behind the Iron Curtain, like a number of clever businessmen did. There are 12 employees on his farm, with a flat hierarchy. He embraces new technology and does his best not to impede what his team is doing. He is a great people manager, in discussion with one of his employees he said, ‘he just watches, managers and teaches, he is not a harsh boss’. Deirt emphasised that he needs to manage the balance between social values and farm efficiency. An example of this was the purchase of a farm next door, which still had a functional dairy, which was losing money. Instead of closing it down, Deirt found other ways to offset the losses and keep a large number of members in the community employed (Rieve, 2015)

Frahm Farmland – a self-managed business

Lon Frahm, as highlighted in the communication section, has enjoyed success through his leadership style; his leadership has been built around faith and trust in the people he

employed. Lon has taken a huge step back from the daily operation and micromanaging, so far to say the business had grown into a “self-managed business”. Lon encourages his employees to participate in as many meetings, educational opportunities and decisions as possible; they do a lot of jobs that traditionally are reserved for the business owner. Lon has empowered his staff and delegated responsibility to them.

This method has led to 100% staff retention and loyalty to the point that, he has backed some of his employees to purchase farmland of their own which is then included in the Frahm Farmland Inc. operation. Lon shifted his entire focus as the leader of the family business to focusing on one thing only – PEOPLE. He decided to lead instead of manage. He empowered them, trained them, paid them well, showered them with love and attention, gave them all the tools they needed to be successful, which required them to manage and to be accountable (Frahm, 2015).

“They have ownership because functionally, it really is their farm. There is nothing there that they haven’t had a part in building, most of it with their own hands. I hope they have developed many of their habits and attitudes as a result of things I keep saying and doing- I guess that’s the “leading’ part”” (Frahm, 2015).

As a leader, Lon nurtured the development of all his employees, he gave them every chance to succeed. The author genuinely believes that people don’t leave jobs, they leave leaders.

Empowering staff

Based on the last section, there appears to be a clear relationship between leaders and how they empower others, and influence staff retention. It must be noted that empowerment does not mean absolute authority, empowered employees still work within the range of responsibility and authority given to them. “People embrace responsibility” (Klinefelter, 2015).

Empowering staff by means of delegated responsibility and owning that responsibility are the single most important aspect to staff retention. From the author’s experience, people feel a part of something when they have that feeling of ‘skin in the game’ with responsibility.

If an employee fully understands the business goals, receiving added responsibility improves the standard of work. “What I love about empowerment is it is mutually beneficial” (Wallace, 2015). What Simon Wallace meant, is that empowering people is not only good for the employee’s growth, it has also allowed Simon to move onto tasks which need specific attention; no one can do it all. For many farmers who have been at the coalface for a long time, it can be difficult to change and relinquish some responsibility to someone else. Delegating responsibility to an employee can be a big step for a number of people; with this in mind the farm manager needs to be patient, provide support and encouragement, and try not to interfere unless completely necessary. The employee may not complete the task the same way the boss would complete it, but they should be given the space to learn and grow. Unfortunately, most people learn best from the mistakes they make. Reviewing the employee’s results and progress while providing feedback along the way is all a part of the growing process. The author believes if there is trust and faith in the person, empowering them with a few guidelines will pay off. “As they say, your only truly sustainable competitive advantage is the ability to learn and adapt faster than your competition” (Frahm, 2015). Nevertheless, accountability of the person making the decision is important.

Accountability

A farm business can setup all the standards available to help instill a strong working culture, however, the leader needs to live by those standards they want to instill in others, otherwise outcomes will never improve. Holding people accountable does not need to be confronting. It raises the bar and signals to people that high performance is expected, recognised and rewarded.

Case Study – Pallister Farms

Farmer: Jim Pallister

Country: Manitoba, Canada

Farm Type: 6745 hectares wheat, canola, soybeans

History: Jim and his family have been farming for over 35 years in the Portage la Prairie, Manitoba. The number of employees varies throughout the year, from between 9-22 people. They pay around \$CAD20 per hour for each hour worked, then another \$15 per hour if an

employee stays for the entire year. Jim (Pallister, 2015) commented, 'It doesn't work all the time, but it is pretty good at employee retention'. His two leading managers are paid a percentage of the operating surplus. 'Hire someone you would happily fight in the trenches with' (Pallister, 2015). What appealed to the author was the use of RACI charts to help promote accountability. This tool can be the most powerful when it comes to defining roles, responsibilities and promoting accountability.

Responsible: person who performs an activity or does the work.

Accountable: person who is ultimately accountable and has Yes/No/Veto.

Consulted: person that needs to feedback and contribute to the activity.

Informed: person that needs to know of the decision or action. (Morgan, 2008)

Promoting accountability within a large team can take courage and can sometimes be uncomfortable, as acknowledged by Jim Pallister but it is a key ingredient to success, it defines a leader.

The author believes that employees value knowing what is expected of them and how they are performing against expectations. Based on seasonal conditions, expectations can change over time which is where communication on a regular basis is critical to discuss priorities. If a farmer is having problems when an employee fails to complete a task correctly, then the employer will only have himself to blame, because the task may have not been explained correctly – "look in the mirror" (Allomes, 2015).

Team Reviews

Team reviews are an important aspect of good governance and accountability. They allow business leaders to review and re-align short and long-term business goals, celebrate success, analyse what went wrong and where there is room for improvement. The team can then determine what actions need to be taken to improve and/or what to make investments in. During some interviews, some business owners struggled to overcome the team challenges within the walls of the business; managing a team review internally may curb a flow of ideas, solutions and strategies. In this instance, outside expertise who specialise in professional development can have a place in a situation like this. Steve Stanley who is known for this area

commented, “after a few meetings, staff tell everything about what’s bothering them”. (Stanley, 2016).

During a team meeting, the more participation between all members the better; a third party helps to stimulate discussion and bring the best out of what the business leader wants to get from a team review. They come to the table with independence, experience, a proven process, and fresh intellectual capital. As mentioned in chapter two they can be a critical element in setting a level of corporate governance through a business.

Supporting Growth through training

An underrated facet of staff retention is training. Training shows the business leader values the team, which leads to a greater feeling of belonging. On most farms visited there was an allocation to training but this was dependent on how organised the business was. “People’s knowledge and abilities come down to continuing education. When you empower people with knowledge and education, they can assume responsibility and make their own decisions” (Frahm, 2015).

Of all the businesses visited, Spearhead International Limited (SIL) provided the most impressive training program. The company trains up its own staff from apprentice to director, at the moment there is one director that started from the academy. “To attract the best young people available in the industry from across Europe, we provide a career structure, and ensure management development and succession for SIL” (Grote, 2015).

Case Study - Spearhead International Limited

Farmer: Representatives- Chris Graf Grote (UK), Ian Dykes (Czech Republic) and Krzysztof Gawęcki (Poland).

Country: Leases 80,000 hectares across UK, Poland, Czech Republic, Slovakia, Romania.

Farm Type: Diverse range of products and services.



Figure 11 Seeding and potato harvesting implements, Knezmot, Poland (Source: Authors collection).

History: Spearhead International Limited, through its subsidiaries, produces and delivers a wide range of agricultural products. It has grown extensively since 1966, from an area of 2000ha to now farming 80,000ha in multiple countries. The key to the growth has been the leasing model, capital is not held up in the value of the land. During the early period, the business managed to arrange a number of cheap and long-term leasing arrangements, which accelerated growth in the business. The spearhead training model consists of three pillars:

- The Apprentice Academy – Skill Training
- Post Graduate Management Training – Management Training
- Senior Management Training – Leadership Training

The training program allows the company to train their students to suit its operations, it also helps the directors to get early glimpses into the best talent through their academy and it helps to raise the profile of SIL in local regions.

Key Learnings: The lease model can be very powerful in improving the business's return on capital. Corporate entities have a superior governance system throughout the business compared to family farms. Their investments in training and organisation relative to their level of scale is perhaps something family farms should take note of.

Case Study – Horsch Farming, AgroVation

Farmer: Michael Horsch

Country: Knežmost, Czech Republic.

Farm Type: 3000 hectares Wheat, Canola, Corn, Apples.



Figure 12 L-R Michael Horsch and the Author in a canola field, one of many Horsch implements (Source: Author's collection).

History: Michael Horsch, Director of Horsch Maschinen GmbH, bought the farm in 2014, to complement the current business test and develop their new machinery. In 2014, the old corporate farm consisted of 75 staff and 45 old Zetor tractors, now there are 14 staff with four tractors. The whole farm is now under a 12 metre controlled traffic farming system (CTF), something Michael is very passionate about to improve efficiency through lower input costs and decreasing soil compaction. He believed that CTF complemented managing people and maintaining discipline whilst benefiting the bottom line. The business mission statement is truly focused around treating people how *they* would like to be treated. He has a passion for teaching people and has always been a big support to the Nuffield program. Michael commented, “You must teach, teach, teach; people need to be seen as an investment, training is a part of the motivation” and “Always remember if they did it wrong then you didn’t teach them properly” (Horsch, 2015).

In general, the author believes the money allocated to training worldwide is small, this seems counterproductive given people are a company’s greatest asset. For example, farmers spend thousands of dollars buying new machinery; yet generally spend little money improving individual performance.

An allocation of resources should be included in an employee's package for training. Sitting down with an employee during their bi-annual review, identifying room for improvement and providing opportunities for new skills on and off the farm is a no-brainer.

Examples of resources that should be set aside are money and time (the employer's and business leader's). Most businesses struggle with consistent training as needs of growing the business can often take precedence. Training is a strategic investment; at times it should be tailored to the individual, and at times independent industry expertise is required for specialised experience and accountability.

It will improve employee's standards of work, broaden their skillset, provide them with job satisfaction and allow the business owner to focus on other parts of the business. Overall this will improve the working culture.

"If you are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people." (Chinese proverb)

Working Environment

Where a person lives and works has a huge impact on how comfortable and secure they feel. The partner not working in the business has a big influence on the state of mind of the employee when he/she comes to work. This is especially the case in remote areas. Therefore, great quality housing and a strong sense of community help to attract and retain the best people.

Case Study – Montesa Farms

Farmer: Marcelo Balerinia de Carvalho

Country: State of Mina Gerais, Urberlandia, Brazil

Farm Type: Potato, Beans, Grains, Coffee



Figure 13 L-R Brazil GFP Group with Marcelo, and Sally Thomson, Montesa coffee crop, Brazil (Source: Author's collection).

History: Montesa is a first-generation business, which began in 1991. A key to the success of this business has been building relationships with partners and buyers over time, and a shared discipline around Marcelo's core values and vision which revolve around Social, Environmental and Technological principles. He was quoted saying, "moving the mind of the group, it is important to get everyone moving north" (de Carvalho, 2015)

The farm has grown to 15,000ha and supplies potatoes to McDonald's, and coffee is contracted to Italian brand Illy. "I don't believe in good farmers; I believe in good business - some good farmers are broke" (de Carvalho, 2015). Marcelo was a true inspiration and the success of the business reflected the positive leadership stemming from his core values – it was world class. He had a huge passion for, and commitment to community. People were everything to him, as such he loved seeing young people with a passion. He was very motivated to see his staff and community succeed. As such, he had started his own school for his son and the children of his employees, and paid university fees for a few of his employees children as long as they continued to work for him. He shows a deep respect for his employees, and nurturing them has instilled loyalty in the people who work for him.

Up-to-date modern machinery and the best technology help contribute to staff retention. This does not mean buying new machinery to keep employees happy but rather, continually trying to improve the machinery fleet within the financial limit shows that the employer cares.



Figure 14 Tom Farms, Indiana, machinery and maintenance workshop. (Source: Author's collection).

Remuneration

Remuneration and compensation is the area of study with the fewest answers. A quote from Terry Kastens, a university professor and farmer from Herndon, Kansas, summed up a common theme, "If they are there for the money, they are there for the wrong reasons" (Kastens, 2015).

This does not mean paying an employee very well is not important; a number of top employers visited recognized this and made sure they were paying at a level comparable with other employers in the region, having a good salary level was a way to avoid the embarrassment of losing a quality employee to someone nearby because of money. Business leaders should consider the cost and despair to their business if their top employee were to leave. Employees are invaluable to all businesses; business leaders need to ensure that they are remunerated in line with their level of responsibility.

The author believes understanding an employees vision and what they want from their career is as, if not more, important than money in most cases. This is a consistent message in discussion with Alex Stewart, a farm consultant for ScottWolfe, in Canada. "Money is certainly part of it but I really believe money, provided it is competitive is no more important than job satisfaction, the feeling of being needed, and other soft issues" (Stewart, 2015).

As discussed earlier, the next generation is not driven by money but they are driven to work for a business that provides them with a purpose, thus giving them opportunities and responsibilities to grow as people; they are motivated by more than money. As the employee grows with more experience and responsibilities, reviews are required, among other things, to insure they are remunerated in line with the person's contribution. "Ask the member what they believe they are worth? Put the ball in their court with what they think they are worth. You will be pleasantly surprised" (Wallace, 2015).

Key Questions:

What would happen to your business if your key employee left the business?

What would it cost your business?

What motivates your employee to remain working with you?

Incentives

It was unanimous across all businesses that bonuses were a poor way to incentivise team members. Most people concluded that bonuses became expected over time – for example, after seeding and harvest, and can make employees discouraged and dissatisfied. For example, getting 80% of the bonus is seen as a disappointment to an employee, or a bonus system can lead to distorting behavior where someone tries to exploit the system. Other incentive schemes such as partnerships and phantom stock plans can be dangerous, complicated and can jeopardise the quality of work.

The greatest incentives to work come from being a part of a positive culture, potential for leadership development and opportunities, engaging and effective communication, understanding employee's, and having access to continual training and empowerment.

Conclusions

The sustainability of the family farm business relies heavily on its ability to attract and retain quality team members. As such, good people management skills are an important concept that needs to be understood; it is essential to successful farm business management. The most successful farm businesses visited had mastered staff retention and had developed a reputation as the “employer of choice”, they had realised people are the most important resource, and a major factor to their success.

There were a number of businesses that struggled to manage their team, it is not easy and there is no silver bullet when it comes to managing human nature. However, as this report highlights, there are a number of ‘one percenters’ that, if practiced collectively can make a significant difference to the businesses working culture as Steve Stanley reinforced, “Culture is always created by design or by default – one way or the other it always develops” (Stanley, 2016). Culture is reflected in the company vision, the leadership and the people behind the leadership. The success of business culture is measurable and a number of great leaders concluded that a winning culture is measured when the leaders of the business are not there; the things people do when no one is looking (Lahey, 2016).

Corporate governance throughout the business is a critical component to help businesses understand where the business is heading and why. The creation of a strategic plan and business goals, setting core values, understanding risk management and succession planning are just a few of the vital components which help to promote a clear vision people can work towards. The greater the staff involvement in creating a shared vision the better, as it is owned by everyone in the organisation, “it’s hard to fight against something you helped create” (Stanley, 2016). Good governance creates a great discipline for all team members and it sets the tone for strong leadership. Culture is reflected in leadership, a leader inspires others to work as a team together to achieve the shared vision, whilst keeping all members of the team intellectually stimulated.

Throughout the Nuffield program, the author was very fortunate to meet some world-class farmers, *strong leaders who lead rather than manage their teams*. The author believes ideas around leadership have shifted in recent decades from telling everyone what to do to

empowering others. Empowering staff by means of delegated responsibility and accountability is another incredibly important element to staff retention. The next generation thrives on responsibility and owning the task, if the business leader has chosen the right person whose attitude suits the businesses culture then it is important to empower them.

Communication is also critical; communicating productively and on a frequent basis binds people to the business's vision. In great businesses, all employees know what is going on (and why) and they can safely contribute ideas, concerns and opinions. Taking the time to communicate with each other, personally, through team reviews or meetings, allowing everyone to share ideas, promotes accountability helping ensure that the business is heading in the right direction.

There is huge value in hiring outside help to facilitate team meetings and develop strong business structure. Some businesses had established an advisory board or a board of directors, which helped the family to continue farming together. There are some fantastic consultants out there who specialise in personal development; the outside expertise can help steer the ship in the right direction. Gaining greater access to off-farm expertise in these areas is critical.

Understanding an employee's personal vision and goals is critical to understanding what inspires them so the employer can find ways to motivate them to stay. Lon Frahm was on the ball when he said, "Treat people how they want to be treated. Not everyone wants to be treated the same way. Not everybody is you" (Frahm, 2015).

Training is imperative to staff retention, the author believes the money and time allocated to training worldwide was low, especially when people are so important. Continual training shows that the business leader cares, it motivates members to improve and it will allow the employee to take on more responsibility over time; a mutual benefit to the employee and employer.

Employees are invaluable to all businesses; business leaders need to ensure they are remunerated in line with their level of responsibility. The key is getting employees involved in the culture of the business, to motivate them more than money could. The next generation is not driven by money, they are driven to work for a business that provides them with a purpose

greater than the business itself, thus, giving them opportunities and responsibilities to grow through the business is vital to retaining them.

In the end, the most successful business leaders know where the business is headed, they have put structures in place to help steer that direction, and they use all the necessary concepts, which are mentioned throughout this report, to attract people to that vision.

All these concepts will over time lead to a good reputation. When a business becomes attractive, it attracts people. The Australian agricultural industry faces some stiff challenges in attracting people to this sector. It is up to everybody to sell their stories, promote their business and industry, and show them why the golden era is worth being a part of.

Recommendations

The intention of the report is to provide direction when it comes to attracting and retaining quality employees.

Recommendations for farmers and business owners:

Farmers and business owners should review their business structures with a view to improving governance; aligning business goals and creating a business culture that are attractive to potential employees. This may be achieved through the following steps:

- 1) **Establish Direction:** The business and family should consider where they want their business positioned in ten years' time. To achieve this, the business should set short – medium – long term goals and monitor their progress over time, also considering whether the right people are in place to get there. Remember, direction should be flexible and able to change if an unexpected opportunity arises.
- 2) **Manage Relationships:** For family businesses with multi-family member involvement, ensure common goals are recognised and shared. The introduction of a better structure for decision-making, such as an advisory board or a board of directors may be beneficial. The utilisation of outside advisors with specific skills may also assist in better decision-making.
- 3) **Share Involvement:** Involve team members in establishing a vision and core values that team members want to collectively achieve – instil a purpose. Business leaders should not be afraid to hire outside help that specialises in professional team development.
- 4) **Communicate** – regular formal meetings (daily, weekly or monthly) are essential, to help bind points 1, 2 and 3. All employees need to understand why what they are doing is important.
- 5) **Share Responsibilities:** If a business leader trusts the person employed, they should give him/her the opportunity to grow with more responsibility. Give the person all the training, support, guidance, and resources needed to do the job successfully. For business leaders, it will involve investing their own time to teach.
- 6) **Value cultural fit:** Employ someone on their attitude, not just their skillset (skills can be trained). Employ people who have a passion and heart, not just a good resume. Business leaders should be patient in choosing the right person.

7) **Value opportunities for growth:** People within the team should be seen as an investment not a cost – train them accordingly. No matter how experienced the employees, business leaders need to give them the opportunity to learn to keep them stimulated. This is where having a well-defined HR plan can enhance staff engagement and retention.

8) **Promote:**

- **Your industry:** Farmers need to stand up for their industry; to progress as an industry, farmers must contribute to public debates and raise issues together. Farmers should positively promote agriculture as an industry that is dynamic, productive and success – one that is worth being a part of.
- **Farm Business:** Showcase your company. Involve your farm with local schools or media, increase their understanding of how their food is produced.

Recommendations for industry organisations involved in agriculture;

1) **Protect our future:** Agriculture needs to be a part of the National Curriculum, at both primary and secondary school levels. This will be in line with other countries and will broaden the profile of the agricultural industry in the wider community, and therefore the understanding of the diverse opportunities that exist to work in agriculture. Children are our future farm managers and future leaders.

2) **HR training:** Industry bodies need to provide a wider level of education and training when it comes to managing people within a business - teach and show farmers best practice HR management. Farm businesses are neglecting this area, mainly because it is hard to gather relevant information and services. Industry bodies, such as Dairy Australia and DairyNZ, have created people websites to help fill the gap, other organisations should follow suit.

3) **Promote:** The agricultural sector needs to promote the success of their industry. There are some great things happening in this industry, success attracts people. More should be done to engage the media to present agriculture in a positive and productive light.

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Plain English Compendium Summary

Project Title:	Growing Your Business with People: The dynamics between family farming and labour management systems
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Objectives	<p>The key objective of this study is to provide farmers with direction when it comes to attracting and retaining people to and within their business.</p> <ul style="list-style-type: none">- What are the best ways to attract and engage the current labour force?- What are the best ways to retain team members for the long run?
Background	<p>The number of people employed in regional and rural Australia is falling. As such, more attention needs to be paid when it comes to attracting, engaging and retaining people, if the Australian agricultural sector is going to capture some of the opportunities during this era.</p>
Research	<p>Comprehensive meetings and interviews with a number of world class farming operations through Australia, France, USA, Canada, Brazil, New Zealand, Germany, Poland, Czech Republic, France and Ireland. Also interviews with university professors and industry representatives.</p>
Outcomes	<p>All countries visited face similar problems. To become the 'employer of choice', businesses need to: create a positive culture, develop effective and supportive leadership across the business, deliver good governance strategically implemented, and establish a sense of shared purpose. These factors will influence a businesses capacity to attract and retain great employees.</p>
Implications	<p>Farmers or business owners need to develop a positive reputation in the farming community to become the employer of choice. This involves consciously creating: a shared strategic vision, business goals and core values, enabling strong leadership, understanding employee's goals and needs, employing effective communication, providing continual training, and treating people with respect.</p>
Publications	<p>2016 Nuffield Australia Conference, Adelaide, South Australia International Farm Management Conference, Quebec, Canada, 2015</p>