

## THE CONCEPT OF A QUALITY EMPLOYERS GROUP

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### INTRODUCTION: OUR GROUP

The Clydevale Clinton Quality Employers are a group of like-minded dairy farm owners and operators who are trying to meet the challenges of the current and likely future labour market in New Zealand. We have approximately 20 members and are farming on flat to gently rolling, un-irrigated land that has generally been converted from sheep/ beef and cropping in the last fifteen years.

Farm sizes range from 116-500 ha, with an average 250 ha, and cow numbers range from 350-1400, with an average 740. As employers we have an average 9 years experience with staff. Physical conditions in the Clydevale and Clinton areas are very good for dairying with reasonable temperatures and approx. 800mm evenly-spread rainfall.

Labour market conditions, however, do not do us many favours. There is a perception that our area is isolated and perhaps it suffers from not being on the radar as a dairying area. It is, however, a strong, rural community. The new state-of-the-art Clutha Valley primary school is worth noting and is a testament to the community's vision and commitment. We are 20-30 minutes from Balclutha and/or Gore, around an hour to Dunedin, and 2-3 hours to Queenstown and Wanaka. As day trips, you can go skiing on the Remarkables, do lunch & espresso in Wanaka or Dunedin, or go walking on the pristine beaches of the Catlins. But . . . apparently it seems not everyone knows this.

We employ approx. 55 full-time and permanent part-time staff and a dozen casuals and it is our challenge to improve the quality of initial applicants and to improve retention rates (at least within the community). We want to be seen as "employers of choice" and we need to continually address the quality of our employment relationships on farm. We are committed to on-going training for employees and employers. We haven't necessarily found that challenge easy, but we believe it is a challenge that our community needs to face up to, and respectfully, that the whole New Zealand dairy industry needs to face up to more effectively.

The purpose of the Clydevale Clinton Quality Employers is:

- to encourage members to manage purposeful, economically profitable, safe and positive workplaces.
- to adopt all recommended industry standard best practice employment procedures.
- to attract and retain quality staff into members' businesses and communities.
- to facilitate an on-going training and skills development programme for employers and employees.
- to become quality employers through the concept of continuous improvement.

# THE QUALITY EMPLOYERS GROUP CONCEPT IN A RURAL COMMUNITY

## 1 General overview of employers groups

Other industries have identified employers groups as being a good idea and good for their respective businesses. In the current environment of low unemployment, the labour force has increased employment choices. Staff are also often comfortable with short term job tenure and can move quickly for perceived gains. Industries need to be able to attract and retain quality staff. Therefore being a good employer can provide a real competitive edge in the labour market place.

Evidence from a NZ Business practice and performance study (Ministry of Economic Development, 2001) shows a real link between business success and a good employment situation.

*“ . . . good employee practices, along with customer focus and leadership and planning, is one of the key factors in successful firms and that under-performing in this area may be a key downfall of less successful firms.”*

This study identifies the direct relationship between good employment practices and business success. It is generally accepted in our group that employers who offer good employment conditions (measuring and rewarding staff performance, staff training, and assessing employees' satisfaction through an auditor interview) also tend to be running successful and vibrant businesses.

The PriceWaterhouseCoopers' "Global Human Capital Survey" (2002) also indicates that good employment relationships mean good business.

*“ . . . information from over 1000 firms in 47 countries point to some key aspects of people management which contribute to improved corporate performance and the creation of sustainable strategic advantage. It concludes that good people management has a positive effect on a range of issues from increasing employee productivity and reducing absenteeism through to improving profitability.”*

We have tried to develop the Clydevale Clinton Quality Employers group with best practice employment initiatives and the consequent business advantages in mind.

## 2 The reputation of dairy farmers as employers

Rapid growth within the dairy industry coupled with generally low unemployment rates recently has seen traditional employment practices come under more and more scrutiny.

During this period of rapid growth we have heard all too frequently from within the industry many horror stories that related to people's experiences in extremely poor employment situations. People have been working 17 hour days, starting at 2.30am, having long rostered periods of work, with limited social contact, and with extreme tiredness compromising health and safety.

In an endeavour to get some standards and move employment practices forward to a level benefiting such a dynamic industry, forward thinking farmers have teamed together in community based employers groups - firstly in North Canterbury (Amuri Dairy Employers Group), then in Clydevale, South Otago (Clydevale Clinton Quality Employers).

These employment groups have tried to compete in the labour market whilst also recognising the needs of this 7 day a week high-demand industry. We have timetabled initiatives such as lunchtime training sessions, training sessions timed to suit seasonal requirements, and organised employee social functions.

Traditionally the dairy industry has prided itself on being able to offer a strong and realistic (with hard work) pathway to farm ownership. This pathway, whilst becoming a lot harder, is still there, perhaps with some slightly different angles to what was once the traditional route, i.e. farm worker to contract milker to sharemilker to farm owner.

Employment groups generally believe that these opportunities still exist and believe it is worth our advertising this opportunity so people entering the industry can follow a definitive line. We want to make dairying an enjoyable and successful job or career.

### 3 Community advantages of employer groups

The development of a tight and integrated network of employers within a community sees benefits to the community as a whole. Employment groups offer social networks and higher profiles for their members. You see a development of community spirit as people with common goals work together to develop the programs that benefit both members and their staff.

Given the relative isolation of some communities and their people, the employers group network is ideal to help develop community co-operation which often these days seems to be disintegrating.

The school roll at Clydevale has certainly strengthened and there is evidence that there is less turnover at traditional times, i.e. 1 June when staff and share milkers often move on. Chairperson of the local school Board of Trustees, Gaye Cowie, comments:

*“I believe that one of the positive outcomes of the Employers Group will mean that there will be increased stability in the area’s dairy farm employees meaning less movement in children to and from the school.”*

Leadership opportunities are huge. This begins at a local level where employers groups require a committee to function. People gain an exposure to committee procedures and positions.

With a good grounding at a very local level, people are better prepared to step up the ladder and accept more challenges in other related areas – Boards of Trustees, Lions, Advisory Boards, sports and community groups.

Another community spin off for our members has been the development of a stand alone group made up of most of the CCQE members and others called South Otago Buying and Investment Group (SOBIG). SOBIG sets out to use the collective might of its members in order to negotiate a commercial advantage with our suppliers. The important ingredient that allows SOBIG and other community groups to flourish and develop is the sense of trust and ‘community’ that has grown significantly since we have been working together in the employment group.

Employers groups also recognise the impact on communities of large numbers of staff working within their specific industry. They accept the social responsibility to ensure they develop positive relationships within the community. As dairy employers they know they are in the spotlight both for environmental and for social reasons.

#### 4 Establishing an effective employers group

In order for the group to succeed members must 'buy into' the values and principles that are recognised as acceptable and 'best practice' options for an Employer of Choice. They must be prepared to change their current practices and ideas in order to meet the standards set by the group if necessary.

Common sense would suggest that success of a group is much more likely if they're a tight knit group and defined within a close geographic area, i.e. CCQE and Amuri Dairy Employers (Amuri Basin). For operational reasons the close community aspect is important as members will find it easier to relate to the benefits when they see them accrue in their own district.

Within a community or geographic area there will always be employers who will not wish to be part of a Employers Group for whatever reason. On the other hand there will also be people whom the employers group do not want.

Part of the success of groups comes from having a focal point or a hub where the Employer Group meets, runs training days and socialises. For CCQE this hub is the local tavern. The social opportunities that tie in with training days are important in establishing a group ethos.

Possibilities that are now developing from the contacts evolving around the hub are the development of a website which CCQE along with other community organisations can list their groups. This opportunity will certainly widen the sphere of contacts we are endeavouring to develop.

#### 5 Training opportunities within the group

The responsibility of a group to its members and their staff with regard to education and training is significant – and the payback for member businesses is huge.

Training has a seasonal focus so employers and employees are keeping up with what is best practice for tasks on-farm 'now' - calving, mating, forage crops etc. Information from the Audit process can be used to identify key areas requiring attention. Generally people from local firms and support agencies can be accessed to deliver these training opportunities at little to no cost to members.

CCQE endorses the education and training offered by AgITO and Telford Rural Polytechnic. Employees are encouraged and given time off to do the many courses available. This is seen as an investment in the future.

CCQE, Enterprise Clutha and the Clutha Ag. Board have arranged leadership programmes for employer members. These have been great for members to begin to develop skills outside the dairy, but essential to the running of a successful business.

At a reasonably early stage in our development we used the Employment Health Assessment document (Dairy Insight and ATR Solutions) to go through and identify areas of employment practices that needed attention. This and other discussion documents and ideas are reasonably readily available. What an employers group provides is the community impetus to get together and tackle these issues.

#### 6 The importance of the independent Audit

A robust and critical audit process has been developed based upon the criteria set out in the group's Employment Guidelines and Constitution. This did take time and discussion to ensure that the members accepted the process and its importance. It is the guts of it!

The independent Audit gives the Employers Group credibility. The employment situation and practices set in place are inspected and it also identifies areas to be developed in future years. As a group you simply have to have an independent report that says that you are achieving or delivering what you claim you are!

As part of the process allows for the auditor to spend time with members of staff, it also gives feedback on how the employees are finding the group. The auditor is also able to deal with and fix small issues there and then.

The selection of the auditor is critical to the delivery and acceptance of the audit. The CCQE were very selective in their choice of auditor and completed their first audit in 2005. We felt we needed a very careful and non-threatening but still professional approach.

Self assessment is also an integral part of the process before the auditor's visit and this gives members the opportunity to informally assess where they think they are at. This allows encourages buy in to the process.

It may not sit comfortably with all dairy farming employers, but much of the progress the group has made has been because we have been prepared to go through this judging and critical audit process.

#### IN OUR WORKSHOP WE HOPE TO . . .

- Canvass and discuss your views as to whether this concept is worth encouraging by the industry.
- Explain and show some of the work that we have been doing with a DairyNZ On-farm Innovation Fund project to develop "A Beginners' Guide to Community-based Dairy Employers Groups." This is a step-by-step guide that uses our experiences, and includes sections on:
  - planning for a successful group
  - communications strategies
  - the importance of teamwork
  - the Employment Code of Practice
  - establishing a group identity
  - managing training for employees and employers
  - and lots more
- Send a few of you away inspired and encouraged to set up your own group in your own community to help deal with your own particular labour market issues and concerns.