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RURAL LEADERSHIP
PROGRAMME



Utilising transformational leadership to
increase team performance: A dairy farming
perspective

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Executive Summary

Leadership is a widely researched and analysed phenomena. Done well or poorly, it affects team members, their performance and business outcomes on many levels. Leadership theory has developed over time from a focus on the characteristics of the leader to a new perspective which highlights the relationship between leader and follower. Having formally considered the charisma and personality of the leader paramount, theory has moved to consider the ways in which the leader-follower relationship can be strengthened and can affect team performance as a whole. Transformational leadership is an engaging, inspiring and motivational style of leadership, which can be applied with success on a dairy farm, affecting team members, leaders, daily operation, business outcomes and the wider industry as a whole.

This paper conducts a literature review and a survey of leaders on dairy farms to consider the application of transformational leadership on farm. A model of leadership developed by Kouzes and Posner (2012) is considered in particular and found to be practical, effective and worth on-farm leaders engaging with. 54 on-farm leaders completed the 17-question survey, which broadly suggested that respondents recognise the importance of their leadership on their people and performance. Survey results also suggest that confidence in leading effectively could be improved and that while respondents understood the importance of key transformational approaches and tools, their use and application of them on-farm could be strengthened.

Respondents also highlight particular areas of challenge for leadership on dairy farms, which are addressed in this paper. Recommendations are also made for individual leaders and for the wider industry as a whole.

Introduction

Leadership on a dairy farm encapsulates many aspects of farm life; driving the financial goals of the business, meeting and maintaining health and safety responsibilities, adhering to animal health best practice expectations and taking an active and responsible approach to the environmental impact of dairying. Staff members are integral to the day to day running of a dairy farm and therefore to the business goals and success. Team members that are motivated and satisfied in their work are going to offer employers more in terms of efficiency, integrity and team performance.

It is therefore vital that leaders on farm consider and work on their people leadership skills. It makes sense for their business and for the dairy industry in New Zealand as a whole. This project looks at how leadership theories have developed and in particular considers the difference between a transactional and a transformational leadership style. A model for the relationship between transformational leadership and team performance is considered and analysed. A further model for practically applying transformational leadership on farm is also reviewed.

In addition to a literature review, this project draws on data collected via a 17 question survey, completed by on-farm leaders in the dairy industry. The confidential survey was sent out to a pool of dairy farm owners, share/contract milkers and farm managers (See Appendix A). 54 farm leaders completed it; 27 farm owners, 24 share/contract milkers and 6 farm managers. The survey was administered through Survey Monkey, an online survey platform. Survey Monkey offers various means by which to summarise the data (eg. Pie charts, graphs etc.) and offers a means by which to

identify trends within the data. Both tools were used in analysing the data from the survey. While the view of 54 respondents does not offer a comprehensive understanding of the views of those in leadership positions within the industry, it offers an insight. Questions were structured to cover aspects of each of the four Is of a transformational leadership approach, with additional questions covering team performance and dairy industry specific questions. Results are discussed in light of transformational leadership theory. Dairy-industry specific issues are discussed and recommendations are made.

A history of Leadership theories

Leadership has long been widely researched and considered within organisational and management studies, becoming significantly theorised in the early 20th Century. As outlined below leadership theories have evolved over time from those that focus on the traits and characteristics of the leader, to those that focus on the follower or the follower-leader relationship.

Trait theories essentially posit that only individuals who possess a certain combination of personality traits are capable of becoming great leaders. Traits considered pertinent to effective leadership from a Trait theory perspective include persistence in pursuit of goals, drive and responsibility for tasks, self-confidence, the capacity to structure social interaction systems to the purpose at hand and the readiness to tolerate frustration, delay and interpersonal stress (Stogdill, 1974).

Unsurprisingly, charisma was also identified during this period, as a highly desirable quality in a leader (House, 1976). The fact that leadership research has shifted its focus over time exclusively from leader behaviour and personality does not preclude a current day belief that those with a charismatic personality are naturally more able to lead with success. However, modern day theory supports the notion that factors other than personality can positively affect any individual's ability to strengthen their leadership prowess and deliver positive results.

Participative Leadership Theory saw the dawning of a shift in leadership research. Likert (1967) developed a scale of leadership styles, which examined the degree to which leaders involve, are aware of and show genuine interest in their subordinates and their ideas or needs. A similar scale was also developed by Yukl (1971).

Leader-Member Exchange Theory further develops the concept of the relationship between leader and subordinate and its impact. Various organisational behavioural scientists developed the thinking that better quality exchanges between leaders and followers led to outcomes such as reduced employee turnover, increased participation, better organisational commitment and more positive job attitudes (Graen and Uhl-Bien, 1995).

Further theories developed, all emphasising the leader-follower relationship. Hersey and Blanchard (1976) developed Situational Leadership Theory, in which leaders adopt the style of leadership which best fits the developmental level and needs of the follower. Evans (1970) and House (1971) developed the Path-Goal Theory of leadership and Servant Leadership as a style was proposed by Greenleaf (1977).

Path-Goal Theory is built upon the assumption that followers are motivated in the workplace if they believe their work will result in a certain reward or positive outcome for themselves that is in their

eyes worthwhile (Evans, 1970). This forms the basis of theories of leadership which can be classed as transactional in nature.

Transactional vs. Transformational leadership

Transactional leadership is a style which sits at the opposite end of the spectrum to Transformational leadership, on which this paper focusses. It is therefore worthwhile exploring the facets of transactional leadership and the ways in which transactional leaders seek to lead individuals and teams.

Leaders who adopt a transactional approach to their role work within established goals, structures and processes of an organisation. The approach is largely one of management, as opposed to leadership. Transactional leaders tend to be action-focused and directive, adopt a passive approach and are focussed on maintaining the status-quo (Hackman et al., 2009). Two major attributes outline transactional leadership; contingent reward and management by exception (Hackman et al., 2009). The former seeks to reward effort and recognises performance in followers or employees, while management by exception involves stepping in when performance is not acceptable and provides remedial action to improve it. This basic reward and punishment system underpins a transactional approach and generally maintains the motivation of followers or employees in the short-term only.

A transactional approach should not be seen entirely in a negative light; there are situations in which it would be a prudent and effective approach to adopt. Namely, it is most effective in a crisis or emergency situation (Odumeru and Ogbonna, 2013) or where projects need to be carried out in a specific manner. For example, it would be appropriate to use elements of a transactional approach on a dairy farm during calving. A directive approach would suit a leader who needs to manage a number of vital tasks across the day, day after day when the physical demands of the job are at their highest and staff can become fatigued. Other elements of transactional leadership work for coaches of sports teams, who motivate team members with the promise of a reward; the win. Bill Gates is known as a highly successful transactional leader, having high expectations of his staff and employing a reward-punishment style of motivation

By far the most widely considered and researched leadership theory since the 1980s is that of Transformational Leadership. Initially expounded by Burns (1978) and further developed by Bass (1985), transformational leadership is proactive and focussed on motivating and delivering organisational change, whereas transactional leaders are responsive (Odumeru and Ogbonna, 2013). Where transactional leaders seek to maintain the status quo and do so by thinking inside the box, transformational leaders think very much outside the box and continually seek to push the boundaries and expand both the organisation and its employees (Bass, 1985).

The four Is of Transformational leadership

Burns (1978) first understood transformational leadership as a model in which leaders and followers equally raise one another to heightened levels of motivation and morality. Bass (1985) went on to further this theory by outlining four components of this leadership style, referred to as the four I's. Those who employ a transformational leadership style demonstrate Idealised influence and Inspirational motivation, give Individualised consideration and emphasise Intellectual stimulation.

Idealised influence refers to a leader as being a role model; someone who walks the talk, is respected, looked up to and admired. S/he has an authentic interest in the organisation, its goals and vision. These leaders garner trust amongst their people. Transformational leaders possess Inspirational motivation; they can easily motivate followers to buy into and work towards an organisational vision. Unlike transactional leaders, these leaders are able to motivate followers to reach for success beyond that which may be self-serving or rooted in self-interest (Bass, 1999). This is achieved by ensuring clarity around the organisational vision and goals for the future, supporting staff to recognise their place and role in meeting those goals, rather than being satisfied with maintaining current processes and aims.

Giving individualised consideration to followers is a powerful aspect of transformational leadership. This is done with genuine concern and interest for each employee’s needs and feelings. Leaders bring out the best in their staff through focussed and individual attention, developing individual potential. This approach supports the development of trust between leaders and staff members, by allowing the latter to feel valued, validated and capable of what is expected of them.

Leaders motivate and challenge their followers to be more innovative and creative and to ultimately perform at higher levels. The transformational leader encourages followers to challenge assumptions and to look at situations or problems from new angles and perspectives. Transformational leaders focus their attention on growing their people and their organisation. Each of the four Is is of equal importance, in terms of developing a successful transformational leadership style.

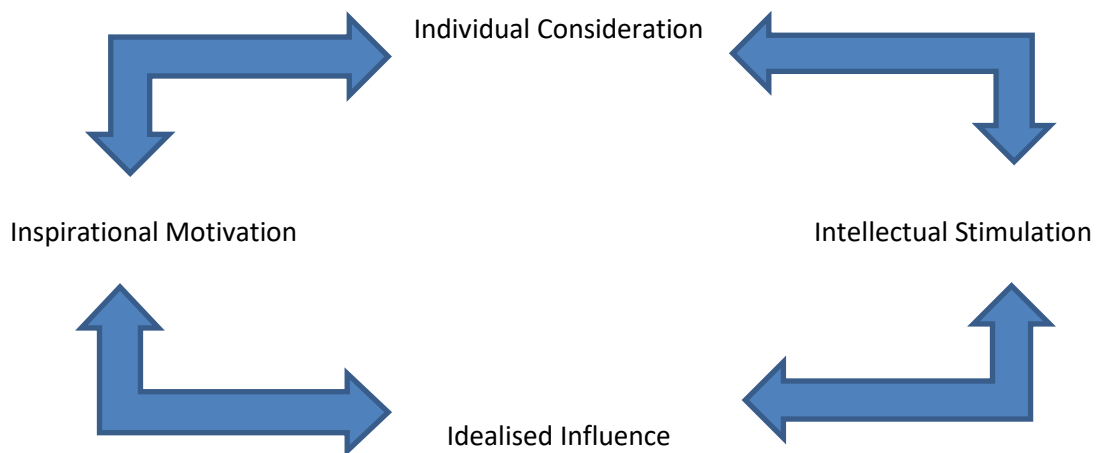


Figure 1. The Four Is of Transformational Leadership, Bass (1985)

Beyond the four Is

The four Is are not the end of the road in terms of leadership research and theories, though it has formed the foundation of much of the current day research and theoretical opinion. Most notably, Kouzes and Posner (2012) have dedicated over 30 years of empirical research to developing their model, which is very much rooted in transformational leadership theory. They suggest a model of five leadership practices, which can enable leaders to move from the ordinary to the extraordinary in terms of leadership style, behaviour and results. The titles of these practices clearly align with their

theoretical roots in Transformational Leadership theory; Model the Way, Inspire a Shared Vision, Challenge the Process, Enable Others to Act and Encourage the Heart. Kouzes and Posner (2012) have based their model on the responses of nearly two million people on their online Leadership Practices Inventory. The inventory is an ongoing data collection tool, collating the responses of between 500,000 to 750,000 individuals annually. This has allowed Kouzes and Posner (2012) to determine that while the contexts for leadership have altered significantly over their 30-plus years of research, the content has not; what makes leadership successful has not changed. Their research is conducted on a global platform, so interestingly they are also able to determine that their model is significant and applicable across continents and cultures (Kouzes and Posner, 2012, p. 26).

Kouzes and Posner (2012) refer to their book 'The Leadership Challenge' as a field guide to those wishing to strengthen their leadership skills (p. 4). It provides a modern-day, practice-based approach to applying a model, strongly rooted in Transformational Leadership theory. As such, this model will form the structure by which this paper will later discuss and analyse ways in which leaders in the dairy industry might influence levels of team performance through their leadership practice.

A model for team performance

Organisations on all scales have drastically increased their use of teams to structure their people over the last 40 years (Thompson, 2008). Therefore leaders need to be able to work with not only individuals but get the best out of teams. Teams and how they operate have been significantly researched and various processes or theories have been developed to better understand what makes a high performing team (e.g. Dyer, 1995; Zander, 1994; Weaver et al., 1997).

Dionne et al. (2004) focussed upon 3 key team work processes, when seeking to examine what makes an effective team with regards to its performance. This serves as a useful structure within which to examine how transformational leadership, as opposed to a more transactional approach can positively affect team performance. As illustrated in Figure 2 Dionne et al. (2004) propose that team cohesion, communication and conflict management are critical in terms of how a transformational leadership style can positively affect team performance.

Cohesive teams have been found to be characterised by low levels of absenteeism, high motivation to remain on the team and high member engagement in tasks and activities (Morgan and Lassiter, 1992). A cohesive team, Dionne et al. (1994) suggest, is one which performs more effectively than a non-cohesive one. They go on to draw links between a transformational style of leadership and the level of cohesion a team may experience, by proposing that the idealised influence and inspirational motivation aspects of transformational leadership positively affect team cohesion via visioning behaviours. Transformational leaders engage their people in the shared vision of an organisation and motivate them to work towards evolving goals and future ideals.

Dionne et al. (1994) also propose that a transformational approach will positively affect team performance by increasing communication through the adoption of an individualised approach. Transformational leaders use individualised consideration to invest in their people, by developing a one-on-one relationship and authentically listening to needs and concerns (Bass, 1994). This approach is likely to support lines of communication between leaders and team members and in turn across the team as a whole. Leaders who consult their people during decision making and

communicate a clear vision have been shown to have higher levels of trust among their people (Gillespie and Mann, 2004). This study also found that trust in the leader was highly correlated with their effectiveness as a leader.

Finally, Dionne et al. (1994) propose a link between the transformational leadership process of intellectual stimulation and conflict management. Conflict occurs in all group settings. A transformational leader’s approach to resolving conflict can help grow effective team performance by helping team members resolve conflict with strong communication and through a solution-focused lens. Indeed, Zhang et al. (2010) found that a transformational leader will support conflict resolution by co-operative means, in contract to fostering or allowing a competitive environment.

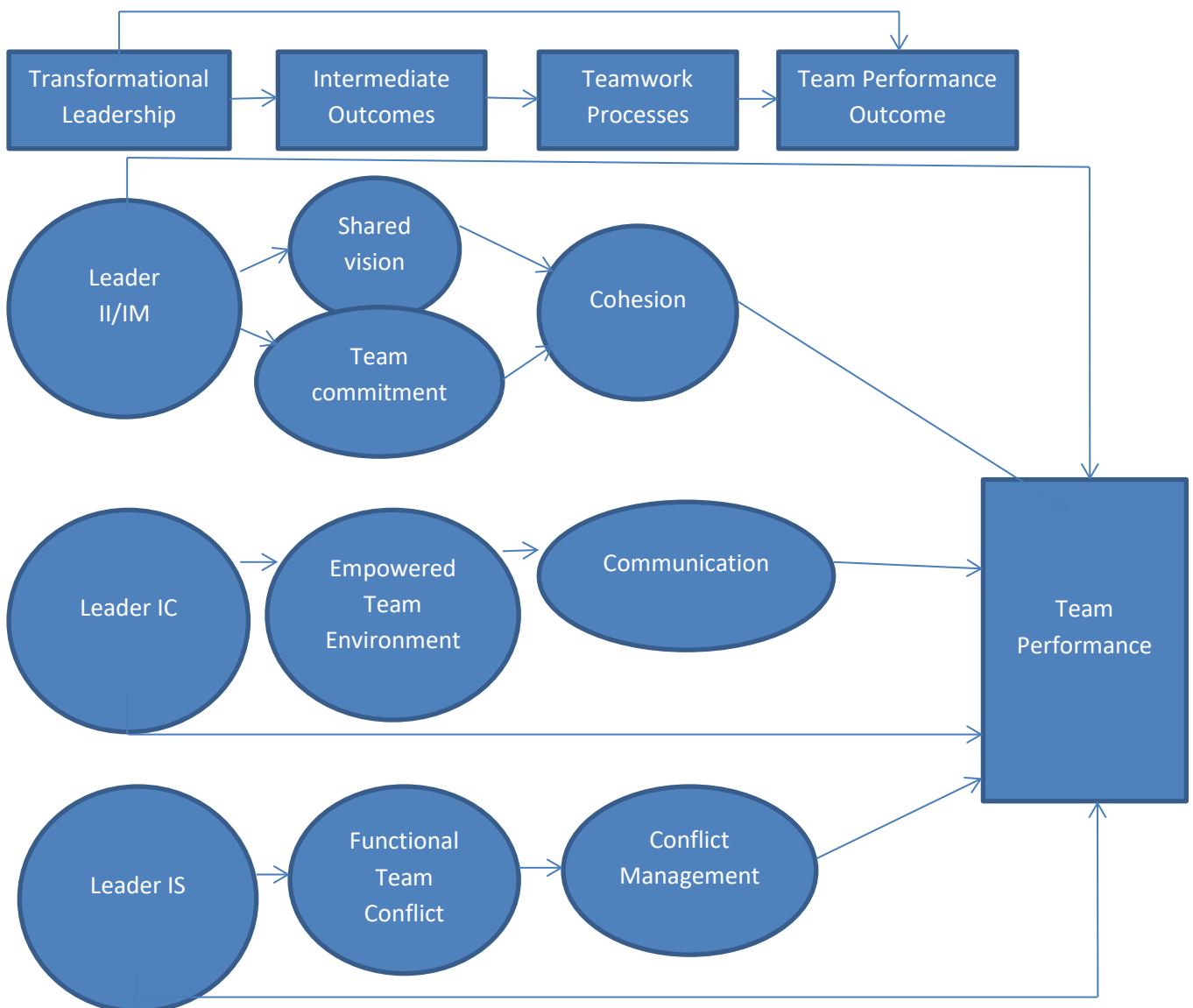


Figure 2. The Transformational Leadership and Team Performance relationship, Dionne et al. (2004)

Key:

Leader II – Idealised Influence

Leader IM – Inspirational Motivation

Leader IC – Individualised Consideration

Leader IS – Intellectual Stimulation

Survey Results

Links between positive team performance and leadership have been empirically established and outlined above. This report seeks to examine this relationship within the dairy industry specifically. Dairy farming businesses take a variety of forms; corporate models, owner/operator, sharemilking and farm manager structures. Across all of these models are intrinsic similarities, obstacles and opportunities, though each also has its unique challenges for those in leadership roles. In addition to a literature review, this report draws on results from a survey completed by on-farm leaders in the dairy sector. Full results are set out in Appendix 2.

98.15% of survey respondents considered their role as team leader to be central in determining team performance. 64.75% considered their role to be equally about leading people as it is managing tasks. A further 25.49% considered leading people to be the primary part of their role, while only 9.8% felt managing tasks was their focus area. Results therefore indicate that those in leadership roles in the dairy industry strongly consider their role to be a determining factor for the level of performance across their teams and that leading their people is as important, if not more important than managing the daily required tasks. Interestingly, only a slight majority (55%) of respondents report feeling naturally more comfortable in leading people than in managing tasks. This might suggest that across the dairy industry, leaders could benefit from increasing their confidence with regards to successfully leading staff.

We know that having and engaging in a business vision is imperative for transformational leadership to be embedded. Over 68% of survey respondents stated that their business does have a clearly defined vision and set of goals. However, only 64.81% felt that their staff knew what the vision and goals were. Only 27.78% stated their vision and goals were continually reviewed, 51.85% reviewed annually and 16.67% admitted that their vision and goals were never reviewed. There is clearly room for improvement here with regards to developing a meaningful vision and leading its implementation, which will be discussed more fully below.

98% of survey respondents felt that it was part of their role to support the career development of their staff. 98% of survey respondents felt it important to focus on the individual needs and wishes of their staff members. However, only 66% had development plans in place for their staff. Development plans are of course only one way in which leaders can structure their support of staff on an individual basis, but these results may be telling in terms of how well dairy leaders are putting into action their commitment to individualised attention.

A significant 90% of survey respondents stated that they allow their people the opportunity to be creative and innovative about the way the farm is run or how tasks are completed. Additionally, 96% of respondents state they encourage their people to challenge the way things are done on farm. It is pleasing to see respondents recognising the positive impact that encouraging staff to be innovative in their work can have. As farm owners or sharemilkers this may feel uncomfortable; essentially that innovation is being tested out on your business, assets and income stream. However, transformational leadership also allows for support and guidance when developing innovation and there is still room for leaders to maintain control of their assets, while developing their staff.

Over 90% of survey respondents stated that it was imperative to them that their team trusted them as a leader and a further 9.26% agreed that trust in them helped. No respondent felt that trust in them as leaders was unimportant.

A range of issues were cited as specific challenges within the dairy industry, affecting team performance. Most notably 26% of respondents felt that staff motivation was the biggest issue affecting team performance. A further 18% cited staff retention as a particular challenge, while communication (16%) and staff job satisfaction (14%) scored more moderately.

Utilising The Five Practices of Exemplary Leadership on farm

As Kouzes and Posner's (2012) model offers a practical 'field guide' for leaders, it is useful to now consider leadership practice on farm within the framework of their Five Practices for Exemplary Leadership. As this project seeks to draw connections between leadership and team performance, links will also be made to three indicators of strong team performance; cohesion, communication and positive conflict management (Dionne et al., 2004).

Model the Way

Modelling the Way can be lightly translated to 'leading by example', though it goes much deeper than this. Kouzes and Posner (2012) describe a need for leaders to spend time becoming clear about their personal values and guiding principles. Before we can inspire and motivate others towards a common business vision, we must first have a strong sense of our personal values. Once we are clear ourselves about what we believe in and stand for, we are able to articulate this to our staff. This enables them to understand and trust in the leader we are and then be more likely to buy into the vision we have for our business or organisation. Being able to articulate our personal philosophy and values positively increases our credibility as a leader and our ability to demonstrate idealised influence. As leaders we need to find ways to encourage our people to follow us, rather than making attempts to force it. This has a lot to do with trust within the leader-follower relationship and as Kouzes and Posner (2012) consider leadership itself to be a relationship between leader and follower, one can appreciate this importance of this practice.

Trust is a central theme in general leadership literature (e.g. Lee et al., 2010) and transformational leadership-specific literature (Chou et al., 2013, Boies et al., 2015). Higher levels of trust have been empirically linked to both transformational leadership and increased levels of team performance (Chou et al., 2013). A leader utilising a transactional style of leadership is likely to view trust in terms of how much s/he is able or willing to trust his people. Transformational leaders understand that team effectiveness is impacted by how well team members are able to trust their leader. Applying a transformational approach to leadership requires leaders on farm to consider how they may develop trust. Over 90% of survey respondents felt it imperative that their people trust them, so how we go about developing trust in a practical sense is worth exploring.

'Actions speak louder than words' rings true as a mantra under Kouzes and Posner's (2012) model. Leaders demonstrate how serious they are about what they say, by what they do. For instance an on-farm leader may have personal values which includes a belief that hard work achieves success and that every job on farm is of importance and impacts the overall success of the business. Applying Kouzes and Posner's (2012) model would mean that leader would find ways to

demonstrate those values by what s/he did on a daily basis. As a sharemilker, I wanted my staff to see that I was prepared to do any job I asked them to do. I wanted them to know that I valued the role they played in my business and that I felt each and every task was important to my business. I did not expect jobs to be completed with corners cut, because I felt each task had its place in making my business run smoothly and effectively. For example I took my turn in getting the cows in for milking in the mornings, I emptied the effluent sump, I hosed the yard and I worked with my team to cover silage stacks. I also verbalised that this was my point of view; these were my values. I explained why I considered each of these tasks to be important to my business and I followed through with my actions. What I learnt during this time is that I needed to deliver this message consistently to staff. It can be easy to feel that this is because staff have not understood the requirements of their role and that having to repeat it is a reflection on them. However, Kouzes and Posner (2012) stress that modelling the way is an active process; that leaders must find every way to reinforce the behaviours they wish to see in their people and that repeating expectations is part of that. If expectations are not repeated, they will be seen as unimportant. As leaders we must reinforce our values and expectations actively; by what we do, how we conduct ourselves and what we say.

Inspire a Shared Vision

We know that transformational leaders practice idealised influence by leading an authentic belief and interest in the organisation's vision (Bass, 1985). They grow and develop this vision and encourage their people to buy into it, to have aims and aspirations above those that are self-serving. One of the challenges for leaders in the dairy industry is that a large proportion of dairy businesses are not corporately structured, where it can be expected that organisational vision and goals are more likely to be in place. Therefore individual farm owners and sharemilkers need to understand the importance of developing a vision for their business and committing time and energy into maintaining it as a living document. It is vital for an organisation's vision to be a constant focal point, if it is to become embedded and embraced by staff (Lavoie, 2017). Running a business, focussing on the daily tasks that need to be completed and managing the various other pressure of small business ownership mean that taking the time to develop and maintain a vision can take a backseat in terms of priorities. However, the time spent in developing a vision statement and set of goals should be seen by leaders as time well spent. Making it a living part of how the business runs is the next step in cementing the vision and goals as integral elements of the business structure. Teams that work together towards a shared, common goal tend to have higher levels of cohesion and therefore are likely to perform more effectively as a team (Dionne et al., 1994).

Those dairy business owners who supply milk companies structured on a co-operative basis, might consider looking to that company's vision and goals as a starting point. As a shareholder, a farm owner or sharemilker essentially has a role in helping the milk company to meet their vision and goals. Fonterra for instance has an overarching goal of 'being the natural source of dairy nutrition for everybody, everywhere, every day'. Utilising transformational leadership strategies, a sharemilker supplying Fonterra might work to develop a vision which incorporates Fonterra's global goal, enabling farm staff to see themselves as having a connection to a vision and goal on an international platform.

It is important to consider who has an input in developing a business vision for the future. Only 5.66% of survey respondents admitted to having involved their staff in the development of their vision. Kouzes and Posner (2012) found that followers are much more likely to engage with a vision if they have been part of the vision development process. On farm this might seem difficult to achieve. Staff may come and go and the vision cannot be developed every time a new staff member arrives. Also, as a business owner a degree of the vision might be about fiscal effectiveness, which might feel disconnected to staff member's experience and goals. However, Kouzes and Posner (2012) suggest that leaders will best be able to have a workforce engaged with the vision, if they have listened deeply to the goals and vision of each staff member. By listening, we can gain clarity about what everyone wants to achieve and therefore develop a more meaningful vision, which staff members can better engage with. For example, a 2IC who has identified an interest in developing a skill set ready for farm management may be motivated by being given responsibility for one herd of cows on farm. With coaching and support the 2IC feels the support of a leader who has a belief in his/her ability, develops his/her skill base and meets your vision and goals for that herd in terms of milk production, condition score and pasture management.

DairyNZ provide a range of resources to support business owners and leaders in developing meaningful vision and goals. Visions and goals need not be lofty ideals. They need to be clear, concise and easy for staff to feel connected to. They need to be relevant to what staff experience on a daily basis on farm and they need to reflect the vision and goals of all involved in implementing them.

Challenge the Process

We know that successful transformational leaders are innovative, they challenge others to consider and adopt new ideas and they are future-focussed. Kouzes and Posner (2012) encourage leaders to consider ways in which they can challenge the process and include ideas such as not letting '...routines become ruts' (p. 183). In the context of the dairy farm this may feel like a challenge. Each day and each season has a distinct rhythm and set of tasks so it can feel difficult to think about how those routines might be altered. However, an innovative leader might challenge the process by considering how things might be done differently and whether the way things are done make sense anymore. Oftentimes we can continue with a process because it's 'what we do', rather than because it is the best approach.

Challenging the process for Kouzes and Posner (2012) therefore includes the ability to develop 'outsight'. To look outside one's own experience and way of doing things for fresh ideas, innovations and inspirations. This might mean asking for feedback about your operation from parties such as contractors, stakeholders, rural suppliers and your vet team. It might mean engaging with your local discussion group more, to share ideas and learn from others. It might also mean looking outside of the dairy industry entirely and looking for innovative ideas from different industries in term of how they run aspects of a business that you share.

One of the critical aspects of a transformational leadership approach is that leaders encourage and motivate their people to challenge ideas, push boundaries and use their own creativity and innovation to drive the business and vision forward. Transformational leaders do not rely exclusively on their own ideas and acumen to drive innovation in their business. We saw very high levels of

survey respondents report that they encourage staff creativity and innovation on farm (90%) and encourage their staff to challenge the way things are done (96%).

Dionne et al. (2004) also linked intellectual stimulation processes to positive conflict management. A transformational leadership approach does not seek to eliminate conflict within a team. However, it acknowledges that functional conflict can be of benefit and it has been identified that this can ultimately lead to increased team effectiveness and performance (Jehn, 1995). Leaders may wish to consider their role in managing conflict in their teams, perhaps at times of the year such as calving when fatigue and workload may increase tensions and the likelihood of conflict. Spending time to set up a plan for the calving period, in which all team members can participate, may pay dividends during this busy part of the season.

Enable Others to Act

Kouzes and Posner (2012) focus on the relationships within a team when they consider what it means to enable others to act. Leaders cannot achieve success for their business or organisation without their teams and a focus on the individuals that make up your team is important. Transformational leadership theory emphasises the importance of individual attention on the needs and feelings of your people (Bass, 1985). Leaders who engage in an individual approach to their people are also focussed on developing individual potential. A leader who meaningfully focuses on the needs of their staff, include skills in their repertoire such as active listening and timely feedback. This can support team members to feel heard, empowered, valued and supported. Dionne et al. (2004) propose that higher levels of empowerment, developed by a leader showing individualised attention, will in turn increase communication across a team and between team members and leaders. Higher levels of communication, fostered in a positive and nurturing environment serve only to increase team performance, job satisfaction and productivity.

As with setting a vision, effectively supporting staff individually takes time, commitment, dedication and drive. Daily tasks on a dairy farm make for busy days and the commitment comes in finding time to meaningfully coach your people. A development plan may form a basis for coaching conversations, but in order for it to be an effective tool it needs to be a living document, reviewed and driven regularly. Coaching relationships support staff to develop a belief in themselves and their ability, create a career development plan and set goals to help them achieve it. They also allow staff members and leaders to identify and address current needs, to grow a skill-base relevant to their work on farm. Enabling others to act may include leadership practices such as providing resources so that staff can complete their tasks effectively. This can include identifying and meeting training needs across staff. Fostering an environment for learning, both for yourself and your staff, enables staff to grow and develop and find solutions in their work for themselves. DairyNZ has tools available for team leaders on farm, to support effective coaching and mentoring. Training needs can be met in various forms from formal industry options such as Primary(ITO) to setting up training sessions with vets ahead of calving or mating or with contractors around safe operation of tractors on hilly terrain for instance.

Encourage the Heart

Kouzes and Posner (2012) argue that 'leadership is not an affair of the head. Leadership is an affair of the heart' (p.6). One way in which leaders can positively affect job satisfaction levels is by using their leadership to positively impact team culture. Bass and Avolio (1993) highlight the 'constant interplay between culture and leadership' (p. 113), by stating that an organisation's culture is taught by those in leadership positions and taken on by staff. On a personal note as a former owner of a sharemilking business, developing and leading the culture of my team felt so integral to how well my team could and would perform. I can also attest to the fact that just like developing a living vision for your business, developing and maintaining a culture within your team takes time, dedication and commitment over and above the completion of day to day tasks. Studies show though that this work can pay off, with increased performance being positively correlated to a change in team culture (Schroeder, 2010).

When starting to consider what culture should look and feel like, leaders might wish to consider a range of areas, as outlined in figure 3. Unless we are very systematic and purposeful in developing a culture as leaders, we run the risk of the culture being developed and influenced by other factors and falling out of our control. We therefore lose our ability to influence and motivate our staff and become more transactional than transformational in our leadership style. Positive team culture is so intertwined with core concepts of transformational leadership. Leaders adopting this approach lead by example, are trusted, well-liked and approachable. By living out some of these values and behaviours on a daily basis on farm, leaders are able to influence a culture and gain higher levels of cohesive team performance.

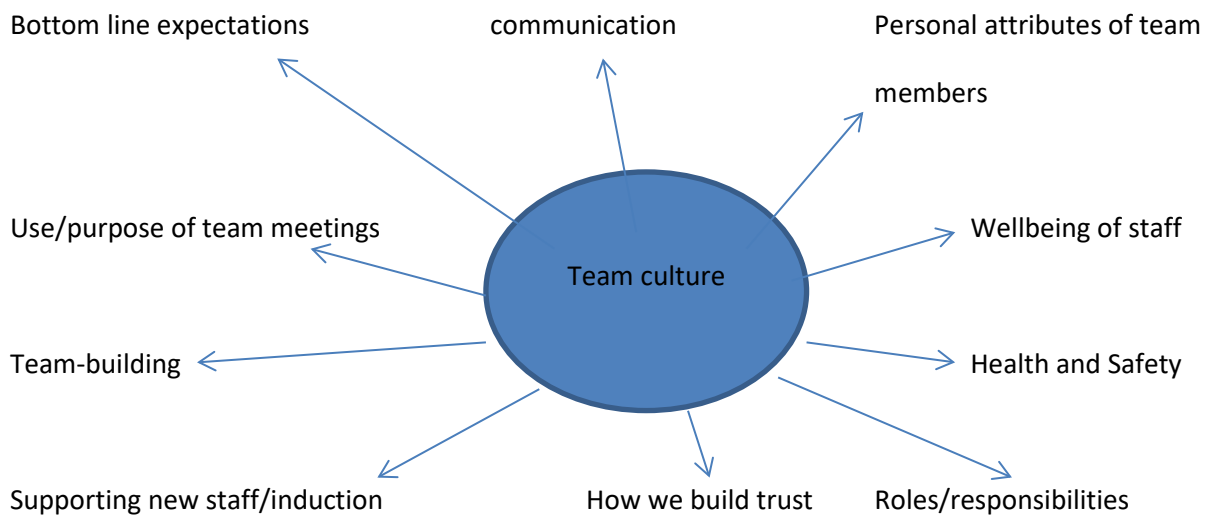


Figure 3. Building a Team Culture

Much like organisational values and goals, team culture needs to be at the forefront of what we do on farm. Staff members need to know what the culture is in tangible terms, as well as feel it. For

example, we might want to create a culture on farm which fosters honesty, hard work, a fun work environment and a sense that all team members have each other's backs. We also need to consider how we communicate to staff the ways in which we will achieve it. For instance we might have bottom line expectations that support these ideals for a culture. As a leader on farm I had an expectation that I articulated often to my staff, that we all finish together each day. I did not expect to be working when my staff had gone home as much as I did not expect to go home while my staff were still finishing off their daily tasks. I instilled this expectation as a means to build a culture in which my staff felt we were all 'in this together', that I was prepared to work alongside them and that we were all integral to the team.

Encouraging the heart also encompasses how we as leaders offer incentives and rewards. Rewards do not fall into the exclusive realm of a transactional leader. A transactional style places importance on followers completing tasks or meeting targets, in order to be rewarded. A transformational approach to rewards takes a broader stance and emphasises intrinsic rewards and recognition. Intrinsic rewards are essentially part of the work and culture itself. For instance, a work environment which encourages creativity and innovation, is challenging and offers a sense of job satisfaction is one which offers intrinsic rewards. A transformational leader will focus on developing a workplace which offers its people those rewards. Additionally, transformational leaders will use recognition thoughtfully and appreciate the power of meaningful recognition. It is worth leaders taking the time to recognise the work and effort that staff members are making and to deliver that recognition in a way which is appropriate to each staff member. For instance being recognised at a staff meeting in front of peers may be embarrassing for some staff members, yet empowering for others.

Challenges

Survey respondents were asked what they consider to be some of the challenges within the dairy industry, which affect team performance. 26% cited staff motivation as a particular challenge and the literature review conducted for this project supports the view that team performance is negatively affected by low levels of motivation. Transformational leadership approaches, including Kouzes and Posner's (2012) model offer leaders ways in which to increase the motivation of staff. Additionally, it is useful to consider motivation from another angle. Motivation can be considered through the context in which one sits in an organisation. Over 88% of survey respondents were business owners; either farm owners or sharemilkers. Their level of motivation to see business goals met is significantly affected by their level of financial interest in the business. While it was not tested in the survey, anecdotally it could be suggested that some business owners note the disparity between their own motivation and that of their staff on wages. This is an area in which leaders can utilise a transformational approach to their leadership, finding ways to increase staff member buy-in to their work, increase motivation and therefore performance. Developing a strong vision that staff can connect with, a culture they enjoy and feel supported in and an individual approach to their needs can all work in this area.

Staff retention was cited by 18% of survey respondents as affecting team performance. The retention of good staff members is an issue faced by the dairy industry. Research suggests that retention rates are only about 40% for dairy staff in their first year, which means about 60% of staff members make a choice to leave dairying in their first year (Dickens, 2019). This may be due to a number of factors, but leaders need to recognise their role in addressing this concern and alleviating

it industry-wide. To support farm leaders DairyNZ and Federated Farmers launched the Sustainable Dairying: Workplace Action Plan in 2015, working to support farm leaders to move from good to great by addressing areas such as team culture, wellbeing and enabling a rewarding career path. Low retention rates also impact individual farm businesses in other ways. Developing a team vision and team culture takes time and commitment as we have seen. Having a new staff member join the team means strong leadership is required to ensure that they take on the vision and culture of the organisation, rather than negatively affecting any progress previously made. Teams on dairy farms tend to be relatively small and therefore it can be easy to feel that a new personality might impact the culture of the existing team. This clearly highlights the importance of leading what is expected and supporting new staff to learn the way things are done, what is expected and to engage with all aspects of the business.

Conclusions

A number of conclusions can be drawn from this literature review and survey.

Firstly, leadership is integral to the success of your business. The style of leadership you choose affects your team on a multi-level basis, including the performance of your team. It is therefore prudent as a leader to place importance on and give time to the act of leading.

Secondly, a transformational approach to leadership clearly makes sense on many levels and a challenge to leaders across industries is the commitment to engaging in the behaviours and processes that will allow a transformational approach to flourish. If we develop skills in transformational leadership and take authentically individualised consideration for our people, we are better placed to enable higher levels of job satisfaction and motivation by meeting the needs of our staff. Thinking outside the box, as transformational leaders do should allow us to find innovative ways to ensure our daily tasks are met, our seasonal targets are being driven and our staff are satisfied and motivated in their work.

Lastly, the survey suggests that leaders within the dairy industry appreciate the impact their leadership has on their people. However, it also suggests that there is room for growth in terms of becoming more confident in leading and in employing practices which meaningfully affect team member motivation, job satisfaction and ultimately team performance. Kouzes and Posner's (2012) model offers a practical way in which on-farm leaders can grow their leadership skill set.

Recommendations

There are two areas of recommendations to consider: those that cover ways in which this project could be strengthened and those which relate to ways in which leaders can grow their team's performance by engaging a transformational leadership approach to the way they work with their people.

To cover the former area, this project would be strengthened by having a larger pool of respondents to give a broader understanding of the view of leaders in the dairy industry. While every effort was made to reach as many farm leaders as possible, the return rate was relatively low. It is unclear how many individuals received the survey as those who initially received it were asked to disseminate it among their relevant contacts. A higher response rate would have strengthened the data available. The structure of the survey was also somewhat naïve in places. It would have benefited from testing

prior to being sent out, to identify areas that required strengthening. I would for instance like to have asked more detail in some areas and provide the opportunity for comments and examples from respondents.

Leadership is for all

In terms of recommendations for leaders on dairy farms, I would firstly recommend we move away from any thoughts that a propensity for leadership is innate within some individuals and not in others. Literature suggests that we can all grow effective leadership skills and that leadership is for everyone. 'Leadership is not about who you are; it's about what you do' (Kouzes and Posner, 2012, p. 15) sums this up well.

Engage and Commit

Secondly, it is recommended that on-farm leaders recognise the importance of investing time in developing their leadership style and studying the benefits of applying transformational leadership approaches to get the best out of their team. As leaders in our field we need to take leadership seriously and see it as integral to how well our teams operate and achieve success. Leading a team should be considered the primary function of those in leadership positions, rather than the organisation of tasks and jobs on farm. Everything stems from leadership and how well it is done. While many aspects of transformational leadership require a commitment of time, effort and focus, the potential benefits for a business and for team members individually is significant. Recommendations for specific areas leaders can work on include, but are not limited to developing a business vision and set of goals, growing a team culture and coaching and mentoring. Kouzes and Posner's (2012) model offers an evidence-based, highly regarded and practical model by which leaders can develop and hone their skills. It is recommended that leaders committed to further developing their skills start by reading their book. The Leadership Challenge also operates an online app. with practical steps to developing each of the five principles.

Think industry-wide

There are wider recommendations also for the dairy industry, in terms of supporting on-farm industry leaders to do this work. It is in the best interests of the New Zealand dairy industry that we develop high performing teams, committed to their work and to the industry. Tools and resources do exist, but work could be done to strengthen the support to dairy leaders. For instance, Human Resource issues and leadership approaches could become areas for consideration at platforms such as discussion groups. The dairy industry could also take note from other industries in terms of leadership approaches, because leadership techniques and approaches should be seen in the context of team structures and processes, not merely as another tasks that requires completion on farm. It is not an issue exclusive to the dairy industry, so it would pay to take a fresh approach and learn from other industries and settings.

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Appendix 1: Survey Questions

1. What is your role on farm?

Farm owner

Share milker

Farm manager

2. Do you think the role of the team leader is central in determining team performance?

Yes

No

3. How important is it to you that your staff trust you as a leader?

Not at all

It helps

It's imperative

4. Does your organisation have a clearly defined vision and set of goals?

Yes

No

5. If so, who has/had input in developing it?

Farm Owner

Share Milker

Farm Manager

Farm Staff

6. How regularly is it reviewed?

Never

Annually

Monthly

Continually

7. Are your staff aware of the vision and goals?

Yes

No

8. How are they communicated to them?

Induction

Yearly reviews

Team meetings

Other

9. Which of the following do you think is the main part of your role?

Leading staff

Managing tasks

It's a 50:50 thing

10. Which do you naturally feel most comfortable with?

Leading staff

Managing tasks

11. Do you consider it a part of your role to support your staff's career growth?

Yes

No

12. Motivating staff on-farm is part of a leader's role. What do you use to motivate your staff?

Pay is enough

Job satisfaction

Reward excellence

Use their ideas

Other

13. Do you allow staff the chance to be creative and innovative about the way the farm is run or how tasks are completed?

Yes

No

14. Do you encourage your staff to challenge the way things are done on farm?

Yes

No

15. Do you have development plans in place for your staff?

Yes

No

16. Do you think it's important to focus on the individual needs and wishes of your staff, to get the best out of them? (e.g. training needs, career development plans, personal growth)

Yes

No

17. What do you consider to be some of the specific challenges within the dairy industry, affecting team performance?

Fatigue

Staff retention

Staff motivation

Staff knowledge

Job satisfaction

Team communication

Other

Appendix 2: Survey Results

[Jason Halford Survey Results](#)