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How do agri-processors engage entry level labour?

A report for the Board

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1.0 Executive Summary

The issue of worker engagement is not a new one and as New Zealand strives to create more value from agriculture without increasing land footprint or environmental harm, value will be created from advancements in taking our world class raw ingredients through the supply chain. Therefore, the engagement of people throughout the supply chain is more important than ever. Worker engagement in this context is defined as the ability for an employer to connect with an employee so that a relationship is not purely a transactional time versus financial reward.

The current state of the New Zealand’s employment records show an increasing unemployed population increasing from 88,833 on the Jobseeker Support to 122,871 in the 12 months to April 2021 (Development, 2021)

There were three common themes between the literature reviewed and the people interviewed.

Leaders interviewed	Readings studied
Standards	Care
Family Respect	Clarity
Clarity	Accountability

Figure 1: Common success traits

The strong correlation demonstrates the need for Accountability, Clarity and Care across all levels of the business and how this is imperative for gaining better labour engagement. Interestingly this fits into a model presented by Simon Sinek “circle of safety” which concludes that the more clarity, accountability and care that can be given to a team they will then focus their resources solving productive issues.

1.1 Recommendation

New Zealand’s unemployment rates continue to increase and so does the minimum wage, yet New Zealand businesses continue to struggle to get new entrants into their teams.

To change this outcome businesses need to focus on;

1. Upskilling the leaders of their business (team Leader level) that share the most time with the entry level employees
2. Create clear values and business objectives for all levels of business can hold themselves to.
3. Implement the clearly articulated objectives and values with clarity, care and accountability.

2.0 Acknowledgements

Thanks must first go to my employers that allowed me the time to complete the course and the assignment. Also to the course coordinators and all the people that have taken time to deliver parts of the course.

Finally, thank you to those interviewed for taking the time to impart their experience and knowledge around the current state of the New Zealand labour market.

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4.0 Introduction

As farmers and producers in New Zealand we have an intense focus on managing risks inside the farm gate. The risk that labour plays in the post gate process will greatly affect the financial returns for primary producers. The better performing the labour in our agri-processors the better outcomes there will be for all of New Zealand's farmers. The purpose of this report is to uncover useful actions processors can take to get better outcomes with entry level staff.

4.1 The trigger

After conversations with many farm operators and processors it is increasingly obvious that New Zealand agriculture is facing and will continue to face a crisis in the labour market. It is becoming increasingly challenging to get skilled and unskilled labour into current vacant positions. The decisions that are made politically through immigration, minimum wage and working visas limit the supply of labour available to the market. Federated Farmers Meat and Wool chair William Beetham says "we know things need to be done, but they literally can't find the people to do it". (Mitchel, 2021)

As with most issues that are heavily influenced in the political sphere there is a tendency to look at effective lobbying and a change of power as a key tool in enabling our sector to keep progressing. Whilst this is of upmost importance it is imperative that as an industry, we create our own business and management techniques to generate a competitive advantage in the labour market.

4.2 The background

New Zealand has a significantly diverse agricultural sector that when viewed from a distance looks like it is largely made up of small to medium sized "Mum and Dad" businesses that have a strong focus on the production of the highest quality products. While this is true from a basic level the production of high-quality protein is only a cog in the gear box that is New Zealand Agriculture.

After the announcement from "Agriculture Minister Damien O'Connor confirmed the live export ban would begin in 2023, after a two-year phase-out period" (Walls, 2021), all New Zealand Primary exports will be heavily reliant on some level of processing. This means 100% of New Zealand's agricultural returns will be influenced by the ability of a processor to engage with the people employed through the value chain.

The of future reliance on the processing that will be required to extract value from agricultural products it is essential to make a clear distinction that this paper's focus is on the engagement of entry level wage workers (usually between \$20-25 per hour) who work in large teams and in factory settings. The purpose of this work is not to focus on the engagement of farm workers, rather more

focus has been given to the process worker who add value to our primary products post farm gate.
There is a significant likelihood that these learnings however will be transferable to on farm as well.

5.0 Aims and Objectives

Originally, the key aim of this piece of work was to tie readily available resources such as books, short articles and videos together to develop tools to enable businesses and social organisations to enable better decision making at the point of challenge. However, through engaging with business managers, leaders and owners across the wider agricultural and business sector, the more pressing issue of worker engagement arose.

Worker engagement in this context is defined as the ability for an employer to connect with an employee so that a relationship is not purely a transactional time versus financial reward.

While analysing the relationship between worker engagement and the ability to engage in the decision-making process it became evident that there was close alignment between the engagement and the enablement of people in these settings.

With this in mind the aim of this piece of work is to “identify behaviours and tools to enable agricultural processors to engage the entry level roles.” The objectives for this work are;

- Understand the affect minimum wage increase has on businesses employing entry level labour
- Engage with a range of leaders who have exposure to the management of entry level labour to understand existing practises
- Develop an understanding of common themes of success and failure looks like in strong and weak workplaces
- Develop models that enable a businesses to engage through the chain of command
- Identify what tools are beneficial for different levels of leadership

6.0 Method

This report is based on a mixture of semi structured interviews and the use of easily consumable books and media such as Youtube and podcasts. The purpose was to understand a wide range of experiences and strategies and develop a picture of the current and future state of New Zealand's labour market.

Interviews were largely with CEO's, General Managers and heads of businesses largely based around their thoughts on current practises and what the future requirements are. Seven interviews were conducted across five industries. The interviews were purposely quite loosely framed to enable time to explore themes and thoughts that arose.

After the research component was completed, ideas were collated and findings developed for the five key objectives stated later in the report.

The areas focused on are as follows;

Understand the affect minimum wage increase has on businesses employing entry level labour

- The first tool in increasing productivity usually is to trade more financial reward for a better performance
- The leaver of minimum wage is not usually set by industry rather it is set through legislation. With that is mind how has the increase in wages affected the productivity of New Zealand agriculture?
- Has increasing the minimum wage increased the pool of employable candidates for businesses?

Engage with a range of leaders who have exposure to the management of entry level labour to understand existing practises

- The labour pool issue is not new, so it is important to see what business leaders have already utilised
- What is the view on automation and its relationship with low paid labour?
- How do you people are view the current labour market

Develop an understanding of common themes of success and failure in strong and weak workplaces

- New Zealanders are particularly resourceful, so it is imperative to understand existing solutions and techniques New Zealand businesses are implementing already
- Understand what knowledge can be transferred from other industries and different countries using books, short videos, and podcasts

Develop models that enable businesses to engage through the chain of command

- Through the theme gathering process we also want to understand what role the structure of the business plays
- Do different business structures effect the engagement?
- Does the size of the business create a different set of issues and how are these overcome?

Identify what tools are beneficial for different levels of leadership

- Are there any tools that can help team leads increase engagement?
- Are there any tools that can help GM / CEO's understand their team?

7.0 Literature review

In April of 2021 minimum wage increased to \$20 per hour and “overall, the increase is estimated to boost wages paid in the New Zealand economy by \$306 million a year. More than 240,000 workers will have a lift in their income. Key industries with significant numbers of affected employees include accommodation, food services and retail. Affected occupations include service, clerical and sales workers, plus machinery operators, drivers and labourers.” (Government, Minimum wage increases from 1 April 2020, 2021). This will have significant effect on all agricultural and processing enterprises. “Further complicating the work environment is that minimum wage increases continue to outstrip overall wage increases,” Eric Crampton, chief economist of the NZ Initiative. (Edmunds, 2021). This demonstrates a constant pressure that minimum wage hikes have up the pay grades. These are large unintended consequences that will increase the costs of business well in excess of the \$306 million discussed above.

Simon Sinek states “If you hire people just because they can do a job, they’ll work for your money. But if you hire people who believe what you believe, they’ll work for you with blood and sweat and tears.” (Sinek, 2017). Therefore, the emphasis on culture and well defined business values become more important to the engagement of entry level labour. Culture is defined as “the mix of your organisation’s leadership, values, traditions, beliefs, interactions, behaviours and attitudes that contribute to the emotional and relational environment of your workplace.” (Sidekicker, 2020). Once this has been achieved it allows businesses to “hire already motivated people and inspire them. People are either motivated or they are not. Unless you give motivated people something to believe in, something bigger than their job to work toward, they will motivate themselves to find a new job and you’ll be stuck with whoever’s left”. (Simon Sinek, 2017).

Once culture and clarity are defined Jocko Wilink states ‘Accountability is an important tool that a leader must utilize, however it should not be the primary tool. It be balanced with other leadership tools, such as making sure people understand the why, empowering subordinates, and trusting they will do the right thing without direct oversight because they fully understand the importance of doing so.’ (Babin, 2015). Accountability however starts with the leadership structure and people. “The most fundamental and important truths at the heart of Extreme Ownership: there are no bad teams, only bad leaders.” (Babin, 2015). Therefore it is important to maintain a high level of standards throughout the leadership chain of command and for the whole team to practice. “It’s not what you preach, it’s what you tolerate.” (Babin, 2015).

Finally, the theme of trust was evident throughout the literature. “Everyone is born with an intense drive to learn. Infants stretch their skills daily. Not just ordinary skills, but the most difficult tasks of a lifetime, like learning to walk and talk. They never decide it’s too hard or not worth the effort. Babies don’t worry about making mistakes or humiliating themselves.’ (Dweck, 2006). How then does a business foster and maintain trust in a competitive work environment. Simon Sinek states that “trust is maintained when values and beliefs are actively managed. If companies do not actively work to keep clarity, discipline and consistency in balance, then trust starts to break down. “ (Sinek, 2017)

8.0 Discussion

8.1 Understanding the affect minimum wage increase has on businesses employing low paid labour

8.1a The level of minimum wage is not usually set by industry rather it is set through legislation. With that is mind how has the increase in these wages affected the productivity of New Zealand agriculture?

Legislation usually stipulates what is considered fair play in the New Zealand wage marketplace. It can sometimes be somewhat confusing to understand the drivers of minimum wage and how it is reached. New Zealand's agricultural players have an important role in influencing how rapidly this rate changes.

Currently we see minimum wage at \$20/ hour in contrast to \$14.25 which is an increase circa 30 % over an eight-year period. There has been a consistent annual increase of between \$0.50 per hour and \$1.10 annually which demonstrates a trend that may continue (Government, Current minimum wage rates, 2021).

Table 1: Current NZ minimum wage rates

Type of minimum wage	Per hour	8 hour day	40 hour week	80 hour fortnight
Adult	\$20.00	\$160.00	\$800.00	\$1600.00
Starting-out	\$16.00	\$128.00	\$640.00	\$1280.00

(Government, Current minimum wage rates, 2021)

Table 2: Historic NZ minimum wage rates

Minimum wage rates from May 2013 to April 2020

In force from:	Adult	Starting out	Training
1 April 2020	\$18.90	\$15.12	\$15.12
1 April 2019	\$17.70	\$14.16	\$14.16
1 April 2018	\$16.50	\$13.20	\$13.20
1 April 2017	\$15.75	\$12.60	\$12.60
1 April 2016	\$15.25	\$12.20	\$12.20
1 April 2015	\$14.75	\$11.80	\$11.80
1 April 2014	\$14.25	\$11.40	\$11.40
1 May 2013 ^[4]	n/c	\$11.00	n/c

(Government, Previous minimum wage rates, 2021)

Table 3: NZ minimum wage compared to GDP

	Hourly rate	40 hour	Annual	Annual increase	Inflation	Difference
2021	\$ 20.00	\$ 800.00	\$41,600.00	5.82%	1.5%	4.32%
2020	\$ 18.90	\$ 756.00	\$39,312.00	6.78%	2.5%	4.28%
2019	\$ 17.70	\$ 708.00	\$36,816.00	7.27%	1.5%	5.77%
2018	\$ 16.50	\$ 660.00	\$34,320.00	4.76%	1.1%	3.66%
2017	\$ 15.75	\$ 630.00	\$32,760.00	3.28%	2.2%	1.08%
2016	\$ 15.25	\$ 610.00	\$31,720.00	3.39%	0.4%	2.99%
2015	\$ 14.75	\$ 590.00	\$30,680.00	3.51%	0.3%	3.21%
2014	\$ 14.25	\$ 570.00	\$29,640.00		1.5%	

(Zealand, 2021)

In Table 3 above we notice how quickly the increase in minimum wage is out stripping the growth in New Zealand GDP. It is concerning that there is significant continual discrepancy in the value of wages and the overall wealth created by the country. This demonstrates there is no correlation between increasing minimum wage and employees bring more value to their roles, causing the need for businesses to focus on how they enable their teams to be more effective and gain more value (Zealand, 2021).

8.1b Has increasing the minimum wage increased the pool of employable candidates for businesses?

It is extremely hard to quantify the available pool of candidates at any one time. While there has been a reasonably steady increase in the volume and percentage unemployed people in New Zealand for a sustained period, the key area of unemployment statistics is the active job seeker bracket which are people of fit state that are available to work. The below figures identify what the Ministry of Social Development are reporting as the current unemployed or people eligible for employment, confirming that there is no correlation that increasing minimum wage and a decrease in unemployment.

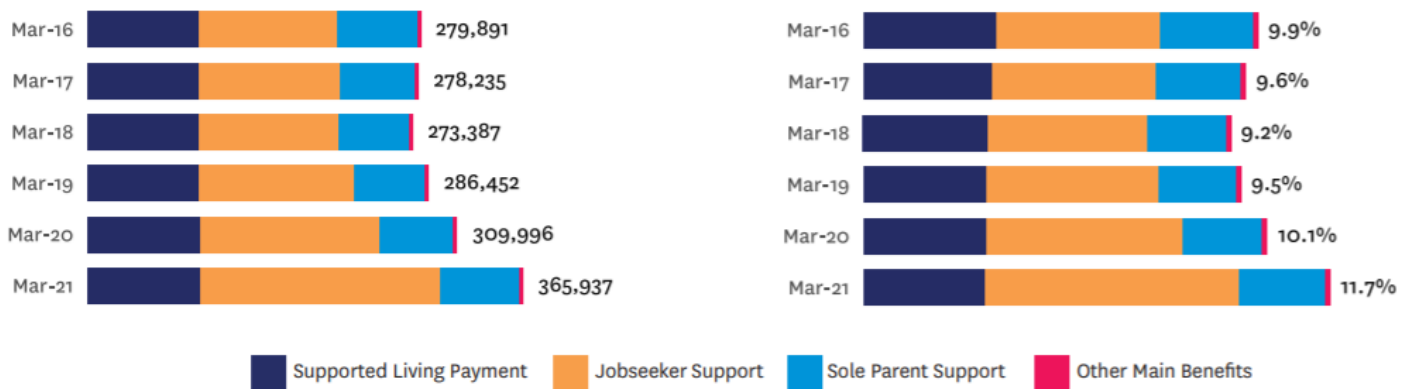


Figure 2: Number of working-age people and proportion of the working-age population receiving main benefits, at the end of the last six March quarters (Development, 2021)

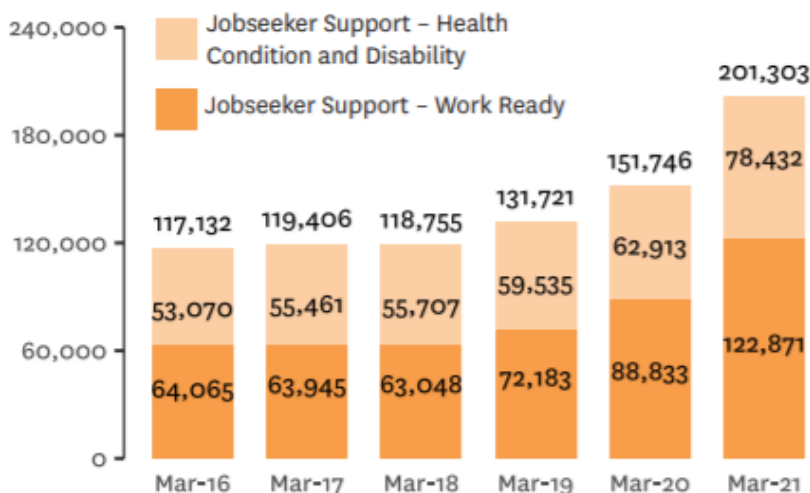


Figure 3: Figure of working-age people receiving Jobseeker Support by sub category, at the end of the last six March quarters (Development, 2021)

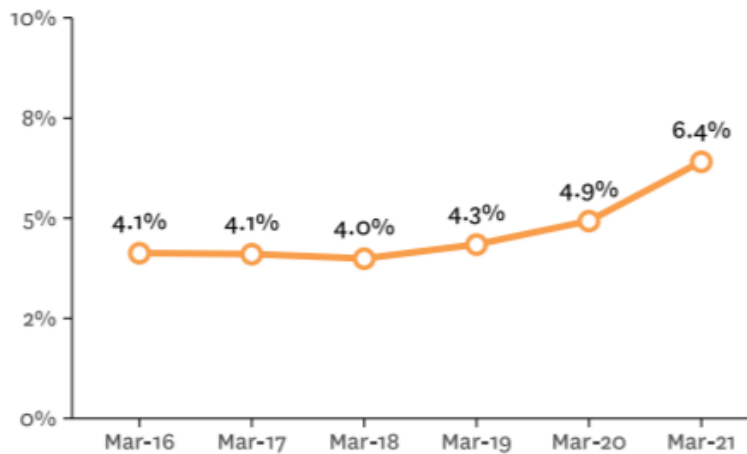


Figure 4: Proportion of working-age population receiving Jobseeker Support, at the end of the last six March quarters (Development, 2021)

Data from the Ministry of Social Development suggest the pool of people on the work seeker benefit has been increasing consistently over the last three years from 4% of the overall population available for work to 6.4% to March 2021 (Figure 5).

Over the same period minimum wage has increased from \$16.50 to \$20.00 per hour which demonstrates there is no correlation between minimum wage increasing and a lower unemployment rate in New Zealand.

The number of people receiving support on the jobseeker benefit has increased by more than 8% year on year for the last three years which would demonstrate a directly inverse response to the largest increases of minimum wage over the same period.

8.1c The first tool in increasing productivity often is to look to trade more financial reward for a better performance.

After discussions with the group of business leaders there was a common consensus that remuneration was seen as a key motivator for productivity. However there were several different views on how financial rewards can be best used to maximum effect. The first and most common strategy was an increased wage per hour from the outset. This is achieved by paying above minimum wage and/or the local average rate for that type of work. The purpose of this was to increase the volume of applicants, to ensure consistent supply of workers and hopefully with this increased pool

of supply you have the ability to employ better suited people for the business. The cost to doing this is could be up to 20% above the current minimum wage putting significant pressure on labour costs of businesses.

The second technique is tenure-based pay. This the practise of increased wage related to the time the employee has served in their role or at the business. This technique looks to reward long term commitment to a job or enterprise with the business reflecting the increased value a long serving member of the team brings through lower training requirements and usually reflects increased output created through expertise gained from having time in the role. Through observations the time frames for pay incentive increases varied depending on the role and business. These increases we typically smaller and more frequent in order to keep people engaged.

Finally, it was observed an hourly rate incentivised by a productivity bonus. These were used to great effect in small teams or where a person's input can be directly measured by clear KPI's. In a pack house environment or where there are significantly more variables (product quality, machinery, or the reliance on others) this tool is a little more complicated.

All three techniques are focused on remuneration as a key factor in motivating engagement and longevity. There are significant positives and negatives to each approach that needs to be considered as is the potential for significant unintended consequences.

8.1d Findings

As minimum wage increases there is an increasing pool of employable candidates (Development, 2021) while the feeling from employers in the market suggest a shortage of willing participants. The common theme from the above information is there is little to no correlation between increases in minimum wage and the more New Zealanders adding value to New Zealand businesses. It is also noted that there are significant attempts by producers to pay over minimum wage to entice people into employment. Therefore, the opportunity must lie in understanding what supplementary tools we can wrap around market leading pay programmes to ensure as employers we can engage the increasing population of 'work ready' job seekers.

8.2 Engage with a range of leaders that have exposure to the management of entry level labour to understand existing practices

8.2a. The labour pool issue is not a new one, so it is important to see what business leaders have already implemented.

As previously discussed there has always been a large reliance on entry paid labour in agriculture. Identified in the above section, the pool of available labour is not decreasing but rather there is less interest in taking up work in all sectors. A cross section of businesses have identified a number of different techniques used to try and offer an alternative mechanism to attract and keep employees.

The three main techniques are loyalty rewards, clarity and wrap around services.

‘Loyalty rewards’ can be defined as any non-monetary rewards that are offered in a structured format. Examples of this are a day off on your birthday, long service leave and increased leave allocation or recognition. The desired outcome from these actions is to demonstrate an understanding of what individuals sacrifice to the business and reciprocal display of appreciation from the employer.

‘Clarity’ in this respect, is a technique whereby the employer works hard to clearly articulate the role the employee is undertaking and how that role effects the overall outcome of the business. Usually this looks like a strongly positioned purpose and then defined values and behaviours that are expected to be seen by everybody in the team.

‘Wrap around services’ are what extra value an employer can bring to a relationship by way of support. Instances of this include, but are not limited to counselling services, financial literacy classes, physical health programs and gym memberships. Whilst there is a cost associated with these, they are not classed as remuneration but rather a way an employer can add specific value to an employee’s situation with targeted help.

While these three areas have been defined, they are not mutually exclusive of one another and usually there is a mixture of these offered in a modern work environment. It is important to note that while interviewing the business operators these offerings were made because they cared about the outcomes of their employees on a person to person basis rather than a lever to increase output.

8.2b What is the view on automation and its relationship with entry level labour?

When there is a stress or a pain point in any sector of a business the natural approach is to take a wide view on a solution. Automation has long been touted the future of a lot of processing jobs and with an increase in the challenges and costs associated with labour it is prudent to understand the thought patterns that decision makers are making when it comes this decision.

A common theme throughout the discussions with leaders was more around the role automation plays from a high level of execution rather than a like for like replacement for staff. The second consideration was around the need then to find higher level workers in the operator level when automation is implemented which according to some businesses is as equally challenging as finding and engaging entry level workers.

As with most major decisions there are multiple factors associated with making an automation decision. The first being cost versus benefit, the second is perceived value and the third is implementation.

'Cost versus benefit' is not a straight trade off with labour costs as there are many factors in calculating the true and ongoing costs associated with automation. As discussed above this complication is compounded further when considering automation that may open other opportunities that current human limitations do not allow. Benefits of automation could include a payback period less than the life of the equipment, lower reliance on labour numbers and likely a more uniform result due to the removal of human error and interpretation. Costs could be the wage and training costs of skilled operators, unknown unintended consequences, large capital outlay and the risks of machine malfunction.

'Perceived value' is extremely hard to calculate when you are implementing new technology in the current marketplace. With New Zealand's relatively small processing sector there is not a huge amount of development held on shore with the large majority of processing technology imported. The risks associated include the tool not operating as expected, not achieving the efficiencies expected and many more. There are perceived risks and values that are calculated alongside a cost versus benefit analysis and because these cannot all be easily quantified it makes the decisions regarding investing and implementing far more emotive.

'Implementation', the factor of will or will it not work in the intended environment is always a major consideration. The unknown is always a risk and businesses tend to have their own risk profiling that will dictate the level of uncertainty of implementation they are willing to take on. There are many

factors that influence this decision, and they include the availability of experts, track record of support delivery and businesses history of similar investments.

To summarise, each business had similar drivers about the place of automation, however, they had vastly different decision-making metrics that need to be met to trigger the investment.

8.2c Understand how these people are viewing the current labour market

As outlined earlier, there is a common theme throughout the interviews, that there is a significant shortage of people who have a desire for employment in the entry level wage bracket. There are two areas that this labour falls into.

‘Seasonal’ workers are considered to be involved in a business for a fixed term contract usually over the busy period of business. Usually associated with an annual crop like kiwifruit and apple picking. Historically this role has been largely filled from imported labour, either working tourists or people specifically employed to work over that period.

‘Non seasonal’ workers are involved in businesses with a more consistent workflow. These work in industry with a far flatter production curve and the roles are usually fulfilled by long term Visa holders or New Zealand residents.

The comments made by the interviewees is that travel and visa restrictions have meant that the pool for seasonal workers has been greatly depleted in comparison to other years. This has meant there has been a proportional decrease of motivated people in the market for jobs. With both seasonal and non-seasonal enterprises competing for a small pool of candidates, this has caused a shortage of labour. An easing of boarder restrictions would likely see an increase in the labour pool but would not fully adjust the shortage that is currently felt.

8.2d Findings

There was a sentiment shared across the leaders that they genuinely cared about achieving better outcomes for their staff. Interestingly the parties have focused on delivering value back to their employees through non-financial rewards, offering clarity and wrapping supporting services around them. There were several reasons the businesses saw value in implementing these actions. The view on the current employment pool was there is an under supply of motivated people to bring into

businesses. When it comes automation is not the first port of call when the labour market gets tight as there are a number of considerations that need to be achieved before automation is a viable proposition in any business.

8.3 Develop an understanding of common themes of what success and failure looks like in strong or weak workplace

Note: The majority of people interviewed were working in large family businesses. These however ranged from second generation through to fourth generation family businesses. Only one interviewee was in a listed corporate business with little connection to the founding member.

8.3a New Zealanders are particularly resourceful, so it is imperative to understand existing solutions and technique New Zealand businesses are implementing already

The three common themes throughout were extremely obvious, however not usually mentioned in the same order. These were standards, family respect and clarity.

‘Standards’- all participants agreed that a valuable technique to ensuring expectations are met was ensuring there was a clear demonstration between desired behaviours and non-desired behaviours. One person interviewed suggested that “the standard you walk past is the standard you accept” which demonstrated simply that standards are a great tool in identifying success and failure, but only when they are achieved consistently. The use of accountability also allows all people in the business to understand the expectations and desired action, giving greater clarity.

‘Family respect’- interestingly this theme also appeared when talking with the publicly listed business. While it was defined a number of different ways, the core takeaway is that all parties regardless of rank or position in the business are treated with equal respect, care and consideration. There was the acknowledgement that sometimes families disagree and that is acceptable but ultimately if you are in those businesses that care, you will be treated accordingly.

‘Clarity’- on the surface of the interviews there appeared to be significantly varying techniques used to address this situation. All businesses either had or were in the process of documenting their vision and or purpose as well as having strong values. It is imperative to note that there was not a common way in which these purposes and values were portrayed. There was expressed concern that simply articulating the businesses strategic or operational intent was not acceptable, but all layers of the organisation needed to live by the standards.

8.3b Understand what knowledge can be transferred from other industries and different countries

Through the reading of popular management books listed below there were strong connections across three key areas. Care, clarity and accountability continually reoccurred in all of the literature that was read in understanding international learnings.

‘Care’ – the ability to interact or connect with people was a constant theme throughout the views of the authors studied. More importantly it was meaningful interactions up and down the chain that allowed for staff to feel connected. Simon Sinek often talks in his book *Leaders Eat Last* and presentations around the “circle of safety” (Sinek, 2017) about how care and demonstration of protection allows for a higher engaged team. The basic premise is if a leader can remove external threats or counterproductive disruptions, the employees or team members can focus internally achieving their objective rather than worrying about external non-productive distractions.

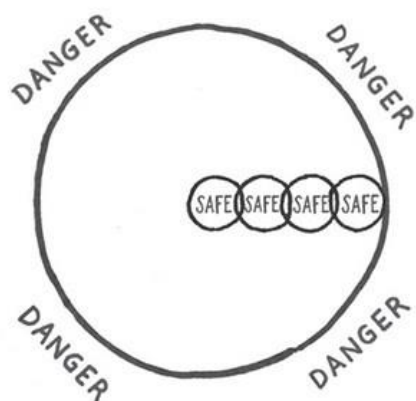


Figure 5: Simon Sinek's 'Circle of safety" (Sinek, 2017)

This is further expanded upon in the writings and podcasts of Jocko Willink and Leif Babin. In *Extreme Ownership*, (Babin, 2015) Jocko Willink recounts an example of where taking personal ownership of a significant team failure allowed Jocko's platoon to focus on improving future outcomes from their missions.

‘Clarity’-is often discussed in two parts, clarity of the role and clarity of how a person's contribution effects the outcome for the business. In a large organisation the two forms of clarity come from two

different management levels. Clarity of role at low wage level comes usually from a very operational focus point. This clarity is usually assisted with the support of well drafted standard operating procedures, measurable key performance indicators and clear metrics for success. There are significantly more challenges on clearly articulating how the operational input is assisting with the business meeting its objectives. However the common theme throughout the readings were that when operational clarity and strategic clarity align it allows connections to be made by the employees to understand how their inputs are assisting the business to achieve the strategic intent. Simon Sinek suggests that ‘for those who hold a leadership position, creating an environment in which people in your charge feel like they are a part of something bigger than themselves is your responsibility’. (Simon Sinek, 2017). By creating that clarity, you are allowing people to become part of your business and moving away from trading labour for money.

‘Accountability’-once operational clarity has been gained, accountability can be used to ensure a business is practising what has been preached and allowing for standards and examples to be set. Interestingly throughout the work of Leif Babin and Jocko Willink they often refer to superior military units as being “squared away” (Babin, 2015) which implies the adoption of high standards, personal pride and unit pride. It’s also discussed that accountability usually starts with the management team demonstrating a high level of competency and adherence to the strategic and operational clarity and then enforcing this respectfully and with balance throughout the team.

8.3c Findings

It was interesting that the businesses interviewed, and readings studied both identified their clear techniques.

Businesses interviewed	Readings studied
Standards	Care
Family Respect	Clarity
Clarity	Accountability

Figure 6: Common themes in business interviewed and readings studied

It is evident that there is a common theme between values businesses are currently implementing and common themes demonstrated in the readings. The issue however lies on the ability for employers to deliver these techniques in equal measure to create a highly engaged work place. For the purpose of this study these key points will be refined to accountability, clarity and care.

8.4 Develop models that enable businesses to engage through the chain of command

8.4a Through the theme gathering process we also want to understand what role the structure of the business plays.

The business models of the people interviewed were all of varying scale. However their business models followed the basic structure below,

Level 1 TEAM MEMBER

Level 2 TEAM LEAD

Level 3 MANAGER

Level 4 AREA LEAD

Level 5 CEO/ GM

While the team member section has been discussed at length it became apparent that the implementation and greatest influences on team member engagements are at the interactions between levels 2 and 3 and the team members.

'Level 2'- the team leader has often been appointed because they excelled in a team member role. In many situations they were described as subject matter experts that understood the requirements to operationally perform a role. The issue with this is that that person may be no longer required manually to do those roles when they move to level 2 but rather enable others to perform to a standard that has been identified. As these team leads spend the bulk of their time interacting and enabling team members, and therefore need to be able to articulate and relate how to do the job and why it is important.

'Level 3' – manager of team leads. This role is usually fulfilled by a member of the team leader group that has been identified as demonstrating the ability to manage an operational team and has likely demonstrated some capacity in tactical thinking. Their role usually revolves around managing the delivery of the business objectives through operational performance. They are also responsible for monitoring the performance of each of the operational teams and therefore the delivery of the team leaders' performance.

It is clear that these two tiers of leadership have the biggest ability to influence the engagement of the team members yet usually their natural core skill set is based around them doing a specific role and not the enablement of individuals in their team.

8.4b Does the different structure of businesses effect the engagement?

There was very little variance in the team's structure across the businesses looked at. The major variation was the number of direct reports each team lead had. There was significant variance in these numbers. The biggest observation was the numbers varied largely based on the role type and the capacity and performance of the team leader.

The businesses interviewed all had multiple levels of management and significant staff numbers, thus the structures were somewhat more defined. From observations in the past, smaller enterprises have had one person actioning all five all the five levels of the business. For instance in a lot of family farming operations the owner of the farm business is responsible for the strategic direction of the business, delivery of the objectives to the team and then assisting and participating in the delivery of the objectives. For example, a dairy farming enterprise structure may have one person responsible for the farm purchase, negotiating finances, entering into supply contracts, feed and stock management and finally milking the cows with a very small team. The smaller enterprise has a far clearer avenue for directions to flow through but it ultimately it comes down to upper management's ability to articulate and communicate the message to the team members.

8.4c. Does the size of the business create a different set of issues and how is this overcome?

As a business increases in size the distance between the strategic decision makers and operational implementers expands and there is going to be some unintended consequences of this. Considering the three engagement techniques are accountability, clarity and care there is a potential that some discrepancy may occur across the chain of command.

'Accountability'- as a business grows more levels of management are appointed. Subsequently the role of responsibility and delivery can sometimes get confused. It is imperative that accountability and standards are clearly defined at each level to ensure the business upholds its expectation.

'Clarity'- much like the game "whispers" as the layers of staff increase there is the potential for communication both up and down the chain of command to become mixed. Simply as a business

grows the distance between the strategic arm and implementing arm increases and in the absence of clarity there is more chance of ambiguity and non-delivery.

'Care' - as Dunbar's number suggests a person can only maintain roughly 150 meaningful relationships at any one time (Mac Carron, 2016). Considering the size of most of the agricultural processing businesses it is impossible for everyone to have a meaningful relationship with everyone. It is therefore significantly more important to have quality relationships with the people directly above and below you on the leadership structure.. This needs to be the case across all the leadership levels so that care is demonstrated to each person in the business.

8.4d Findings

The role or structure of the team plays a significantly vital part in ability to engage the team. The key reasons for this are simple.

1. The team leads have the greatest influence over team members engagement
2. Clear structures allow for responsibilities to be defined and therefore accountability can be gained

Team leads have the most available time and resource to influence people directly in their team. This means the team lead has the greatest opportunity to demonstrate the values and standards of the business. Yet the people usually employed into these roles are usually very operationally savvy but may not have developed the skills to effectively engage with team members.

It is important as businesses grow that they acknowledge the risks that increased levels of management create. The risk can be mitigated through a concerted focus on defining accountability, increasing clarity and accepting that everybody in the business needs to demonstrate care.

8.5 Identify what tools are beneficial for different levels of leadership

8.5a. Are there any tools that can help team leads increase engagement?

The 'circle of safety' (Sinek, 2017) is an effective tool at demonstrating the importance of the three key behaviours of engagement accountability, clarity and care.

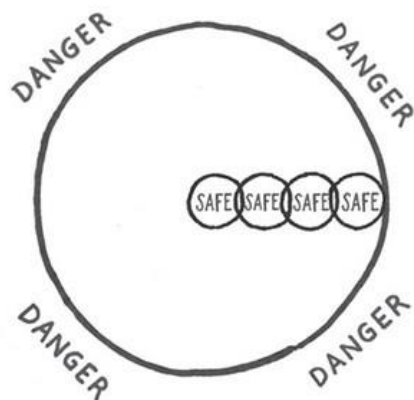


Figure 7: Simon Sinek's "Circle of safety"

In short, the concept is that as a business or business unit, you have the ability to affect the environment inside the circle. The circle demonstrates a team, a sector, or your whole business unit and how any internal conflict will absorb resource that could be used in attacking outside dangers or opportunities.

The premise is that as humans we work best when we are in an environment that allows us to focus on the task at hand. So if we have a lack of clarity or some members of a team are not performing to our standards our view becomes more internally focused we start to concentrate on neutralising threats within our team and this in turn restricts our ability to deal with external threats and opportunity.

Success for any business will be directly proportional to its ability to tackle external threats better than its competitor. Whether that be through productivity, innovation or creation of new industries, it is 100% reliant on people in the business being able to spend as much time look up and out rather than dealing in ambiguity, confusion and fear.

8.5b Are there any tools that can help GM / CEO's understand their team?

Through conversations held and the research presented it is clear that sometimes the appointment of levels 2 and 3 managers are based on their ability to perform the operational task thus gaining a promotion to the next level.

As described in the section above the structure of the any businesses leadership model is based on the nature and need of the business. Each level of management will have differing expectations depending these. The issue in delivering on this structure lies in identifying what skill set will help deliver the three key behaviours at each level when building a team. Through questioning, a picture was gathered around the natural skills that leaders demonstrated and at what relative scarcity they were presented to the businesses. Below is a model developed from the held and is a useful tool when looking to employ people in team leader positions.

Skill Scarcity model

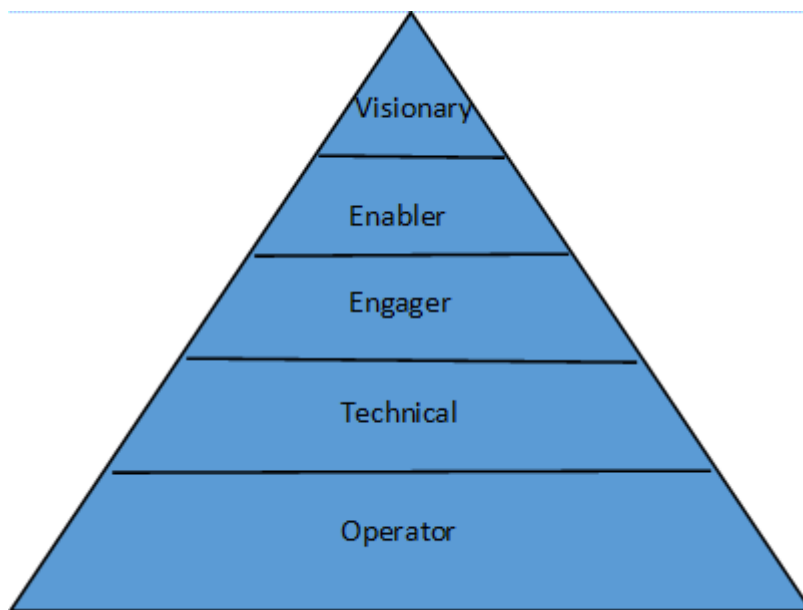


Figure 8: Skill scarcity model Kieran McHugh, 2021

This model looks to simplify skills. Most people will have a mixture of the skills but it is likely that they have one maybe two very strong skill sets that dominate the way they interact with people. Under almost all situations people will resort to these skill sets when dealing with teams so this tool is designed to ensure when appointing a new team lead, the skills of the person match the requirement of the role and the people they are leading.

Visionary- usually a skill that sits at the highest level of the business that looks for opportunities and has a very strong up and out view. These people likely have a drive to see things progress and they get energy from solving for solutions and growth.

Enabler- individuals are able to take a vision and wrap context around it, develop strategies around the ability to deliver the vision or the direction of the business. It is likely that these people find satisfaction in joining the dots and allowing others to work to their potential.

Engager- the ability to coordinate people and resource to implement the strategy of the business. Their ability to translate a view and a solution into deliverable action allows businesses to achieve their ambitions set by the business. These people usually have great interactive skills, understand how to motivate, and listen to people.

Technical- have the detailed knowledge and expertise in a specific skill set. These are extremely important to a business. Whether it relates to machinery operations, engineering or accounting, the expertise required to operate at a high level is dependent on the technical skills the team can provide.

Operator- the ability to manually get a job done is vital to getting the business strategy implemented. The operator role is effectively to implement the operational strategy of the business to ensure objectives are met.

8.5c Findings

For a team to operate at a high level they must be able to focus on achieving their core objectives. They need to be offered accountability, clarity, and care to ensure that any internal confusion and distraction is removed. The “Circle of Safety” (Sinek, 2017) demonstrates the value of a well-constructed team where they focus resources and energy to the external opportunities and it is the responsibility of the team leader and further up the chain of command to ensure this environment exists.

Coupled with the Circle of Safety (Sinek, 2017), the Skill Scarcity model captures the different skills that are required across a business and it is the responsibility of the leadership group to determine what key skills they need to enable a team to operate. Is it essential to have an expert level operator leading an operations team? Or would a person of that skill set hinder the development of a higher performing team? It would appear someone who has the ability to engage with people and clearly

articulate the objective, hold the team's standards to account and care about the people they are leading would have better success.

However, people with these engagement skills are somewhat scarce and this causes a lack of supply to the labour market. This means good team leaders are not readily available in the marketplace. The challenge for businesses is how they train these people to create a great team environment that lower the churn of the low wage earners.

9.0 Conclusion

Most production businesses are facing the same issues when it comes to availability of low wage workers. The quality and quantity of people that are wanting to work appears to be decreasing and under current political and environmental factors the access to the overseas migrant or working holiday labour is not going likely to increase. The solution must lie in how businesses motivate the 122,871 people on the Work Ready Job Seeker Benefit (Development, 2021) to first experience working in their businesses and then want to remain in their employment.

The turnover of people must be of primary concern. The less people that leave your business the less people you have to replace. Of course, there is going to be people that naturally move out of your business but if you can offer a better alternative than what is currently available then you are in a better starting position.

There are many novel solutions to get people to enter your business, through paying above market, incentivising current employees to bring friends and family in, working with iwi and communities and working with the local WINZ office. The success is in maintaining employment with the desirable candidates and lifting the capability of the less desirable.

The question then turns to how businesses create an environment where they have the competitive advantage in the workforce market.

It was clear through the research and conversations with businesses that there are three key behaviours. Accountability, clarity, and care were important for a team to be highly functioning. If the team is high functioning, the individuals are functioning highly thus offering more job satisfaction to the individual offering less cause for them to leave.

Businesses interviewed	Readings studied
Standards	Care
Family Respect	Clarity
Clarity	Accountability

Figure 9: Comparison of key behaviours between the businesses interviewed and readings studied

Accountability- this behaviour resonated across all businesses and literature. If people are not clear on what success looks like they tend to deviate from the path. Responsibility to achieve a prescribed outcome also gives a person purpose to which they can strive and derive satisfaction from once having achieved it.

Clarity- having clearly stated objectives and performance measures enables teams to focus on a common goal and execution. Clarity must also go on beyond the clarity of one's role. The clarity must extend to why their role is important in the overall sense of the business and how their input effects the success of other areas.

Care- creates connection. A team with a high level of care will perform over and above for the people they care about. This care starts from up the chain, where regardless of standing, ethnicity, sex or religion everybody is treated with the same level of respect. Care is not pandering or letting people get away with things, rather it is looking out for the person's interests, being honest and constructive.

When these three behaviours interact, an environment is formed where the team can concentrate on executing their core business role and also expand beyond that and develop into a high performing team as described in Simon Sinek's book *Leaders Eat Last* (Sinek, 2017) . This environment is crucial to keeping people in the business once they are employed.

To ensure the environment of any team is being nurtured it must be lead and exemplified by people who have charge over the day to day running of these groups. Thus, it is extremely important that the people who have the responsibility of offering accountability, clarity and care have the right skills and motivations to create this environment. As discussed, entry level management positions are usually filled by people who were successful operators or proficient at the technical side of the team they will manage. While a working knowledge of the inputs and role of the team are extremely important to execute training and problem solving, it is of greater importance to get team buy in and longevity.

10. Recommendation and next steps

There are three ways enterprises can improve the capabilities of the entry level leaders.

Understanding Skill Set- it is imperative that the skill set of the entry level leader is identified. Using the Skill Set Model a manager can identify skills and gaps early in the leadership journey of an entry level manager and training and up skilling can be put in place to assist the team leaders. The ability for a business to develop its team leaders will give it a comparative advantage in the market place on lowering staff turnover and having higher performing teams.

Training and support- for most entry level managers this will be their first foray into people management. It is fair to expect that they will have significant gaps in enabling their team and it is the responsibility of higher management to ensure that support and upskilling is provided so the team leader can develop the soft skills required to build the team culture.

Environment- just like it is reasonable to expect that the team leader is incubating the right environment for the low wage worker team, it is imperative that they are offered the same respect themselves. Again, like the operational teams the team leaders require accountability, clarity, and care from their management team.

With a focus on upskilling the team leaders and empowering them to lead their teams with accountability, clarity and care there will be a significant reduction in staff turnover. This will help capitalise on the novel way's businesses are already implementing to get entry level workers to become part of their business.

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12.0 Appendices

Semi Structured interview questions directed at CEO/ General manager level:

1. How well defined are your business values/ objects to your team?
 - a. Purpose- to understand the perceived importance of these objectives/ values?
2. What is the purpose of low worker turnover?
 - a. Is longevity in a business a desired trait and why?
3. What are the three most desired behavioural traits from manual agricultural workers?
 - a. Understand what are the most sought-after traits
How do you measure these traits?
4. What are your current mechanisms for attracting new recruits?
 - a. Current situation
5. Rate the effectiveness of your current mechanisms?
 - a. Are the appropriate
6. Are there discrepancies in behaviours in different management teams you oversee?
 - a. Understand the variability within teams given the same strategic oversight
7. What are the key factors for the above variation?
 - a. Identify key differences
8. What value do you put on financial reward vs recognition?
 - a. Gain understanding of the reward process
9. Is there head room in your business's cost structure for continual increases to entry level wages?
 - a. Are minimum wage increases viable in the long term?
 - b. Are you seeing quantifiable increases in productivity as minimum wage increases?