



COURAGEOUS LEADERSHIP

A look at present day leadership in New
Zealand Agriculture

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Executive Summary

This report is a look at leadership in agriculture in New Zealand.

The purpose of this research is to provide a context in which leadership exists in the agricultural sector today. If we can understand the present situation and the reasons that has shaped leadership in this way, then this will give us far greater insight into the structure, skills and psyche of the sector. Once this analysis has been completed, discussion can then be had regarding what kind of leaders the future will need.

When the current context is used as a framework to look at the structure that currently exists, a pathway can be plotted to achieve this new leadership, while avoiding mistakes made in the past based on who farmers are and how they choose leaders. This gives the sector the best chance at success, by momentarily looking back and then looking forward with the current constraints in mind.

"Leadership has changed and these days' leadership is very much about how you can get the best out of your team and the people around you. Leadership in the old days- it was very much about 'I'll lead, you follow'. John key is a good example of this [new] kind of leader. People say he flip flops, but it's not flip flopping at all. He's very good at understanding that you have to take people with you and that's the only way you can be an effective leader and so it's very much about the most effective leadership style for today's environment which is taking people with you and someone that leads from within rather than someone that leads from in front. We are a much more inclusive society today. In a small country like NZ, if you go out in front and try and lead, there's always people that want to chop you down, so I think the leadership style matches our personality in many ways. We don't like tall poppy's and people that go out in front. We like people that lead from within".

The research undertaken, and the resulting report, seeks to answer questions around leadership in New Zealand Agriculture. What do we have currently and why has this evolved? What are the things that are working and not working and what aspects of leadership, sector structure and knowledge/skills do we need for our industry to have the best chance at success? The ultimate discussion focuses around the opportunities

on how we achieve this leadership and strengthen our back bone industry of New Zealand. Agriculture needs to be made more resilient and economically viable enough to withstand any challenge it is likely to face in the future.

The key opportunities discussed are:

- A collaborative sector through combining meat, dairy and Maori Agribusiness. This is imperative and it needs to happen from the farmers right through to governance. Collaboration will allow New Zealand agriculture to align its reputation and identity as closely as possible. This will require leadership we don't currently have and policy that currently doesn't exist.
- Leaders are made either by becoming accidental leaders or seeking out higher governance roles. Both leadership beginnings will be required in the agricultural sector, with training and self-awareness to understand the limitations and insights of both.
- Diversity of the leadership within the industry is imperative. That needs to include women, Maori and other ethnicities and younger leaders. This is not about gender equality; but different perspectives helping to enrich discussion and solution based leadership. The millennials could well be the key to looking at challenges we are yet to face, with renewed vigor and courage.
- The leadership that is required for these challenges is different to leadership in its current form.
- A radical change in how we sell our produce and who we sell it to is required, to attract a premium to allow farming in New Zealand to stay economically viable in the face of increased costs and regulation.

There is no doubt the agricultural sector needs strong, courageous, brave, skilled leaders with good judgement. Some of this currently exists, but a larger cross section of leaders with diverse perspectives need to display these attributes. If we have these ideas about the weaknesses in the sector, we can rectify these going forward. Training and leadership organizations will help this and there should be a larger focus on professional and personal development by leadership teams and potential leaders. However, the future challenges the industry is likely to face will help to cultivate strong and courageous leadership, and this leadership will prosper.

Had time permitted, ideally more leaders would have been interviewed to bring more depth of discussion and perspective. However, the research undertaken here can be

built on at some stage. More research into leadership theory by Hogan, Marlow's hierarchy of needs and different leadership styles would further develop this research. This topic would be worthy of a comprehensive thesis, as leadership is often talked about but rarely understood.

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Foreword

“Leaders are developed, they are not born, however I think leaders are born with personality traits that predispose them to being a leader”

My name is Sarah Bell and I live on my parents' sheep and beef farm between Waiouru and Taihape in the Central Plateau. I went to boarding school over an hour away from home through my secondary years and was lucky enough to be the Head of House Prefect and Captain of my hockey team in my 7th form year. I studied a Bachelor of Science in Physical Geography at Canterbury University and cut my teeth in Regional Council consenting for my first role. Subsequent years saw me working in Fonterra, Ballance Agri- Nutrients, Ag-ITO as it was then, a Rural Consulting firm and Operations Management for a good sized dairy syndicate of NZ investors in North Otago.

I am now a mother of one turbo-charged 16-month-old and do some part time facilitating for AWDT and part-time farm worker/ HR adviser for my parents, while completing the Kellogg Rural Leadership Programme. Throughout my working life, I have been exposed to some amazing leadership of direct managers, and some that probably have cost their employers money in lost staff capability.

When I think back to my first real leadership roles, I didn't understand the fundamentals of good leadership, but I probably understood how it felt when looking upwards. The leader either made you feel empowered and excited to be part of the team, or they made you feel unimportant and not engaged with the journey. In general, the good ones were kind, but could walk the line of being respected by all while standing up for what was right. The poor leaders, were perhaps not very kind, self-serving and often didn't challenge any thinking or trends. We can all identify with leaders like these and others that fit all the way along the spectrum.

This report seeks to further understand what sets these people apart and how the New Zealand Agricultural sector can benefit from this discussion.

Acknowledgements

I would firstly like to give my immense thanks to AGMADT for their financial support. I was fortunate enough to receive one of their Inaugural Leadership and Governance Scholarships and in my current position, I would not have had the ability to attend the Kellogg programme, had I not received this funding. Governance and Leadership roles are my ultimate goal, so this course was imperative for progressing forward. I cannot thank them enough.

I would like to thank my interviewees for their time and amazing insight into leadership and our industry. Without you all, I would not have a research project. You all embody what it is to be a leader. You are all inspiring, kind, generous and humble people. It has been overwhelming, the way you were all so giving of your time, and had even taken more time to prepare before our interviews. You have made my report compelling with your well-articulated thoughts and wealth of knowledge. Most of the quotes are in their entirety as they are so insightful and it would not do the interviewees justice to cut them down anymore. You all also offered to introduce me to anyone else I needed to complete this project, and I wish I had the time to take you up on all these very kind offers.

I would like to thank the Kellogg Rural Leadership Programme and their strategic partners, AGMARDT, FMG, Beef & Lamb NZ and DairyNZ. It has been a privilege to be able to participate in such an exciting and well-run leadership programme in New Zealand, based around our most important Primary Sector. The Kellogg programme was commented on in every interview as being synonymous with rural leadership success and is part of the solution to leadership barriers, as explored further in this report.

Lastly, I would like to sincerely thank; Patrick Aldwell, for the kind, understanding, and focusing ear, when required throughout the undertaking of this research and Desley Tucker and Anne Hindson for their ability to pull us all into line, and prepare amazing and engaging weeks of contact sessions. Every person you organized to speak to us was knowledgeable, approachable and humble – great examples of what we can aspire to. You have all been welcoming, and nurturing throughout our Kellogg journey and while Kellogg is a fantastic programme alone, you 3 are what really makes it exceptional.

1.0 Introduction

1.1 Leadership History

Leadership has been discussed by most great philosophers at length throughout history and yet there is still a lack of understanding around the topic.

We can all point to leaders who have done great things and leaders who have either been ineffectual or used their power for evil, like Hitler or Saddam Hussain. There are leaders that inspire, Martin Luther King, and others that lead from the front, Winston Churchill. These leaders have a large effect on the direction and success of a nation, a people or a sector.

(Jeannot, 1989) described leadership as "*a personal relationship between the individual and a group*", while (Semler, 1993) described it as "*having common goals and values*". (Kouzes and Posner, 1987) see leadership as "*that behavior, which is not so much in the control of an individual, but driven by multiple forces in their environment*". (Andrew Kakabadse, 1998)

"Some describe the most common interpretation of leadership as "leaders being definers of common goals and philosophies, accounting for contextual factors through the display of personal characteristics" (Andrew Kakabadse, 1998), which generally encompasses the three definitions above".

The famous philosopher Plato developed one of the first leadership training academy's, back in 386BC, to create statesmen that could deal with the pressures of being in office. He understood that he needed to foster integrity based qualities in his students because he wanted to stop their natural bias for the undesired attributes of ambition and ego. Looking through history, there are many examples of this evil kind of leadership in Russian's Ivan the Terrible and Hitler who tend towards unreasonable behavior when they gain power. Plato believed that "*the possession of a wisdom, the one truth of an intellectual vision, providing the pathway to effective government as it assists in the appropriate conduct of human affairs, distinguishes leaders from followers*". (Alan Bryman, 2011)

Plato and Aristotle's work and ideas are found throughout Roman and Christian philosophers in the first few centuries BC. Even after the Middle Ages, Plato's theories came to the fore again "*For more than 2000 years, the moral philosophy of leadership*

has concerned itself with ideal and appropriate behavior, with the distinction between good and evil, and with the difference between real and apparent good". (Alan Bryman, 2011)

The two ideas of inspiring what people do, and communicating how they will get there are throughout Western Culture. Plato's *Republic*, has information for modern leaders on how to "*inspire trust and confidence, provide psychological support and obtain the best performance from followers*" (Alan Bryman, 2011). Plato felt that the public needed to recognize leadership ability by people's expertise, rather than seeing and hearing them talk, where those with public speaking prowess were chosen. Around this time, the art of rhetoric appeared, originally meaning 'using speech to persuade'. This disturbed Plato as it meant that potential leaders could make themselves more attractive candidates by being good public speakers, rather than for the content of their speeches and skill to do the job. Interestingly, the art of rhetoric and democracy developed at the same time.

By around 400BC, there were many professional teachers of public speaking and speech writers involved with political leaders.

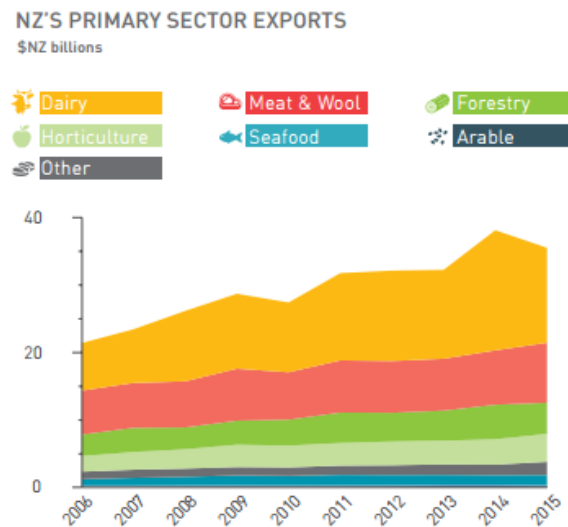
Plato's theories are still very much relevant in leadership today. The art of rhetoric is alive and well in our democratic political and agricultural sectors in New Zealand, and around the world. The ability of a person to be articulate and relatable allows them to succeed or fail in today's sector. We see many leaders today that are good public speakers, but may not have the skills for the job, or the attributes to lead well, and we see the reverse as well. Plato's fears are being realized.

1.2 The Primary Sector in brief

The primary sector in New Zealand encompasses Agriculture, Forestry and Fisheries. It accounts for 6.1% of GDP (March 2016), contributing \$12,240M to the New Zealand economy. It is the country's largest exporter, accounting for 77% of total exports. New Zealand does not produce a large amount of product to the world, because of our lack of land mass, but it is in the unique situation of exporting a large proportion of its production, where most countries consume all they produce and import any deficit.

The agricultural industry is generally commodity based, so it must compete on the world stage, and is facing increasing demands on its bottom line as more regulation

and costs are being put onto the farmer behind the farm gate. Several boutique New Zealand companies are attracting premiums for their products by telling their story to the new conscientious consumers of today, and building relationships directly with end users. This is perhaps a model the sector needs to work towards, as producers of quality food products, when farm profits are continuing to get further squeezed.



(Ministry for Primary Industries NZ, 2015)

This research was conducted with the Agriculture sector of the Primary Industry's in mind. This specifically is Dairy and Sheep & Beef.

1.2.1 Dairy

There are 11,927 dairy farms in New Zealand, milking approximately 4.9M cows. These farms employ 40,700 people not including farm business owners. (Dairy NZ, 2014)

The amount of land being used for dairy farms has increased from 1,330,000 hectares, to around 1,640,000 since 2000 (a 23% increase). Approximately 19.1M litres of milk was produced in 2012, with 95% of that being exported. Fonterra earns about 20% of the country's export income.

Fonterra is the largest dairy Co-Op with its shareholder/ supplier base making up 86% of dairy farmers. Their board is made up of 13 directors, 9 of whom are farmer elected and 4 independents, including the current chairperson, John Wilson.

In 2001, the Dairy industry merged several smaller Co-Operatives to form Fonterra. The government used the Dairy Industry Restructuring Act (DIRA) to mitigate a monopoly and anti-competitive behavior from the large Co-op. Fonterra's shareholders are 86% of the Dairy farmers in the country. With the economies of scale, they can be a big milk player on the world stage and are internationally recognized.

The dairy industry has had several years of lower payout's as commodity prices have been challenging, and other geo-political events have occurred. This has meant dairy farmers have had to look at their cost of production and make efficiencies where possible.

There are about 6 other privately owned dairy companies throughout the country which provide competition for Fonterra and choice for farmers.

The industry is generally quite collaborative because so many of the farmers are part of one co-operative.

"In the Dairy Industry, there were just some fortuitous happenings, for a while and there was political will to amalgamate, to turn 2 main companies into one large Fonterra. There was a lovely accident of history around markets and growth that allowed them to achieve a huge amount of success".

1.2.2 Meat & Wool

There are 29,200 sheep and beef farms in the country, farming 28.3M sheep and 3.7M cattle. These farms employed 23,500 people in 2008 (Meat in Focus - a closer look at a key New Zealand Industry, 2009). New Zealand is the world's third largest wool producer on a 'clean' basis, producing 12.1% of the worlds wool. In 2012, approximately 82% of our sheep and beef meat was exported (Dairy NZ & Beef and Lamb, 2016).

The meat industry doesn't have a single large co-op like in the dairy sector. There are 2 main co-ops: Alliance and Silver Fern Farms, and about 6 other smaller privately owned processors.

The sheep and beef industry has seen fluctuating returns over the years. Sheep numbers have been declining in recent years. In 1982, there were approximately 70M sheep being farmed across the country, while today's sheep numbers are less than half this. This could be due to the lower confidence in the future of the meat sector.

"They [the meat industry] are very much more individualist. When the reforms happened in the 1980's, [there were] massive changes in how they went about their business, so as a result they [the farmers] are individualist in their views. That makes it much harder to chorale a common view when it comes to sheep and beef".

These agricultural sectors are represented in industry advocacy by Federated Farmers. Each sector also has a levy funded industry body.

"Leaders in both sectors have a very tough job. Our markets are export, our farming practices are for the vast majority, determined by NZ quotas in a relatively unregulated industry, except for regulations that come from pressure from NZ society, which determines our rules and sets our bottom line in which we farm".

1.3 Purpose of the research

The purpose of this research is to provide a context in which leadership exists in the agricultural sector today. If we can understand the present situation and the reasons that has shaped leadership in this way, then this will give us far greater insight into the structure, skills and psyche of the sector. Once this analysis has been completed, discussion can then be had regarding what kind of leaders the future will need.

When the current context is used as a framework to look at the structure that currently exists, a pathway can be plotted to achieve this new leadership, while avoiding mistakes made in the past based on who farmers are and how they choose leaders. This gives the sector the best chance at success, by momentarily looking back and then looking forward with the current constraints in mind.

1.4 Structure of the report

This report has introduced the topic of leadership and set the scene within which agricultural leadership exists today.

In aims and objectives, the direction of this research topic is set out. The method section details the process which I followed to research the topic and conduct the interviews. The results section lays out the key themes which were inherent within the qualitative research data. These results are further expanded on and extrapolated in the discussion section. The conclusion will encompass the main points raised and provide several key recommendations.

2.0 Aims and Objectives

As my Kellogg journey has progressed I have started to understand what good leadership looks like, and more specifically the attributes required to be a good leader. I changed my topic after undertaking my first interview. I was struck by the passion and enthusiasm of my interviewee who had shown great leadership for the industry by promoting their business model and giving their time to help consumers understand all the factors which go into food production. This individual had got several leadership roles because they had wanted to be involved, and in one case, fortuitously no one else stood against them to chair this committee. I say fortuitously, as I would suggest it may have been their own leadership attributes that led to the ultimate success of the committee in working with the policy makers to get the best outcome for all. They could take the emotion out of people's arguments to see the actual issues. They had the ability to lead by example and the bravery and courage to say what needed to be said, even when the people they represented may not have fully agreed. This person viewed the issues from a more strategic longer term view and wanted to be in the tent for the discussions, rather than locked outside. Generally, though, this person would probably see themselves, not as a leader, but a part of the agricultural community trying to make a difference for our future. This leader isn't in a high-profile governance role, but embodies living and breathing leadership at a Regional and grass roots level.

"You can still have influence as a leader, even when you're not THE leader".

After this pivotal conversation, I was inspired to explore leadership, in all its forms, in our primary sector. I wanted to understand why this person had made me feel so excited about our sector, and had inspired me. What personal attributes set them apart from the rest?

The research undertaken, and the resulting report, seeks to answer questions around leadership in New Zealand Agriculture. What do we have currently and why has this evolved? What is working and not working and what aspects of leadership, sector structure and knowledge/skills do we need for our industry to have the best chance at success? The ultimate discussion focuses around the opportunities on how we achieve this leadership and strengthen our back-bone industry of New Zealand. Agriculture needs to be made more resilient and economically viable enough to withstand any challenge it is likely to face in the future.

3.0 Method

The research method for this report involved several elements.

Initial ideas were brainstormed around leadership in the primary sector. Some of the thoughts and questions that were contemplated are listed below.

These thoughts included:

- What is leadership?
- What makes a good leader?
- How can we recognize and develop them?
- What does current leadership look like in the Primary sector?
- What works well in the sector?
- How can we get more young people into leadership in the Primary Industry's?
- Why does the dairy industry seem more successful than the meat sector?
- Why is everyone so disgruntled about the meat sector?
- What about the urban divide?
- What could we do to stop urban people farming bashing?
- Does the visibility of Fonterra have a positive or negative effect for dairy?
- What about the environmental and water space?
- Do we have good governors in the sectors?
- Why is the Primary Industry's Minister below number 10 in cabinet?
- How does this affect policy progressing through in parliament?
- Does the government not rate Agriculture very highly if it's so low in cabinet?

The next element included developing seven questions (See Appendix 2) and conducting interviews with eight leaders in the primary sector.

These contributors were chosen to include a diverse range of leaders who represented the different parts of our sector as accurately as possible and to give diversity of perspective to enrich this discussion. These leaders had specialist knowledge of the red meat sector, dairy sector, Government, environmental and water issues with largely higher profile roles. These people were grass roots leaders, in commercial governance, not for profit governance, on school or community boards, business owners, employees, men, woman, Maori, Paheka and a range of ages.

The participants were contacted by email with the list of questions so that they could prepare some thoughts around the topic. The interviews were between 1 and 2 ½ hours long, were recorded, and notes were taken.

All the interviews were converted into written transcripts and analysed. This was done using thematic analysis. This method was chosen because *"through its theoretical freedom, thematic analysis provides a flexible and useful research tool, which can*

potentially provide a rich and detailed, yet, complex account of data". (Clarke, 2006)

Themes are described as "*something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set". (Clarke, 2006)*

The limitations of this method are addressed later in the report. These themes form the basis of the results section and are followed through in the discussion and recommendations sections of this report.

Lastly this topic of leadership was researched, firstly through the core readings of the Kellogg Programme with books (Sandberg, 2015) and (Posner, 2012). The history of leadership was researched using the Lincoln University library website and google books website. There is a lot of literature about leadership, but not a large amount pertaining to current leadership in the primary sector of New Zealand. Facts and figures about the current primary sector were obtained from government and industry web pages. This research was conducted before interviews started and after they were complete, when certain themes needed to be examined with literature.

4.0 Results

Two interview questions focused on the lower ranking of the primary industry's cabinet minister and whether that influenced our leadership throughout the sector. The research has shown that there were very different views of the reasons for the low ranking in cabinet. The consensus, was however, that this had no bearing on sector leadership. For this reason, I have decided not to pursue this line of thought further in this report.

In all interviews conducted, brilliant and insightful quotes were made by the leaders. Below is an example of this from one of the leaders. This quote evaluates the current prime minister, John Key, and how his leadership style suits New Zealanders personalities. This has led to him being described as "*one of the most successful New Zealand politicians of all time*". (Duncan Garner, Radio Live)

"Leadership has changed and these days leadership is being very much about how you can get the best out of your team and the people around you. And leadership in the old days when Winston Churchill, and Rob Muldoon were around- it was very much about "I'll lead, you follow". Even in a few years, I've seen that change. John key is a good example of this kind of leader. People say he flip flops, but it's not flip flopping at all. He's very good at understanding that you have to take people with you, and that's the only way you can be an effective leader and so it's very much about the most effective leadership style for today's environment which is taking people with you and someone that leads from within rather than someone that leads from in front. We are a much more inclusive society today. In a small country like NZ, if you go out in front and try and lead, there's always people that want to chop you down, so I think the leadership style matches our personality in many ways. We don't like tall poppy's and people that go out in front. We like people that lead from within". (source – an interviewee)

Twelve themes were identified from interview responses. These are outlined in this section with supporting quotes from the interviewees. These quotes have not been attributed to individuals to allow the contributors to be more candid and through this process, better discussion ensued.

4.1 Part of a leader is born

This section examines six key attributes demonstrated by great leaders. These attributes were commonly discussed throughout all the interviews conducted.

There are key attributes that are critical to the success of a good leader in any sector and at any level. There was general agreement about what these were.

All the leaders that were interviewed suggested that some attributes were innate, which predisposed a person to becoming a leader and increased their chance of succeeding in a leadership role.

"Personal traits matter. [It is] important to be humble, knowledgeable without being patronizing. John key has been very popular because he's humble and relatable and a "one of us" type personality where Helen Clark wasn't like that. She was respected hugely as a leader because of how strong she was and how effective she was, but in a very very different style. [She had an arrogance]."

4.1.1 Courage and Bravery

"[There is] not enough brave leadership making a stand. The consequence is people don't buy in. The innovators get annoyed as no one is supporting their cause. It is only targeting the middle to bottom levels of performance, and so that's what we get. That is a massive barrier to performance of the industry".

Courage and Bravery were a common theme across all interviews. There is a need to be courageous in making your views known, and standing by your values. There is also the courage required to be vulnerable and stand for a committee or a board, and be elected on by your peers.

"Tell people what they need to hear, not what they want to hear. Courage and willingness to tackle the issue, not just to serve your own career is huge".

"It was about what people needed to hear, and that was that it was inevitable, the process would move on without us if we didn't engage. But we needed time to help the farmers understand that if we are considered and careful and pragmatic about it, we could influence how the process was implemented and its influence on our business".

It is likely that there isn't enough courageous and brave leadership in the industry at present. The current democratic environment means that people who challenge the

common view, are less likely to be voted into leadership. So therefore, leaders are more likely to toe the party line.

"It's quite important for a number of reasons. Mainly because it takes quite a bit of courage to stand up and put yourself up for those positions, to go through an election process, and then sitting around the boardroom table- you must have the courage to stand up and voice your own perspectives if you're in the minority".

Courage also occurs in the form of leaders being vulnerable and standing up to be selected for committees and boards. The New Zealand psyche, especially in agriculture, is to "just get on with it", and not "raise your head above the parapet". For this reason, encouraging people to put themselves forward, can be quite hard. It is likely that the sector gets leaders who enjoy communication and are more extraverted, rather than the best people. That is not to say that the people in leadership roles now, aren't the best people for the roles, but they include the people more comfortable with the attention and scrutiny they might receive.

4.1.2 Self- Awareness and review

An important leadership trait is about being self-aware. That means you need to know what you don't know, what you personally lack, who you need to have around you to complement you, and when to go. This then gives a leader the tools to upskill when their knowledge is lacking. That same leader might be slightly introverted, or a bigger picture thinker, and will understand that the reverse of those personality traits may be required and they will seek to surround themselves with those people who possess those traits.

"When I got on one board, I realized I'd been outside the farm gate for quite a long time. I needed to start reading the farming mags again, to learn about farm systems, and the lingo of tillering etc. I needed to understand how the on-farm technology worked. I had lost touch and it was my absolute responsibility to be humble and realize I needed to build up my knowledge again".

"If you haven't understood the business well enough, you can't ask the critical questions [so you need to always remain teachable and able to learn]".

"John key has surrounded himself with people that complement his leadership style. Steven Joyce isn't the same kind of personality as John Key, but having a Steven Joyce on your team is really worth having".

Self-review includes understanding when it is time to leave a position. Are you still objective enough to be on the board? Could someone else offer a different perspective which could enrich the discussion more than you could right now. Often as the environment in which we operate changes, different and new leadership is required. This also requires a balance of course. As a complete changing of the guard could throw a company into turmoil with lost company knowledge and industry wisdom suddenly gone from around the board table.

"Never overstay your welcome and be aware when it's time to go. I've got a personal view that 10 years anywhere is about the right amount of time".

"Leaders stay around for too long. I have had people boasting about being in a governance role in a Co-Op for 25 years and to me that's irresponsible, that's nothing to be proud of. That's a barrier to younger people coming through to governance".

The best leaders understand that years in the industry can add valuable experience and wisdom to a role, but also understand that if we are in a role too long, sometimes they can lose the ability to be objective. There becomes a sense of "it's always been like that" and this means they can lose some of their honest evaluation ability. This is why a wise leader understands that for the best interests of the business or company, they need to move on, and there is a need to make a vacancy for a younger leader.

4.1.3 Good Judgement

"I really strongly believe in being positively cynical. Cynical means you don't trust any piece of information you are given until you run your filter over it. Do these numbers make sense? I don't need to know how these numbers were generated too much, because I trust that my management has the right skills to bring those numbers to me, and I will be strong enough and knowledgeable and brave enough to ask the right questions".

"I had just been elected to a new board. They were voting in a new chair, and I was accidently late for this first meeting as I had the time wrong. When I walked in, they had their voting papers out and were just about to vote. I was asked for my ideas on who would be the best chair out of the two candidates. I asked "how do you rate yourselves as a board? When did you last review yourselves as a board? What would you rank yourselves out of ten?" Because that defines who you choose as a chair. If you rank yourselves a 4 or 5 out of 10, you need a mover and shaker who's going to come in and be courageous and make some tough calls

and drive change, then this person is right. But if you think this board needs really good statesman-like leadership, because everything's going well, then I think this other person is right. In the end, they scored themselves a 5 out of 10 and picked the mover and shaker to chair the board."

Good judgment is essential for good, strong leadership. This is because a person's judgement determines what kind of decisions they make, either good or poor. A strong understanding of what is right and wrong, and 'True North' is vital. True North is a concept talked about by many leaders and refers to their internal compass that keeps them morally heading in the right direction. Good judgement and good moral compass generally go together.

Without this attribute, leaders make mistakes. They requires the ability to be comfortable making decisions based on some grey area. Leaders are likely to not have all the information, as they are further away from the coal face. Knowing the business and having the ability to ask the critical questions is very important.

"[The] Pike river tragedy was an example of terrible board skills and not being positively cynical. "who was doing the pressure testing to say, are you the right leader. A couple of those board members never went to board meetings, they just read the minutes and yet they were responsible".

The Pike River disaster is a prime example of where the lack of good leadership and judgement failed those miners. The entire company had a dangerous internal culture that didn't prioritize safety and production came first at any cost. This was systemic from governance right down to the shift managers at the coal face, a complete lack of leadership at every level.

"Process is like a safe harbor. If you're ever worried about a decision and that grey zone is getting too big. Then go back to process and see if we can shrink that grey zone to get an outcome I'm comfortable with. When people have passion, the discussion can get left field tangents and people go off topic and then suddenly its massive. A really good chair [pulls that back in, acknowledging people's views and focusing the conversation]".

Having strong governance and board skills allows for better judgement to occur, as process can be followed. There needs to be the ability to set in place good structures around company vision and strategy to become the skeleton onto which the process fits. Leaders then can exercise better judgement when they have a clear mission, and there is continual review against company expectation.

4.1.4 Diligence

Many of the interviewees saw diligence and the ability to work hard as a very important personal attribute for leadership.

"You cannot sit back and just read the board pack and think you've done the job. You can't think you can just turn up and have a chat with colleagues and I've done my job. No matter what board you're on, I believe as a governor, you are completely obliged to understand the business, to immerse yourself in it."

"Diligence is important in all those leadership roles because it seems to me that you have to work hard and be prepared to work hard and go the extra mile. Do your homework, do your research so that's a trait of leaders".

Leaders are not able to be experts across all aspects of the sector that they are likely to cover. They therefore, need to be hardworking and get the knowledge to help them make good judgements. And at board meetings, they need to be across all information that comes to the board. Having the diligence to work hard and the integrity not to 'let things go', sets a satisfactory leader apart from an exceptional leader.

4.1.5 Humble and Lacking Ego

All the leaders that were interviewed for this report showed their humble natures. They were all incredibly busy people yet they made time to participate in an interview at relatively short notice. Being humble is inherently part of our natures and culture in New Zealand. Plato's teaching tells us though that the effect that power has on ego is profound and keeping this in check is even more important.

Lacking ego is necessary so that you are more likely to be true to your values. Having ego and a needy personality means that person's somewhat narcissistic tendencies shape their actions so that their ego can be "stroked".

"You will fail as a leader if you have a needy personality because you seek out adulation. They must be willing to be isolated and lonely at times."

Being humble is a trait that seems to be more predominant in Agriculture. Farmers seem to have a 'get on with it' kind of attitude where they can achieve great things but they don't often dwell on their circumstances. This leads to being humble. Most farmers are multi-millionaire business owners, however, most of the time, this wouldn't be apparent judging by the way they conduct themselves.

"Don't ever get so big that you forget about what's important. It is always important to remember you are a little cog in a big wheel".

4.1.6 Authentic and Honest

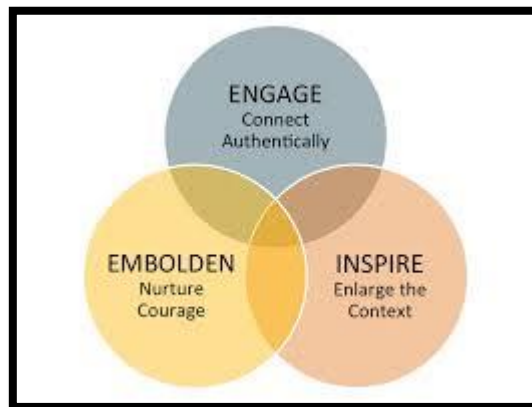
"It is an integral part of leadership. Yes, people always say...oh yes Integrity is so important. However, at my board meeting yesterday, I realized my integrity said that if the board didn't follow with their discussed actions, I had to go, I just could not stay."

"Genuine about your views and honest."

People are more likeable and likely to succeed in transformational leadership if they are honest and authentic. This is especially important in the rural sector. Farmers put a large emphasis on the 'salt of the earth' type of person that a rural background fosters. They are wary of anyone that hasn't grown up on a farm as this gives them a sense of a similar values base.

Being authentic comes when your identity (what you think of yourself), your reputation (what other people think of you) and self-awareness (what I think other people think I am), are as closely aligned as possible. The closer together these elements are, the most authentic and likeable a person is. The less aligned they are, Donald Trump is a prime example, the less authentic they are and in some cases this is an indicator of some personality disorder like narcissism.

4.2 Let's talk about it



One of the most dominant themes to come through these interviews was regarding communication.

Being a good judge of people is one of the most important skills a leader can have. Leadership is about taking people along with you and this is only possible if the leader is articulate and can read people. Emotional Quotient (EQ) is a necessity in today's Agricultural Sector, as farmers are generally very busy people and don't have a lot of time to engage with the industry and its leaders. The more quickly that you can make a connection with your constituents, the more quickly they are likely to engage and trust the messages you are providing.

"You have to be able to tell a good story. You have to be passionate enough and articulate enough to be able to bring people along with you and you can't do that if you can't tell a good story. And leadership is about gaining critical mass. If you're not a good story teller, or you can't find a way of connecting with the people you're trying to influence, you will struggle".

"Life's all about being able to get on with people and leadership is no different. So, if you can't get on with people, then you'll never be able to lead. There's good examples and poor examples of that and I've seen a number of poor ones, and their personalities effectively removed them from a position of leadership."

Good communication skills allow a leader to tell a story. Robert Hogan's research looked at Maslow's hierarchy of needs. He identified that humans behave according to their evolutionary adaptations. This means that humans like to live in groups and have a natural hierarchy and leader. If these things occur, then people like to get along with other people in the group to survive and are motivated to get ahead to be

successful (in whichever way they measure success). (Hogan Assessments, 2014). Hogan is famous for his work in theorizing that reputation, what other people think of you, is a good predictor of leadership success, as compared with identity, what you think of yourself.

Being a good leader is implicitly about the ability to connect with your audience and take them with you.

"Transformational leadership is a style of leadership where a leader works with subordinates to identify needed change, creating a vision to guide the change through inspiration and executing the change in tandem with committed members of a group. Transformational leadership serves to enhance the motivation, morale, and job-performance of followers through a variety of mechanisms; these include connecting the follower's sense of identity and self to a project and to the collective identity of the organization; being a role model for followers in order to inspire them and to raise their interest in the project; challenging followers to take greater ownership for their work and understanding the strengths and weaknesses of followers, allowing the leader to align followers with tasks that enhance their performance". (Transformational Leadership, 2016)

For transformational leadership to occur, it is about getting the audience engaged and connecting with their sense of identity. This can only be done through good, articulate and genuine leadership.

4.3 Lack of Gender Diversity

"Maybe a barrier is the old boy's establishment that is there now, because it's quite hard to break into that. Pale stale male".

"The fundamentals that have broken down barriers are courses like Kellogg, Lindy's research and Escalator- she's done an incredibly good job in a short space of time of bringing people into board readiness in the primary sector. [Its targeted at a] very specific niche market and she's done it. [Her research is] being emulated by women in governance and women on boards."

A strong theme throughout all the interviews was the lack of women in sector leadership roles. It was noted that there are more women in governance roles than previously, but the sector is not where it needs to be.

Women add diversity of thought, experiences and their brain works fundamentally differently. Women are generally more empathetic, sympathetic, have higher emotional intelligence and are often better strategic thinkers. There is a great need for these different attributes around our board tables to help strengthen the discussion.

The adage regarding board roles being taken by people that have the time and the money, means that women are not often in this position. There needs to be more flexibility around leadership roles to allow women to participate. This flexibility may appear like a nuisance for the company involved, but how it enriches the discussion would easily pay dividends.

"The classic barrier around women that we underestimate our potential, we talk ourselves down and the men will do the exact opposite. That's a classic in the Primary Sector. Where you get guys going, 'oh yup- I can do that' and they probably aren't skilled and aren't the right people for the job but they have the personal confidence that will get them there".

Another facet to the lack of gender diversity debate lies in the fundamentals of a woman's psyche. Women often lack confidence to put themselves forward for roles, and underestimate their skills.

Sheryl Sandberg explored this phenomenon around women in leadership. Her findings were that women will only apply for a job if they fit 100% of the criteria necessary for that role. On the other hand, men will apply for that same job when they fit only 60% of the criteria. Therefore, women look to gain far more skills before they will try to progress, hence slowing their advancement up the leadership ladder. (Sandberg, 2015)

Furthermore, it is recognized that men are likely to be promoted based on their potential to succeed in a role, whereas women are promoted based on their accomplishments. Again, this slows women's progress and men's leadership advances further.

"Women have children and can have that mummy guilt associated with the thought around 'I've got kids here; can I do this or should I stay home with them?'."

Added complexities arise when thinking about a woman's natural bias to being empathetic and nurturing. Often woman are the primary caregivers. They generally must decide to stay at home with their children or to pursue their career and

compromises in between. If a woman chooses to work while her child is in care, there can be associated guilt. This is usually enhanced when people comment on them not being at home and women are also very hard on themselves thinking they can 'do it all'. That is how people like Dr. Libby have become popular. She helps women as they sort through the challenges with the diversity of their roles, trying to do everything and fighting their innate traits and gender stereotypes in an ever increasingly busy society.

"Another big barrier is partners or their husbands not encouraging them. Whether it's for personal reasons or whatever, they want them home, they want their cook. It is a really big thing. If you have someone at home supporting you, then that's a great opportunity for leadership. One of them, the farming partner, needs to absolutely step up and be the business. And continue backing that person and it's not easy at times. If you don't have that, it makes it very hard."

Women need to have very supportive and confident partners at home that help and support them on their leadership journeys. Women in leadership roles challenges our gender roles adopted as cavemen and the physiology and psychology that goes with that.

At an address to service men and women in America, Sheryl Sandberg asked the question *"men, please raise your hand if you were ever called a bossy little boy?"*. No men put up their hand to this, of course. Next she asked *"Women, raise your hands if you were ever called a bossy little girl?"*, and most of the women in the room raised their hands.

It is no wonder that research has shown that power and success are positively correlated with likability in men and negatively correlated in women. As a man gets more successful and powerful, he is better liked because he is conforming with our expectations. When women get more powerful, they are liked less. They are called arrogant, bossy, rude and aggressive. Our biases against female leadership run deep, and they start early. Society's expectation of women is to be mothers and homemakers, while men are expected to be leaders, successful and powerful.

We don't use the word bossy for little boys, because when a boy leads it's expected but when a little girl leads, it's not. Next time you hear someone say that a little girl is bossy, change that bias thinking by explaining *"that girl isn't bossy, she has executive leadership skills"*. (Sandberg, 2015)

"No matter how much we say it's a level playing field, it isn't and particularly so in the primary industry. When I got on one board, I was the first female on there, I did not campaign on being a female, I campaigned on being a professional."

"My 1st board meeting I was massively daunted [as the 1st woman director ever]. This was my first big commercial board, it was extremely formal with everyone wearing suits, and there was a very structured formal process which I wasn't expecting. And everyone around the board table starting squawking like roosters and trying to outdo each other."

"[The lack of diversity is] a real weakness of the primary industry, and it's a huge weakness in the meat industry. I definitely think diversity of leadership is a part of the differences in the industries at the moment. You don't see many strong, vocal female leaders in the meat industry. There's a few in the dairy industry. But not many in the meat sector, especially as farmer elected. Bringing females in as independent [directors] is slightly different because you're employing them for different skills, like if they are a lawyer or an accountant and they have a stamp as 'I'm a knowledge expert'."

"But the female, empathetic, sympathetic, compassionate, consultative part of me, which we'll see more and more of this as we get more female diversity on boards."

"All the way through, I've maintained by edit as a woman in the roles I've had, I'm not of the bra-burning brigade. I stay as a woman, I bring my different thought patterns as a woman, my empathy and my different approach because that's where you get diversity. I've seen many woman in management who have tried to be men and the men sort of like it. [Men] get a bit chummy and they are in their comfort zone and they can cope better than a woman who will ask them touchy feely type questions like 'how do you think it's going to make the shareholders feel if we do that?' That immediately enriches the discussion and so we should never ever belittle the fact that we are women, and in this case, me being a woman introduced a totally new concept to that board"

"[The] female entity is more accepted in dairy at the moment"

"A woman has just been appointed to the senior leadership team of Alliance and that is the 1st time ever"

"At the moment the leaders are the people that have the time and the money and the inclination. Not necessarily the best people. that's not to say that the ones we have aren't good"

Added diversity is not a discussion about gender equality however and this distinction is important to note. Although women represent generally represent 50% of farming partnerships in the sector, it doesn't seem necessary that they make up 50% of all leadership roles and directorships across Agriculture. What is vital is that more women are involved in high level roles to provide different perspectives, experiences and thinking styles because of their journey through life and the way they think.

Adding diversity across the sector will enrich discussion and is a huge opportunity for the future.

4.4 The pathway to Greatness in Dairy

The dairy industry is renowned for its pathways for driven and motivated young people and couples. In fact, many people change to dairy from careers they trained in, to be able to fast-track their future aspirations.

"Dairy has a very clear pathway for showing leadership right at the bottom, all the way through and through multiple different opportunities. You can come in as a farm worker, and progress to farm manager, sharemilker, equity manager, farm owner, shareholder council, board. If you were a really bright leader, right at the start you would move through multiple different farms, multiple different areas, and then there are actually opportunities to buy with equity partnerships, equity manager. There are lots of opportunities to have an impact in the dairy industry."

"There is not that model of progression through the meat industry like there is in the dairy sector. And I think that is hindering the ability to pluck out good leaders."

"Fonterra invest quite a lot in governance and leadership opportunities and because it is so big, it can do that by creating a bit of a pathway for leaders. It doesn't often exist in the beef industry. I think it's the commercial influence".

"Pathway inherently there for dairy industry".

"Leadership is in the board room but it is also at the farm gate. The dairy industry in NZ as a total thought to be successful, all these little companies need to form little Co-op's and then to be even more successful, we need to merge, and then to be even more successful we need to merge even more and when we think about the parochialism of Kiwi vs Dairy group. They overcome all their parochialism issues and their short term thinking to say there is a bigger prize here if we combine our forces and really work collectively within the region of

understanding that the commerce commission is not going to let you form a monopoly”.

Due to the largely Co-Operative structure of the dairy industry, they have a more singular view. Many of the interviews undertaken focused on the pathway that is apparent throughout the dairy sector. Dairy is a people heavy industry, with almost twice as many people employed on farms as the meat sector, while covering approximately one third of the area of sheep and beef farms.

The number of people in the industry allows for hierarchies on farms and the ability to progress along a career path as experience is gained. A savvy and motivated farmhand that has never milked a cow before, can start out in the dairy shed, then move to a shed manager, then a herd manager role and finally a manger role, all in a relatively short space of time. That same farmer can then become a business owner and enter contract or variable sharemilking without any equity. This allows them to increase their skills tenfold by operating their own business and being involved in the administration of it, while farming for the farm owner. These ventures can make a lot of money with hard work and allow sharemilkers to get into farm ownership eventually. They are being satisfied by Hogan’s theory around getting ahead and this motivates them further.

This builds leaders from the grass roots upwards. That allows more leaders to come through the industry with the skills to lead, at a younger age. The industry body- DairyNZ is very supportive of leadership, employment best practice, business practice and there is no end of courses available for those with a thirst for knowledge and drive.

The meat industry lacks this definitive path.

The other unique part of the dairy sector is the ability to have instant feedback on product. The tanker collects your milk and within hours the volume is known and within days, the quality is known and supplied to the farmer. A farmer can then understand what he did the previous day that directly affected his product. With visibility, comes striving to improve. This creates a high-performance culture. Farmers are happy to share their successes and help the farmer next door as everyone gets the same price for their product. This is where the Dairy Industry Awards are great at celebrating success and giving young people in the industry something to aim for.

“Dairy industry awards (DIA): they are great because they are encouraging comparison. This isn’t in the beef industry. [There’s also] Dairybase. Thinking

about the whole structure of leadership from board table through to the grass roots, allowing the benchmarking and inspiration, the focus and aggressive thinking from being a trainee and all the way through. That comes back to the touchy-feely aspect of celebrating success! Because if you celebrate success, it fosters more success. I have seen someone go from not even making the podium in the dairy trainee, to winning the equity manager. They grow in front of your eyes, it's just so cool. That's what I think is a backbone of activity that's going on in the dairy industry that's not in the meat sector. The DIA are fantastic!"

4.5 Is Wellbeing the next bottom line?

In a current world of digital disruptions, work life balance and mindfulness, is there an opportunity to consider a bottom line KPI that isn't based on financials or performance? How do we define success?

"There's a NZ attitude to work that's great. But that's also a weakness. Its harden up, keep going, don't be soft. Some of that stuff where we've used it to build a fabulous nation but we now need to rethink that to bring it back to health, wellbeing, family, quality time."

"What does a Wellness register look like. Triple bottom line reporting- research that came out of Stanford. Let's test it in our incorporation and see how it goes. We are forcing ourselves to be true. Helps to tick the box for the conscientious consumer that we are all supplying to but we don't know. We are going to start putting a face to them and because we are engaged, we can understand what they want."

Ariana Huffington, of Huffington Post, talks about the common metrics for success being money and power. In her book, *Thrive*, she challenges this thought. She maintains that perhaps Wellbeing should be the third metric to our success. We need to think about social consequence and the effect that our jobs and daily lives are having on our wellbeing and making sure we are getting enough sleep!

As a society, we have moved from a culture where people worked 8-5 in the office and went home to their families. Today technology can touch us anywhere and the work/life balance has become a constant struggle. Digital disruption is prevalent and we are constantly being bombarded with information we have not sought out and must deal with. Life is far more complicated in today's age of never-ending accessibility.

It is likely that a social component will come into the strategy, KPI's and reporting of our companies. In the dairy sector, which is heavy in people, this would be a hugely welcomed change.

Perhaps if we had more of a social focus with looking at people and communities, we will get a more holistic view of the business we run. This is likely to have a positive reputation effect with the urban community as well. Moving towards having a social frame in our businesses will also garner favour with the new conscientious consumers who are becoming increasingly interested in where their food comes from.

4.6 Being green isn't just about grass

Environmental sustainability is becoming an increasing part of consumer's motivation for buying certain foods. This is a space that can't be overlooked, and actually presents a huge opportunity for our sector to leverage off of.

"The red meat industry has a tsunami coming towards them in the form of the environmental waterways issue. Whereas Fonterra has been there for years. I think that is through lack of leadership, because they've been focusing on the products and diversifying in the markets because they aren't thinking collectively and instead pushing their own barrows. This is actually an industry wide issue around environmental sustainability and environmental perception. The dairy industry is already well and truly on track with that".

"The meat sector has always thought the waterways issue won't be a problem for us because our stocking rates aren't high. We spread our animals over so much more land. We've got much more draining away from rivers. I'd like to see the meat industry [think] more collectively about this issue, but they won't when you've got disharmony amongst the processers".

"The whole production driven focus means they are all about productivity and production increases. The old adage- you ask a dairy farmer to protect a waterway, and the warratah is right by the stream. You ask a dry stock farmer to protect a waterway and they are thinking planting, riparian and they are prepared to go 2 or 3 meters. That drives a different thinking and focus".

Fonterra has the ability to be proactive in the environmental space. If we look back to the Taupo Catchment process which finished in 2011, the science told the government that the farms were effecting water quality. The country is now facing more nutrient caps with the submission process just opening for "Healthy Rivers", Waikato Regional Council's proposed plan to cap intensification and change in land use and mitigate any further degradation of the Waikato River. The environmental and political pressure that is being put on farmers, is being generated by the urban public and the conscientious consumer. This will not go away and current leadership tries not to speak about it for fear of attracting regulation, or it to be picked up by the media.

The industry is going to need courageous leadership to be proactive in the space, and their needs to a be perspective change within the sector's farmers.

"It takes time to get farmers to understand the effect they are having on the environment. Most say, that's not true, prove to me it's having an effect. And what we learnt in the Taupo catchment 16 years ago, once you understand the fundamentals, you can't dispute the science. Yes, you may not be able to say exactly what comes out of your property and you will need a model to help you, but we can say here's x property where we measured x with ceramic cups and the model showed similar numbers. We are getting better at this stuff. You can't deny the trends in water quality. And overseer is the only thing we've got at the moment".

"The way that Fonterra behaved, how they didn't take a proactive role in the water space and the same in the food safety space. To me, anybody on a board, even the baby boards comparatively that I sit on, if you put best practice into place, you have a risk management profile and you have a practiced food safety practice and you open the door which says plan A, everybody's practiced it, everybody knows their roles. But they didn't, they had nothing. How can the biggest company in NZ not be organized for one of their biggest risks? To me it was almost negligent. For those guys to be paid what they are paid, to be managing a business that size, that's not good enough".

4.7 We are hard on our leaders

"Tall Poppy syndrome is alive and well. There is a lot of people that would put their hands up for leadership roles but they say- why would I, why would I do that and be subject to all the crap that goes with it. It's just not working. Why would I bother doing that when I can stick to my own business? Definitely a barrier".

"Fonterra is the tall poppy to get its head chopped off".

"In many ways the dairy industry is easier to lead than the meat sector. Their commercial relationships with the co-operatives have really changed the mindset of the farmers to one where they understand they need to bind together if they want to get the best outcome - I'm not sure that applies to the meat industry".

The agricultural sector is full of people that have the attributes and the skills to be in governance and advocacy roles. The problem is that these people don't want to put their hand up to be criticized. In the meat sector, when product prices are low, which has been a fairly common occurrence in recent years, farmers want heads to roll! Conversely, the dairy industry isn't so hard on their leaders and even though the milk price has been tough for the last few years, there has been no serious calls for the Fonterra Board, or Theo Spiering's (Fonterra CEO) to go.

Farmers don't like people that stick their head up and Fonterra especially can be seen as a tall poppy to focus both good and bad press on at times. Most farmers are very practical people and the people that choose to be in leadership roles are perhaps more 'people' people and like board meetings and communicating with farmers. When farmers can't identify with their leaders because they aren't the same as them, this can make farmers angry that the leaders are "just bureaucrats", and are hard on them because of the differences between the two groups. Good leaders walk that line of being able to lead, but engaging the people and taking them with them.

Through the results section, different attributes that good leaders exhibit were examined and why good communication is important. There was discussion about the lack of diversity that currently exists in the sector, and the lack of wellbeing as a measure for success. The lack of pathways that exist in the red meat sector was discussed, along with the need to take the environment into consideration when conducting business. Lastly the theme of the sector being hard on leaders, making it more difficult to attract people to the roles.

5.0 Discussion

This section enlarges on the key themes and examines the opportunities to further develop the Agriculture through better leadership and sector change.

Below are five opportunities that have been drawn from the research conducted.

5.1 A collaborative agriculture sector

A collaborative sector was the first and largest 'light bulb' opportunity that came through when comparing the red meat and dairy sectors throughout the research and interview process. It involves combining the best parts of all the sectors, Red meat, dairy and Maori Agribusiness. This is a very aspirational goal, but the theory behind it is examined below.

"It's a bit like gravity, critical mass. That comes into it with Fonterra attracting good and bad press".

"In the meat sector, they generally present a very united front on the world stage. And that's because many of the imaging and views presented off shore actually comes from beef and lamb NZ, the farmer organization".

"I thought about where leadership strikes across both sectors. And I think that the meat industry does a good job at convincing the public that they are good. They do this a lot better than the dairy industry. The beef and lamb campaign, having the celebrities, the ads they do, the recipes that pop up on your Facebook page, is all good, the meat industry's amazing, we grow incredible product. And I think Fonterra hasn't done a good job of that individually. DairyNZ, hasn't done a good job of that either".

There needs to be collaboration between the sheep & beef, dairy and Maori agribusiness sectors. There are strengths within each of these industry's that each of the other sectors lack.

The dairy industry has a very high performing internal culture. The strategy and vision shown by early industry leaders in forming Fonterra was exceptional. They

understood that they could get the best outcomes for farmers by working together.

"Leadership is in the board room, but it is also at the farm gate. [Historically] the dairy industry in NZ collectively thought that to be successful, all these little companies need to form little Co-op's. Then to be even more successful, they needed to merge, and then to be even more successful, they needed to merge even more into Fonterra. When we think about the parochialism of Kiwi [co-op] vs Dairy group [co-op]; they overcame all their parochialism issues and their short term thinking to say there is a bigger prize here if we combine our forces and really work collectively".

The result is an industry which is more collaborative. The majority of dairy farmers supply a co-operative which allows for more aligned thinking right throughout the sector, from the farmers and staff, to the governors.

"Ag sector needs visionary leadership and that means not just where's the next big market. It means what are the pressures that will be put on the sustainability of our businesses from the environment, as employers, biosecurity. To look at the entire environment they are in, commercial, environmental, human resource wise, to say- what do we need to invest in now to safeguard against these challenges. Short-termism is rife in the meat industry; they are in the here and now. Gutsy, ballsy leadership to do what's required, as what's the payback on that? Proactively defensive, as opposed to looking forward at the next big issue".

5.2 How leaders are made

Past agricultural leadership has been made up of farmers that had the time and the money. This commentary was repeated throughout many interviews. These people fill our boards and leadership roles, and are between 45 and 70 years old and generally male. These people were generally financially secure enough to take time away from their farming businesses to pursue governance roles in our bigger sector companies and industry bodies. These people were most likely to have grown families, so they will be older. If they were younger, then they were likely to have been male, as woman have usually taken the lead caregiver role when there is a family involved.

There are two types of leaders that seem to have emerged in the sector.

The first is an accidental leader. One of the people interviewed was this type of leader, and had become leaders through circumstance. Their leadership was born out of an issue that, most likely, affected them personally. A need to take a stand, or to speak out. That means they have the direct motivation of 'skin in the game'. Take for example the farmers in the Taupo catchment, or the farmers involved in tenure review in the mid-South Island hill country. These people naturally had the passion, which provided ample motivation. They were driven and determined and they were often able to fight or engage in an issue for years. These leaders often hadn't gained governance skills to take up these roles and sometimes lacked the skills to be a governor in areas where they didn't have a direct passion.

This is much like senior scientists or engineers that were often promoted to management roles because this was the next step and it was a way to reward them. In these cases, the people often felt very dissatisfied with their new roles, as their personality types generally meant they enjoyed more operational type work. They weren't designed for managing people. They wanted to be doing the doing.

The leaders that were born out of single-issue situations will often be ear-marked for more governance type roles as they have shown great leadership, courage, resilience, challenging the status-quo and have integrity and passion. The problem is that often the passion and drive they got from having skin in the game, or fighting for an issue that affected their livelihood, isn't there when they are governing in a foreign arena. Therefore, they may become quite dis-satisfied with the role as it's not a good fit.

An innate governor, on the other hand, has the passion to be in a governance role. Several leaders interviewed chose their roles in this way, and sought out high level sector positions. They are passionate about the process, perhaps the politics, and not bothered by being at arm's length from the action. They don't need skin in the game and to be directly affected to be motivated. This leader is more likely to have some governance skills and comes to the board table with a different outlook. They are, perhaps, better able to detach themselves from issues and be more impartial.

This leader needs to be trained in governance skills to acquire their board process knowledge. That is where programmes like Kellogg, Escalator, Fonterra Governance Course and Institute of Directors courses are invaluable. The industry is beginning to require all its leaders to have top governance process skills so that they can exhibit good judgement and be courageous in their leadership. With cast iron process, strong decision making can occur on increasingly murky issues that the industry is going to face.

5.3 Is diversity the key?

Diversity in leadership means that many different perspectives are encompassed.

"Leadership of the [meat sector processing] co-operatives has been fickle and poor. And I think that's because we still haven't got board compositions right and too often when members of the co-op are more concerned with serving themselves through the prices they receive rather than the best interests of the entity. I think that's been a bit of a hallmark of leaders in NZ and co-operative leadership roles".

Women have only recently started making an appearance around the board tables of our largest sector companies. The tides are turning but the industry is nowhere near where it needs to be. How about Maori people? How many Maori people do we see on mainstream, not Maori Agribusiness boards? Where are the young people?

Diversity will enrich the discussion and is a hugely important facet to a company's collective board skills.

Henry van der Heyden talked of the need for diversity during a Strategic Farm Leadership Group. He explained that he was a director on the Auckland Airport board. They looked at the skills from the members around the board and found that they were lacking. They looked strategically at what the airport demographic is, and where society is headed. They decided to employ an Asian woman who was technologically savvy. This appointment came because they saw a large Asian market opportunity and so a person with an Asian perspective would be very useful. They realized that technology is becoming an increasingly important part of society and now Wi-Fi corners and laptop and cell phone charging stations can be found throughout the airport.

"It's starting to change now. There's a lot more diversity, not just gender, but coming from different perspectives to bring that robust discussions around the board and that's hard to break".

"Barriers for women- Farmlands, Ballance, Ravensdown. Mostly none, maybe one and occasionally 2 women directors. It is a problem. It's not just [female] leadership [though]".

"Where is the Maori, the ethnicity, the age. Predominantly they are 50-year-old males because they have the time because their families are older and they have labour on their farms. Nearly every director I know has stock managers at home on the farm. If you worked out what it costs you to have a stock manager at home on the farm and then your director fees aren't going far. You're not being rewarded

to offset you being away from home. Directors aren't being paid well enough, but then the companies have to be able to afford to pay them. Then you want the best people you can get if you are going to pay them well".

Diversity in any conversation creates a mesh of many different points of view. Take Sheryl Sangberg, the CEO of Facebook, where she commented about being pregnant. In her first week at google she went to a board meeting where she had to waddle up the stairs and disappear to the toilet every 20 minutes. She had waddled up the stairs that morning after not being able to find a park close by and found this very difficult. She walked into the board meeting and said "we need some maternity parks close to the entrance". Even though she was a woman and she should have had some concept of the needs of pregnant woman, until she was in that situation, she didn't implicitly understand their needs at all. She felt quite embarrassed with herself that she had been in a head role in the organization championing for women's equal rights and to get more women into leadership so that more diverse discussion could occur and she totally overlooked that need.

We often can't implicitly understand a person's needs until we stand in their shoes. This example clearly shows the requirement for diversity around our board tables and throughout leadership roles in the sector.

We have come some way to getting this right with more women becoming directors on our agricultural boards in the last few years.

Is quota the answer to achieve this? Does this just create a second-tier director who everyone knows is only there because they are filling a quota seat? I don't think quota is the answer.

One of my interviewees had recently been recruiting for new employees in her organization. It seemed that all the people that applied and were suitable for the role were women. Now did that represent the cross section of people with the skills suitable for that job across the country? We are not sure. Or was it perhaps, that her frame of reference was herself as a suitable candidate? So therefore, women were a better candidate in her eyes, without her realizing this of course. Again, we are not sure. Does this mean that men have the same ability to skew frames of reference when recruiting and are more likely to select men? This subconscious bias needs to be recognized before a leader can guard against it. This is self-assessment.

"The fundamentals that have broken down barriers are courses like Kellogg, Lindy's research, and Escalator- she's done an incredibly good job in a short space of time of bringing people into board readiness in the primary sector. Very specific niche market and she's done it. Being emulated by women in governance and woman on boards".

5.4 Leadership required

As we look towards the future of the agricultural industry we will face new challenges. These challenges will be unlike anything that has come before.

If we look to the dairy industry, it was only 8 years ago that Alan Crafer was still getting his milk collected by Fonterra amid environmental issues, animal cruelty, employment and economic woes. At that stage, we had seen nothing like the gross negligence on every front, nor the scale with which it was happening. Fonterra did not have the leadership capacity or courage at that time to stop collecting that farmer's milk. They weren't very proactive with the whole scenario and for a period it tainted the dairy industry.

The leader we require for tomorrow needs skills very different from many current leaders. We need leaders that tell people what they need to hear, not what they want to hear. The current environment means that people get criticized for saying the wrong thing. If they want to be elected into a governance or political role, leaders stick to the transactional leadership style.

"They tell people what they want to hear "No your farming operation is having absolutely no effect on the surrounding natural environment". Now when we are using resources at 1.5 times the rate at which they are being renewed, that doesn't wash. The real answer should be "Yes you are having an effect. Let's talk about that and understand what that effect is and work through possible ways to mitigate those affects without regulation being forced on you and make sure its economically viable".

5.5 Commodity model needs to change?

The industry needs courageous leadership to help bring about change in the agricultural sector.

It has been said for a long time – a profitable farmer is a green farmer. This is because a farmer with disposable income has the money to plant trees and retire land.

Perhaps we need to change our thinking. If we continue to run our farms under a commodity based model and be price takers, we are not going to be able to withstand the pressure of increased regulation and rising costs. Therefore, we need to look to new and different options for our produce. In New Zealand at present, there are several successful companies who are marketing into a niche. They are selling their products based on relationships with end users and consumers and telling a good story about how their product is farmed and where it comes from. These companies include Coastal Spring Lamb, Taupo Beef, Merino Company and Spring Sheep Milk. If we can get closer to our consumer and command a premium for our story, then perhaps we can also command a premium for a focus on environmental sustainability, or a water quality focus, or a greenhouse gas emission focus. This commitment could be used as a gold tick, to certify these things were occurring.

In 2011, the Taupo catchment was regulated with a nitrogen cap. The government had identified through some accurate science that farming in the catchment was having a direct effect on lake water quality. The Government gave Environment Waikato the directive to implement a policy to cap nitrogen output in the catchment and to reduce it. A \$86M fund was granted to facilitate this process. The net effect was that 20% of the catchment land was retired through people selling their farms or reducing inputs by putting land into forestry. The committee which represented the farmers worked with the Regional Council to get the best outcome for the farmers. Paradoxically, a positive came with the regulation that was imposed. The farmers had to provide monthly records of inputs and outputs for nutrient modelling to occur. This was to make sure farmers were adhering to their nitrogen leached/ha limits. The Council agreed to create a certification for farmers that were providing these regular records and meeting their caps.

Taupo beef was started in 2011 by a farming couple who realized they needed to get a premium for the produce grown on their farm, as they couldn't just increase production to offset increasing costs as other farms around the country had done.

They were farming to a nitrogen leaching cap and to increase stock numbers would increase leaching. So, they needed more money for less animals. They realized that if they could sell the story of farming in a capped area, while having water quality in mind, this may attract a premium. The Regional Council certification meant they could verify their brand claim around protecting water quality in Lake Taupo.

So instead of thinking that the old profitable farmer is a green farmer, perhaps a Green farmer is the new profitable farmer!

6.0 Conclusions and Recommendations

This report has examined the current context of New Zealand Agriculture was outlined, and some leadership opportunities.

In the preceding two sections, there was discussion about the themes analysed from the research and then the opportunities that arose from these ideas.

This section seeks to further distil these opportunities into several recommendations with discussion regarding the limitations of this research and data analysis method.

"Thinking who is our customer. How do we delight them no end? We are still kg's out the gate. Maybe talking and thinking about KPI's in a different space. That Kg's out the gate produces behaviours where it's just about get it gone, I don't care what it takes. Whereas that's not quite what our customers are looking for- it's not just the taste and the texture, it's the story that sits with it. And we haven't yet got that. The best example is Merino NZ and how they have been able to hold up a sector with a story. Our story is wrong; our visuals are wrong at the moment. We are doing work with merino NZ cos we don't know as. NZ story is ok, but a lot of people can't really identify with it, it was more of an elevator pitch. We need to be smarter about our story, be authentic about it so it's not just cheap words, and then make sure that that's a consistent story. Let's brand our story as our story and make it powerful rather than a tourism blurb. If we had the right story and were authentic, then maybe our barriers might start to diminish. I firmly believe if we get into the hearts of the people then the other stuff will be a lot less onerous."

Throughout the eight interviews conducted with leaders in New Zealand Agriculture, it was clear that leadership in agriculture is not in dire straits. There was a consensus that more collaboration needs to occur within industry's. The talk generally quickly turned to the challenges agriculture would face and the opportunities for the future.

We are not where we want to be regarding gender and age diversity, environmental leadership and management, wellbeing/social bottom lines and pathway development. However, over the last 10 to 15 years we have come a very long way.

This report discussed twelve important themes that were apparent when thematic analysis was used to analyse the information, which included six attributes and five ideas and questions about where the industry was lacking currently.

From this information and the thoughts from the leaders, five opportunities were identified to make the industry better for the future.

The key opportunities discussed were:

- A collaborative sector. This is imperative and it needs to happen from the farmers right through to governance. This will allow New Zealand agriculture to align its reputation and identity as closely as possible. This will require leadership we don't currently have and industry policy that currently doesn't exist.
- Leaders are made either by becoming accidental leaders, or seeking out higher governance roles. Both leadership beginnings will be required in the agricultural sector, with training and self-awareness to understand the limitations of both.
- Diversity of our leadership within the industry is imperative. That needs to include women, Maori and other ethnicities and younger leaders. The different perspectives enrich discussion and solution based leadership. The millennials could well be the key to looking at challenges we are yet to face with renewed vigor and courage.
- The leadership that is required for these challenges is different to leadership in its current form. A radical change in how we sell our produce and who we sell it to, to attract a premium to allow farming in New Zealand to stay economically viable in the face of increased costs and regulation.
- There is no doubt the agricultural sector needs strong, courageous, brave, skilled leaders with good judgement and vision. Some of this currently exists, but a larger cross section of leaders with diverse perspectives need to display these attributes. Training and leadership organizations will help this and there should be a larger focus on professional and personal development by leadership teams and potential leaders. The challenges the industry is likely to face will allow strong, courageous leadership to prosper.

"On the positive side, farming is one of the few industries where farmers are happy to share their successes and failures, their financials and systems through discussion groups, through open and honest dialogue about what works and what doesn't. So, we can have those conversations with our peers and that context has the ability to produce good leaders. If we could get that same level of conversation with regulators and consumers, we would set the pre-conditions for really good leadership to evolve. Because if you look at what's happened through discussion groups and farmer led debate, good leaders have evolved from that process. But

they are not emerging with skills in these other areas of nutrient management and working their way through the political systems that are currently in place.

And finally,

"If we want to show leadership, we need to move out of that model. Water quality legislation could be the greatest threat to farmers, or you could argue that it may be the thing that turns farming around. We can't stay in the current agricultural business model and impose those limits so it might be the catalyst to fundamentally change the industry and that fundamental change might provide the platform for a wonderful profitable NZ."

6.1 Limitations

The sample size (n=8) of people interviewed meant that people's views were strong in their area of familiarity. This showed through as strong themes, where a larger sample size would provide a better cross section of the industry.

As key themes emerged these were discussed more with latter participants. Phone conversations (3) compared to face to face interviews (4), were a bit harder and generally shorter interviews.

The use of the thematic analysis for this report has its pitfalls. *"Given the advantages of the flexibility of thematic analysis, we are not trying to limit this flexibility. However, an absence of clear and concise guidelines around thematic analysis means that the 'anything goes' critique of qualitative research may apply in some instances."* (Clarke, 2006)

Had time permitted, ideally more leaders would have been interviewed to bring more depth of discussion and perspective. However, the research undertaken here can be built on at some stage. More research into leadership theory by Hogan, Marlow's hierarchy of needs and different leadership styles would further develop this research. This topic would be worthy of a detailed thesis.

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Appendix 1

Leader Contributors

Mike QSM & Sharon Barton – Taupo Beef - Owners. Lake Taupo Protection Trust - Trustee (Mike). Lake Taupo Protection Trust – Trustee.

Mavis Mullins – Rangitane Tu Mai Ra- Chairwoman. Taratahi Agricultural Training Centre – Chairwoman. Nga Whenua Rahui – Board Member. Agri-Women’s Development Trust – Patron. Atihau Whanganui Incorporation – Chairwoman. Many other chair & Board roles. Massey University – MBA.

Lindy Nelson MNZM –Agri-Womens Development Trust (AWDT) – Founder and Executive Director. Ratahiwi Trust – Director/ Partner. Kellogg Scholar

Mike Peterson – NZ Special Agricultural Trade Envoy. Heyrex Ltd – Director and Investor. Te Puna Farm – Owner. Former Chair Beef & Lamb NZ. Kellogg Scholar

Dawn Sangster – Alliance Group Ltd – Director. AWDT Escalator Graduate

Alison Watters – Livestock Improvement Corporation – Director. AsureQuality NZ – Director. Wellington Diocesan School for Girls Board – Board member. Equestrian Sports NZ Central – Board member. Equestrian Sports NZ Eventing – Board member. Former National winner- SMOTY. Member NZ IOD. Fonterra Governance development Programme graduate.

Erica van Reenen (Morrison) - AgFirst Manawatu/Wanganui – Agricultural and Environmental Consultant. Director Morrison Farming Co, Director. YFOY Competition – Board member. Kellogg Scholar

Sue Yerex – Biosecurity Ministerial Advisory Committee – Board member. Lake Taupo Catchment Committee – Chairwoman. QEII National Trust – Trustee. Lake Taupo Protection Trust – Deputy Chair. TY Family Trust – Trustee. Agri- Women’s Development Trust Advisory Board – Founding Trustee. Kellogg Scholar.

Appendix 2

Questions asked at the interviews.

1. What attributes do you think makes a good leader?
2. What are your views on the differences you see in leadership in the dairy vs red meat sector?
3. How do these differences affect each industry's profile and performance?
4. What do you see as the barriers to good agricultural leadership?
5. What are your views on possible opportunities as yet undeveloped for increasing the calibre and breadth of our industry leadership, or have we got it right?
6. What do you think is the reason for the Minister of Primary Industry's relatively low ranking in Cabinet?
7. What influence do you think this ranking has on leadership in the primary industries?