



Recruitment for the Future

Making the Dairy Industry the Industry of Choice

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Table of Contents

1. Executive Summary
2. Acknowledgements
3. Introduction
4. Aims & Objectives
5. Literature review
6. Method
7. Results/Analysis
8. Discussion
9. Conclusions
10. Recommendations
11. References
12. Appendix
 - 12.1 Career and Employment Survey (Gen Z)
 - 12.2 Dairy Farm Employer Survey

1.Executive Summary

The dairy industry has for a long time been challenged to recruit sufficient people to fill vacancies and to meet the needs created by natural attrition.

Generation Z (Gen Z) are people born after 1995. The relevance being that Gen Z are aged up to approximately 20 years (as at 2017) and are starting to join the workforce, therefore are considered the workforce of the future. Either having recently commenced their working career or still within the education system, the characteristics and priorities of Gen Z when considering employment are largely undeveloped and will evolve and mature in time.

The objective of this research project was to identify if misalignment exists in the priorities of both perspective employees (Gen Z) and employers. Surveys were used to explore and gain insights as to the characteristics of employers and Gen Z, further to understand what they each prioritised when considering employment from their respective positions.

After compiling and analysis the information there was not a lot of misalignment between what employers and Gen Z when considering Gen Z's top three priorities for employment. However, there is misalignment between what Gen Z prioritise and the realities of a career within the dairy industry where long hours and poor rosters exist. This is creating a real barrier to the dairy industry being the career of choice.

Farm businesses and/or employment systems within the dairy industry need to change if Gen Z are to find dairy farm work more appealing

2. Acknowledgements

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STRATEGIC PARTNERS



PROGRAMME PARTNERS



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I wish to acknowledge and thank the following people and organisations for their contribution or support for this project

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- Finally thank you to Haley Dell, my partner. Your support to me and our family is significant. The time commitment to this project has only been possible with your help.

3. Introduction

We commonly talk about competitive business and competitive dairy products but rarely do we talk about being competitive employers where we, as an industry, aspire to have people waiting at the door to join. Not just any people, but the best people to join and lead our industry on farm.

The New Zealand dairy industry is a world leader, and is commonly referred to being the “backbone” of our economy with our success story highlighted in the following statistics ¹

- Produces enough milk to provide dairy products for 165 million people
- ²Over \$14 billion in dairy exports in 2016³, the largest of any goods sector and more than a quarter of New Zealand’s total goods exports
- \$5 billion contribution to national Gross Domestic Product (GDP), more than a third of the entire primary sector
- Employing approximately 45,000 people including those who are self employed

Largely driven by the success of the industry, the dairy industry has grown in size and scale over recent decades. This has been achieved with amalgamation of farms, intensification and conversions from alternate land use (livestock or arable) to dairy.

In 2014 MPI (April 2014)⁴, reported that the dairy industry needed an additional 2,300 workers and 25,700 more to replace natural attrition over the period of 2012-2025. For the primary industry this extends to an additional 49,900 workers required in addition to the 235,000 required to replace natural attrition.

The working population in New Zealand has increased from 2.8million people to 3.8 million people in the last two decades⁵, yet the agricultural and forestry industry remain one of ten industries recognized as having long term skilled labour shortages⁶

¹ Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020

² Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020

³ www.MPI.govt.nz

⁴ www.mpi.govt.nz/2F3893-future-capability-needs-for-the-primary-industries-in-new-zealand

⁵ MBIE Labour market dashboard

⁶ www.newzealandnow.govt.nz

In 2016 Stuart Taylor looked back over the last 30 years with his Kellogg Project 'The Dream that Made Us' and concluded that economically and socially, traditional employment within the dairy industry would no longer be successful.

It seems that a challenge we face and need to consider is that while growth and productivity improvements have occurred, the dairy industry is still operating close to what it has done for decades, where hard work and long hours are considered normal or just an expectation of a role within the industry.

With a future outlook, this is where I ask the question "What changes can be made to dairy businesses to make the Dairy Industry the industry of choice when choosing a career?"

4. Aims and Objectives

Generation Z (Gen Z) are considered our future workforce.

I believe there is a misalignment between what Gen Z value and prioritise when considering employment as compared to perspective employers within the dairy industry. Further that this misalignment influences career decision making by creating actual or perceived barriers.

The objective of this research project is identify if misalignment exists in the priorities of both perspective employees (Gen Z) and employers. I will make recommendations to the industry for proposed changes to business structures, that should reduce the perceived or actual barriers created. It is hoped that these changes will assist make the Dairy Industry the industry of choice when Gen Z make their career decisions.

5. Literature review

Defining Generation Z

A generation is a group of people that exhibit similar preferences, characteristics and values over their lifetime, often identified as being born around the same time.

Five generations make up our society currently. The birth years for each generation are:⁷

- Gen Z also known as iGen, or Centennials: Born 1996 and later
- Millennials or Gen Y: Born 1977 to 1995
- Generation X: Born 1965 to 1976
- Baby Boomers: Born 1946 to 1964

⁷ <http://genhq.com/faq-info-about-generations/>

- Traditionalists or Silent Generation: Born 1945 and before

The relevance being that Gen Z are aged up to approximately 20 years (as at 2017) and are starting to join the workforce. The future lies with this generation and employers need to get ahead of and understand that shift that this group will create and represent.

Unlike other generations, Gen Z are more connected, having grown up with technology and not knowing what it is like without. They could also be considered as technology dependant. However, with this it is expected that the newest generation will mould the older generations where communication and connection via technology will transform business and life as we know. Due to the 'young' age of Gen Z, adult characteristics are likely still to be formed. Early indications suggest they are increasingly self-aware, self-reliant, innovative and goal-oriented than previous generations.⁸

In a study conducted by the Centre for Generational Kenetics, 1003 people of Gen Z were surveyed. Responses concluded that nearly half of Gen Z would be most excited to apply for a job with a fun work environment (47%) and flexible work schedule (44%). These two responses were the highest valued, exceeding considerations of paid time off, promotion opportunities and job training. This research is important as it provides insights for business considerations if employing Gen Z.

While my research does not focus on the specific differences between Gen Z and Millennials, it is likely that employers within the dairy industry are unlikely able to differentiate between the two.

Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020⁹

Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020 is a revised industry strategy (as of July 2013), built upon previous strategies of 2004 and 2009. It was developed to provide government and public organisations with a clear view of the dairy industry objectives and commitments (making change and development).

The outcome of the strategy identified 10 objectives to achieve through being competitive and responsible, one of which identifies the *Work Environment - to provide a world-class work environment on-farm*

Within the Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020 Background Supplement Table 9: Responsibilities close to the farm, identifies a key area of responsibility being

- A duty of care for people employed on and around dairy farms, with the issue or area of concern being;

⁸ <http://genhq.com/igen-gen-z-generation-z-centennials-info/>

⁹ DairyNZ (2013) Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020

- Highly demanding farm work environment and long hours, particularly during calving
- Health and safety issues arising from physical nature of the work
- Farming attitudes and work culture

Findings detail that approximately 50% of rosters involve '12 days on, 2 days off' (29 percent) or '11 days on, 3 days off' (20 percent). Also highlighted was the relatively common rosters requiring 13 or more consecutive days work, particularly in the North Island including more than half the rosters in the Waikato.

Average working hours a week during calving is 64 hours (11.2 hours per day), lowering during summer to (58 hours) and winter (45 hours). It is noted that these hours are typically longer in the North Island than in the South Island

The research points out that anecdotally, some dairy farmers accept these hardships as part of a career that delivers significant economic rewards later on (eg building wealth through herd ownership/sharemilking). However, accepting and tolerating unattractive or poor workplace conditions now is no-longer justified due to lower expectations of future reward. Therefore these conditions will need to change if the industry is to position its self as attractive.

Past Kellogg Reports

Stuart Taylor 2016 "The Dream that Made Us"¹⁰

Stuart Taylor examined structural changes in the New Zealand Dairy Industry and what these mean for dairy farmers and people working in the industry today. Through story telling Stuart shows many perspectives of individuals, further describing the motivation and inspirations that the industry was once built upon. He also describes how the industry has changed and lost touch with its roots.

Taylor 2016 predicts three possible scenarios that could be considered resultant consequences for or to the industry where farm labour issues are not addressed, all of which depict forced change and compliance rather than growth and evolution or working conditions.

Stuart Taylor undertook a survey as part of his research project. In the survey working hours for employees were explored. There was 62 people surveyed of whom 47% were under 30 years of age and 32% of people surveyed were between 30 and 40 years of age. Key findings included

- 71% of respondents worked over 55 hours per week during spring time, 43 % in summer, 37% in autumn and 21% in winter.
- 98% of people surveyed worked longer than 8 hours per day on days worked.
- 17% had only one break during the day of up to one hour
- 54% of people get 1.5 days off per week on average (12% do not get regular time off)
- 51% of people had taken one full week off at one time in the last six months.

¹⁰ <https://www.kellogg.org.nz/projects/>

- 7% had not taken 1 full week the last five years.

These findings paint a very similar picture to DairyNZ (Strategy for Sustainable Dairy Farming 2013-2020), where employment conditions including hours of work are not positive. This demonstrates some current realities of employment within the dairy industry which are considered a barrier for new entrants.

A key point to understand is the 'ingrained institutionalised' vision of a career in the dairy industry – to own cows (eg: Share-milk) or own land. Role progression commences then builds from Dairy Assistant to Herd Manager, Assistant Manager, Farm Manager, Contract Milker, Share-Milker, Equity Manager, Land Owner. It is with this mentality that the focus seems to be restricted to cows and grass and negates the focus on people (both the individual and the skills needed to enrich and lead a team). It is likely that the employers in this case progressed through their career under similar conditions (which could lead to an element of normalisation of these conditions).

Taylor provides a number of practical solutions to "do the people thing better'. Most of the solutions are behavioural and soft skill focused for the leadership positions. The recommendations that are relevant to my project include

- Changes to remuneration systems (to ensure transparency and 'like with like') for example, fair and transparent valuation of benefits rather than the traditional 'free' nature.
- Flexibility or time off if required to work long hours

They are important and align with the attractiveness of a career/employment within the dairy industry.

Jason Rolfe 2015 "Stoking Secondary School Students' Interest in Primary Industry Studies" ¹¹

Jason Rolfe's project drew inspiration from his rural upbringing and the connection with peers at Lincoln, who not formally of a rural background became inspired themselves through fields on study at secondary school. Rolfe's project looked to discover what primary industry career advice is been given to our future generations, what knowledge careers advisors have of the opportunities available, and finally what barriers are preventing students undertaking a primary industry career.

Rolfe's key recommendations were to:

- Rebrand agriculture and horticulture school subjects aimed to change perceptions and stigmas of career influences
- Introduce a rural 'taster course' at year 9 and 10 (a form of experiential learning to create awareness and exposure of opportunities within the industry)
- Improving the use of social media to attract and promote careers in the primary industry

This report struck an affinity with me, as I too hailed from Taranaki and followed through the same schooling as Jason. However, I was raised on a small lifestyle block with close family who dairy-farmed. As a year 10 student (formerly 6th form) I attended an information evening at Inglewood High School by Taratahi who offered a 'taster course', a four day immersion programme designed to

¹¹ <https://www.kellogg.org.nz/projects/>

showcase farming and the training courses offered. While already having inspiration for agriculture, this course cemented the direction of my career. Involvement in the dairy industry was a choice, not a right of passage.

Rolfe's report is important as it considers attraction and promotion to the industry through telling our story and creating awareness, albeit assuming the industry (from an employment point of view) is well placed when compared to others. However, barriers identified preventing students up taking a career in agriculture included

- Lack of knowledge of individual roles in the industry
- 'Lazy' attitude of the current generation of students. E.g the work is too hard
- Gateway programme and Taratahi for example the work is not paid, and they deem this as too hard, compared to a trade apprentice who is paid for their time as they train.
- Early mornings on a dairy farm put a lot of students off and weather seen as "crap"
- Perception that farming is for losers or agriculture is for dummies
- Students not aware of the jobs and benefits available
- Perception of a lack of career progression within the industry
- News articles portraying the industry in a poor light. Pupils don't want to be associated with that.

The importance of this to my project is that rather than promote what might be considered industry practice (from an employment perspective), explore what barriers are material and what changes to farming business could be made to reduce or remove them.

Barbara Kuriger - "Perceptions of a career in the dairy industry" 2001¹²

In 2001 Barbara Kuriger undertook a survey of secondary school students in Taranaki to gain an understanding of their perceptions of a career in the dairy industry. Kuriger's drive for understanding originated from a paper presented in July 2000 by Peter Gaul (farm consultant) that predicted another 5000 people would be required by the dairy industry by 2005. Her intention was to create a pamphlet encouraging students to uptake a career in the dairy industry therein assisting address the dairy industries struggle to attract sufficient people to fill vacant positions.

Twelve years on we remain in a similar position where there remains an under supply (through attraction and recruitment) and over demand of positions available.

Barbara Kuriger's conclusions and recommendations drew;

- That information flow to students and career advisors was insufficient
- Perceptive barriers existed (that were also likely real) that detracted students from a career in agriculture.
- Better incentives to and promotion within the industry were needed to entice students.
- Students did not want to work weekends

¹² <https://www.kellogg.org.nz/projects/>

- That the industry needs to exercise being 'good employers' and acknowledge that bad employers existed.

Two points I consider relevant to my research are the perceptible barriers of hard work and long hours and the need to consider the impact and relevance to other circumstances. This flows into the good and bad employer area, separating leadership and soft skills to business structure and work conditions.

6. Method

The objective of this research project is to measure where this misalignment exists in the priorities of both perspective employees (Gen Z) and employers.

To capture this information I constructed two surveys

1. Survey of Employers within the Dairy Industry.
 - The purpose was to gain insight of their characteristics (who they are) and what attributes of an employee they consider important. Furthermore, to understand if they are considering future recruitment requirements and identify any possible need to change.
2. Survey of Gen Z.
 - The purpose of this survey was to gain an understanding of what Gen Z's impression is of the dairy industry, how it stacks up as a potential career option and what they value when considering employment.

The survey was constructed in two formats. Hard copy for if/when a high school would grant permission to talk to a group of students and online via Survey Monkey where I posted on social media/Facebook group NZ Dairy Farmers. I had made an assumption it was unlikely that Gen Z would be connected directly into this group so requested that it be passed on. Hard copy responses were received from a group of Primary Industry Trades Academy students that are studying Agriculture who were already interested in Agriculture to some degree.

Using the responses and thematic analysis, I intended to identify key themes from each respondent group or subgroups and consider what changes could be made to dairy farm business to make the dairy industry the industry of choice.

Employer Survey

Initially I had planned to contact forums of farmers by local contacts or discussion groups but later created a survey and posted it on social media site NZ Dairy Farmers requesting employers to contribute. I received 46 responses.

Gen Z Survey

A group of six students (aged 15-18 years old) studying the Primary Industries Trade Academy course were surveyed. I attempted to engage with a local high school but consider that due to the end of year pressures and exams approval was not received. Separately the survey was put together on Survey Monkey and another request was put out on social media (NZ Dairy Farmers Facebook page). A total of 18 responses were received.

7. Results/Analysis

Employers Survey

Age/Generations

There were 46 respondents to the Employers survey. Combining the age groups below (20-30 + 31-40 year olds) makes approx. 74% of all respondents. This age group could be considered the Millennial generation.

The 41-50 year old age group representing 13% of the respondents could be considered Generation X with the 51 year + age group (13%) representing the baby boomers.

Survey respondents were random. It is however unclear if this age breakdown is truly representative of the wider dairy industry. There seems to be no clear data (from industry economic or production surveys) where population distributions of age are captured for different business structure within the dairy industry.

Employer Age Groups

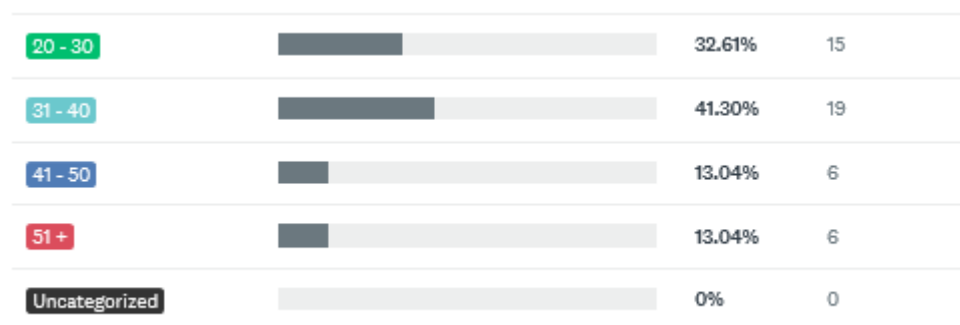


FIGURE 1: RESPONDENT AGE GROUPS

Gender

The proportion of female respondents overall is higher than males. Female respondents represented a significantly higher proportion (82% - 9) than male respondents (18% - 2) within the 50/50 Sharemilking

class. All other groups were more balanced but due to the low number of respondents in some groups (<3) the margin of error is likely greater.

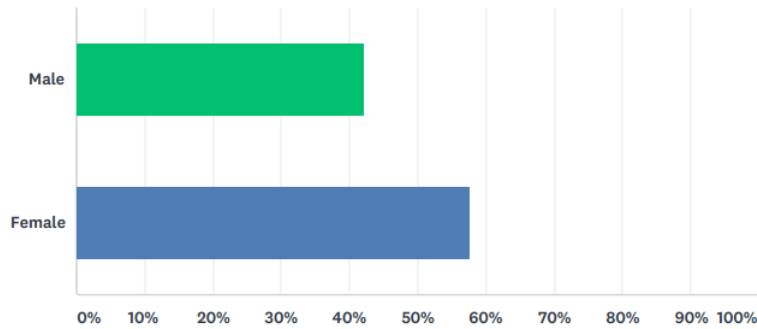
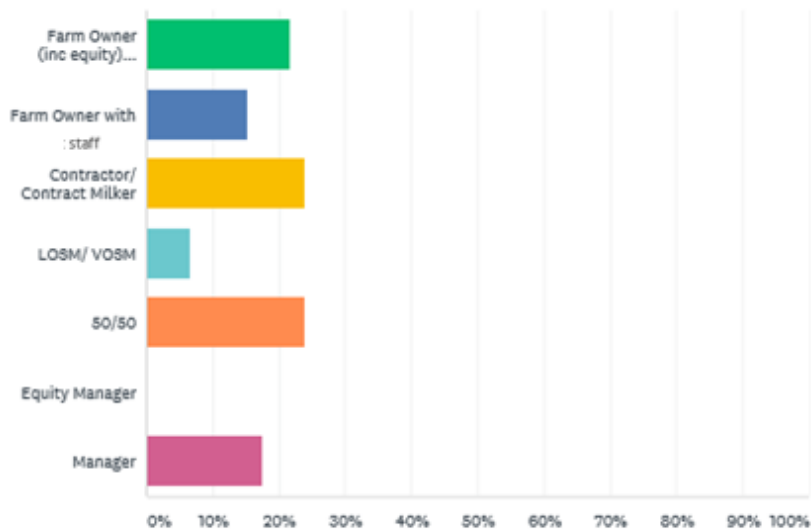


FIGURE 2: RESPONDENT GENDER

Ownership Structure

Figure 3 details the business structures represented and held by respondents to the Employers Survey. This information will be used to identify if different decision making occurs due to the role and responsibilities held they are in rather than their age groups/generation groups.



ANSWER CHOICES	RESPONSES	
▼ Farm Owner (inc equity) Operator	21.74%	10
▼ Farm Owner with	15.22%	7
▼ Contractor/ Contract Milker	23.91%	11
▼ LOSM/ VOSM	6.52%	3
▼ 50/50	23.91%	11
▼ Equity Manager	0.00%	0
▼ Manager	17.39%	8
Total Respondents: 46		

FIGURE 3:RESPONDENT BUSINESS STRUCTURE

Employer respondents varied in their business undertaking with a significantly larger proportion of self-employed versus management positions. This could be an important factor in understanding decision making as those who are self employed have a vested financial interest in the operation business, where management positions typically do not. Further analysis could determine whether this has an impact on decision making regarding employment and management of staff.

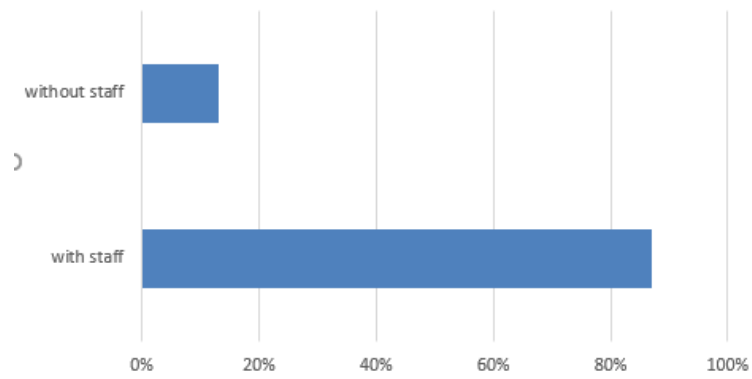
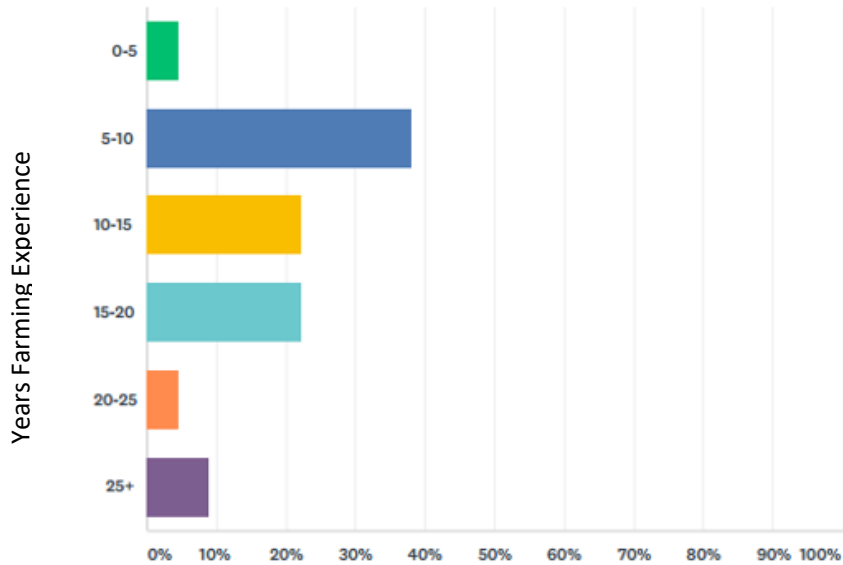


FIGURE 4: PROPORTION OF EMPLOYERS WHO EMPLOY STAFF

Eighty five percent (85%) of all respondents had staff permanent employed in their businesses. Size and scale or other decision making metrics were not captured within this survey. Position details regularly referred to Assistant Manager/2IC, Herd manager, Dairy Assistant and Casual/Relief Milkers.

Years Farming Experience

Thirty nine percent (39%) of respondents had 5-10 years experience (Fig 5) with 21% having 10-15 and 15-20 years' experience each. The age groups within each Years Farming Experience category show no significant trend apart from millennials (Gen Y) who are not represented in the groups of 20 years plus.



	0-5	5-10	10-15	15-20	20-25	25+	TOTAL
Q3: Farm Owner (inc equity) Operator	0.00% 0	0.00% 0	40.00% 4	40.00% 4	10.00% 1	10.00% 1	21.74% 10
Q3: Farm Owner with	0.00% 0	14.29% 1	14.29% 1	28.57% 2	0.00% 0	42.86% 3	15.22% 7
Q3: Contractor/ Contract Milker	0.00% 0	72.73% 8	9.09% 1	18.18% 2	0.00% 0	0.00% 0	23.91% 11
Q3: LOSM/ VOSM	0.00% 0	33.33% 1	33.33% 1	33.33% 1	0.00% 0	0.00% 0	6.52% 3
Q3: 50/50	9.09% 1	45.45% 5	9.09% 1	36.36% 4	0.00% 0	0.00% 0	23.91% 11
Q3: Manager	12.50% 1	37.50% 3	25.00% 2	0.00% 0	12.50% 1	12.50% 1	17.39% 8
Total Respondents	2	18	10	10	2	4	46

FIGURE 5: RESPONDENT YEARS FARMING EXPERIENCE (EMPLOYMENT)

Desired Qualities of Employees from an Employers Perspective

Overall, employers consider work ethic, honesty and communication skills as the top three qualities/behaviours desired from an employee. This result was consistent over the various business structures (Figure 6). When looking at the various age categories (Figure 7) of respondents, priorities slightly changed in particular with 41-50 and 51+ groups where data sets were lower. Weightings have been applied to all categories to determine overall result for priorities.



FIGURE 6: EMPLOYERS TOP THREE QUALITIES FROM AN EMPLOYEE

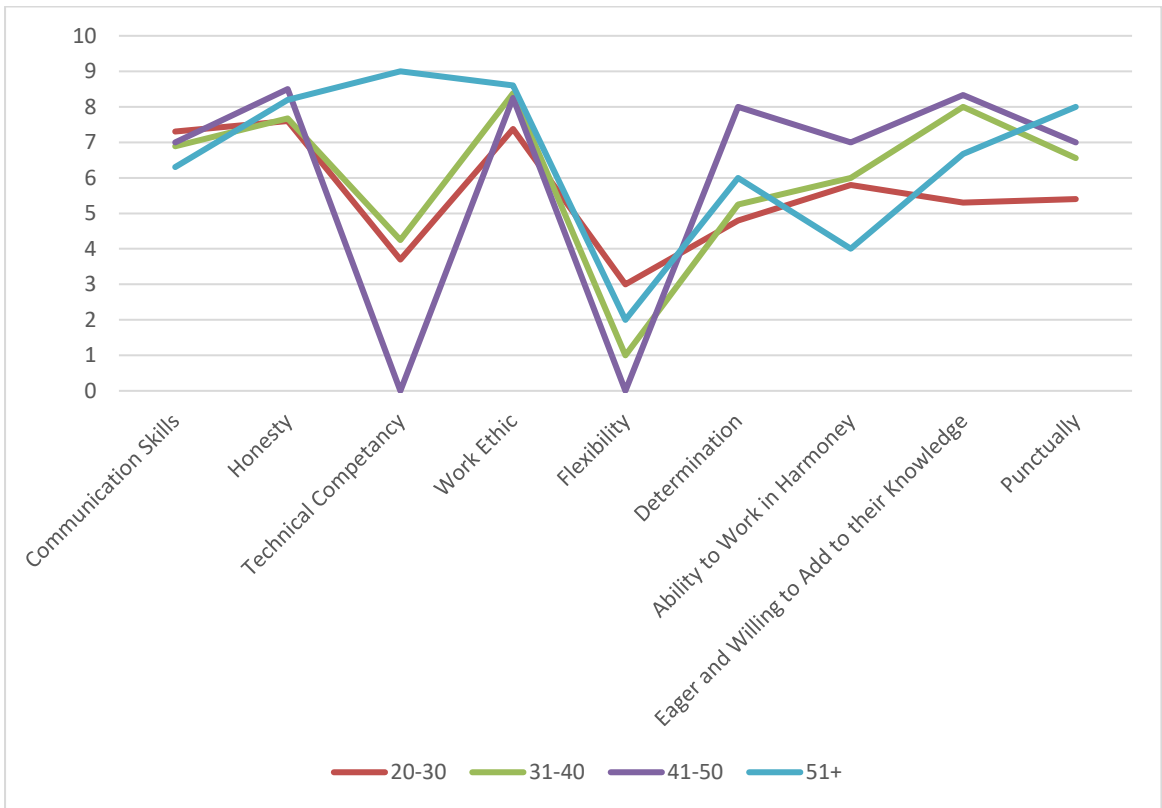


FIGURE 7: EMPLOYERS TOP THREE QUALITIES FROM AN EMPLOYEE (AGE GROUP)

What Employers Consider Priorities for Generation Z

Overall employers consider Pay/financial, Hours of work (hours/day) and recognition as what Gen Z's top three priorities were when considering employment. Interestingly Farm Managers, who represent 18% of the sample, consider development/learning and knowing 'Why' the business operates as significantly lower priority than the rest of the sample. Farm managers also identified achievement as a higher priority for Gen Z than the rest of the sample.

Given weighted averages and small sample sizes, analysis by age group does not provide any further trends.



FIGURE 8: WHAT EMPLOYERS CONSIDER THE TOP 3 PRIORITIES FOR GEN Z

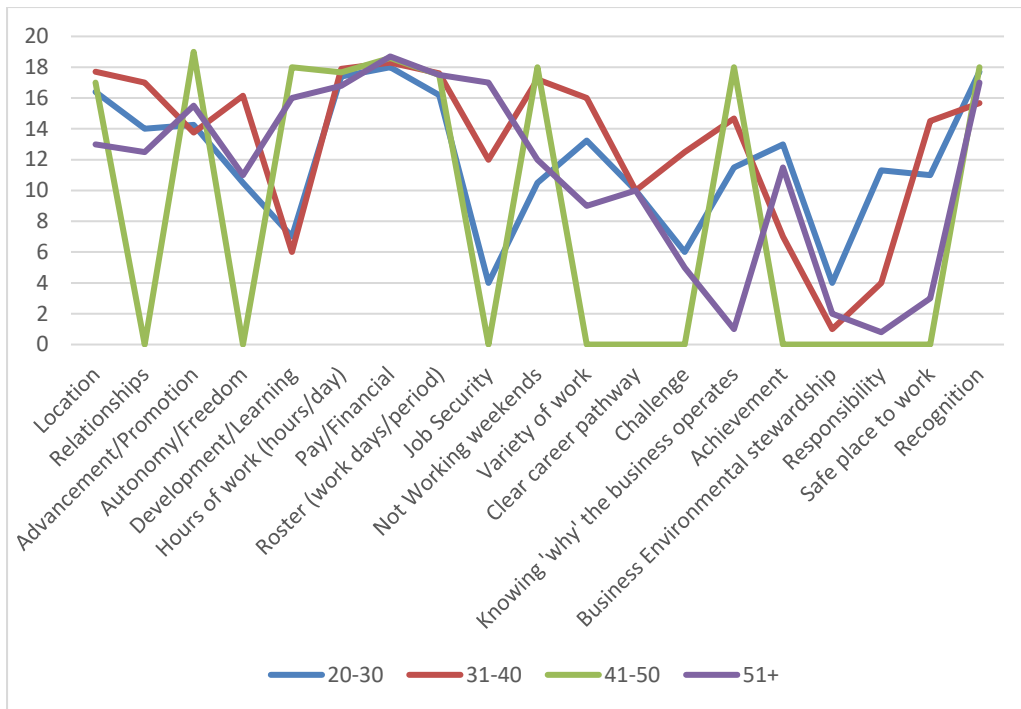


FIGURE 9: WHAT EMPLOYERS CONSIDER TOP THREE PRIORITIES BY GEN Z (AGE GROUP)

What Employers Consider as Common Traits of Gen Z

The word cloud below identifies words that were commonly used across all responses by employers. Themes suggest that common traits of Gen Z were wanting/expecting a high level of responsibility and pay, but lacking experience and not willing to 'do the hard yards'



FIGURE 10: WHAT EMPLOYERS CONSIDER COMMON TRAITS OF GEN Z

What Employers Consider the Challenges of Employing Gen Z

The word 'Finding' was a common response by employers when asked what they considered the challenges of employing Gen Z (Figure 11), meaning they consider one of the biggest challenges as recruiting Gen Z into the dairy industry. Looking at this with a wider lense, remuneration, attraction, progression and flexibility within work functions could be considered contributors. Employers thought individual work ethic and attitude towards farming (by Gen Z) could be a challenge with the perception of

dairy farming not being glamorous or not understanding farm businesses. Sufficient pay and remuneration (to meet Gen Z perceived expectations) was further considered a challenge.

Attitude Perception Generation Peers Work Ethic
 Work Place Finding Understanding Farm
 Commitment Business Start Industry Hard
 Life Skills Focused

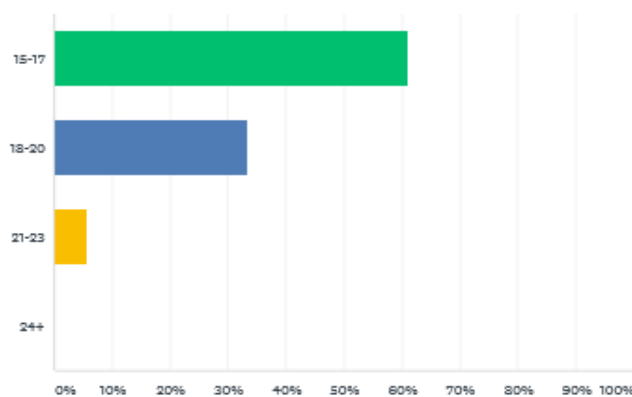
FIGURE 11. WHAT EMPLOYERS CONSIDER THE CHALLENGES ARE OF EMPLOYING GEN Z

Generation Z Survey

This survey is designed to gain an understanding of what school leavers/Gen Z (those born after 1995) value when considering employment and their knowledge/impressions of the dairy industry.

The first part of this analysis is to define who Gen Z are and some key attributes that may influence some of their decision making and/or the responses that were collected. Figure 10 shows the percentage and count of respondents in each age group and Figure 11 the gender of respondents.

Age



ANSWER CHOICES	RESPONSES
15-17	61.11% 11
18-20	33.33% 6
21-23	5.56% 1
24+	0.00% 0
TOTAL	18

FIGURE 12 : GENERATION Z AGE

Gender

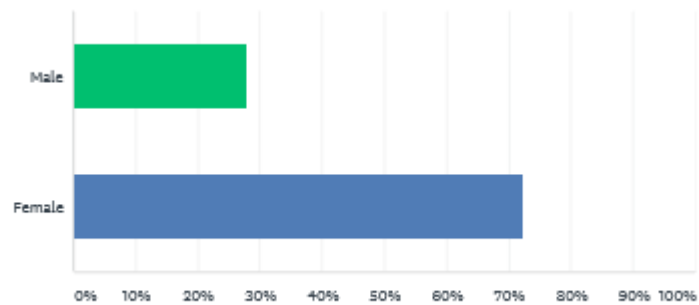
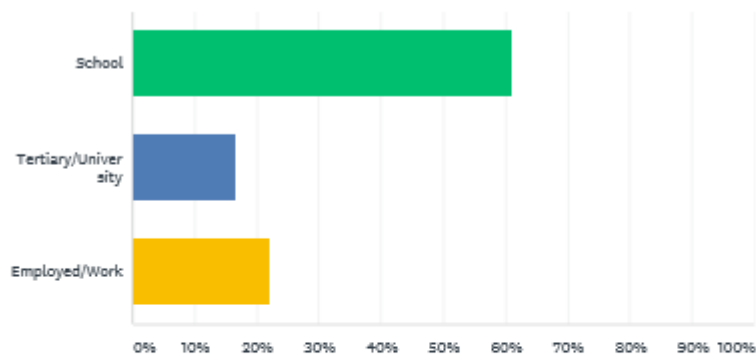


FIGURE 13: GEN Z GENDER

Career/Education Position



ANSWER CHOICES	RESPONSES
▼ School	61.11% 11
▼ Tertiary/University	16.67% 3
▼ Employed/Work	22.22% 4
TOTAL	18

FIGURE 14: GEN Z EDUCATION TRAINING OR CAREER POSITION

Respondents for the Gen Z survey were largely still in school or tertiary training. The survey should be repeated to capture a larger audience to validate information and ensure fair representation of this group.

Connection to Outdoors

The first question regarding Gen Z's connection to the outdoors was "Do you live on a farm?" Fig 15 shows that 65% of respondents did not live on a farm. However, of those who did, they had a range of exposure from lifestyle blocks/farmlets to having lived or worked on dairy farms. Therefore it is important to note that dairy farming likely has not been a consideration for most due to low or no influence during their upbringing.

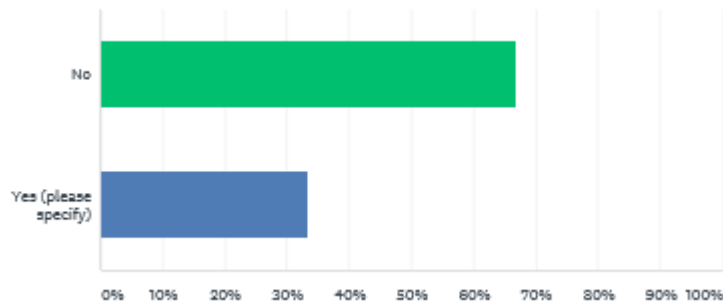


FIGURE 15: DOES GENERATION Z RESIDE ON A FARM

When questioned “do you have outdoor interests?” most did. Sports including hunting, hiking and team games rated highly in responses.

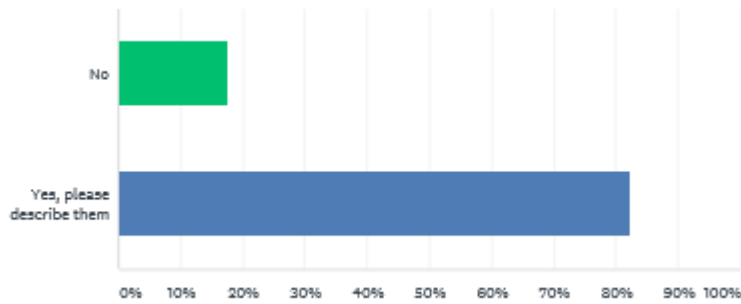


FIGURE 16: DOES GEN Z HAVE OUTDOOR INTERESTS

All respondents said they enjoyed interacting with animals. This was a limited question but could provide opportunity for the dairy industry making deeper connections with Gen Z by promoting the interactions with animals that occur when employed on farm.

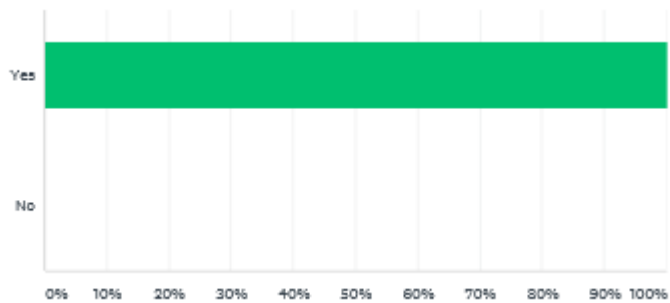


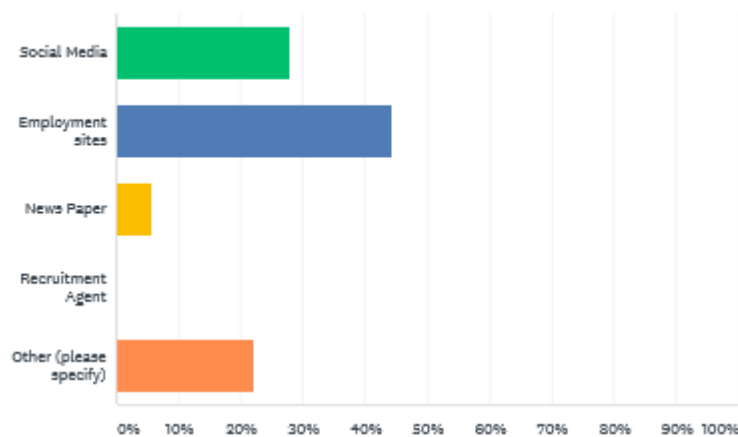
FIGURE 17: ENJOY INTERACTING WITH ANIMALS

Career Decisions and Advice

Respondents were asked if they had made career decisions and who they sought advice from. All respondents had made decisions as to their next step being either further study or farming. It is noted that due to the forums where respondents were sourced that there is likely a bias towards farming. This bias may also influence the following responses.

As mentioned earlier in defining Gen Z, the question of career advice is relevant as Gen Z are either involved in education/training or relatively new to permanent employment. The main sources of advice were teachers/tutors or parents.

When asked where they would first look when considering employment, approximately 30% said they would look at social media. This is interesting as when asked to what extent does social influence your career decision making overwhelmingly 90 % responded with none.



ANSWER CHOICES	RESPONSES
▼ Social Media	27.78% 5
▼ Employment sites	44.44% 8
▼ News Paper	5.56% 1
▼ Recruitment Agent	0.00% 0
▼ Other (please specify)	Responses 22.22% 4
TOTAL	18

FIGURE 18: WHERE GEN Z FIRST LOOK WHEN CONSIDERING EMPLOYMENT

Employment

82% do not have a part-time job that currently requires weekend work. Over 70% said that time off either during the week or weekend would be satisfactory, suggesting that so long as regular time off occurs, scheduling during weekdays would not be considered a barrier to employment. The rest responded that while time off in the weekend was preferred it is not essential. Given the potential bias of the group identified earlier, as they had already considered a career, they likely have an expectation of working weekends.

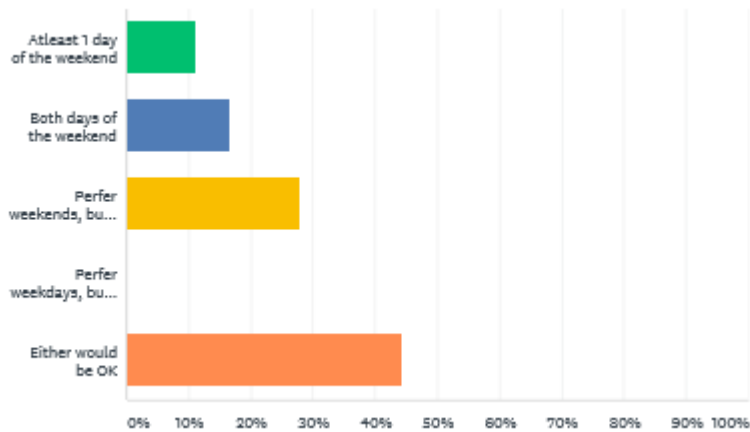


FIGURE 19: PREFERENCE OF TIMING FOR DAY OFF

Top Three Priorities for Employment

The top three priorities for Gen Z varied depending on the level of progression through their career. Fig 20 shows that location, hours of work and pay as three top priorities, with development/learning, rosters and a safe place to work following closely behind.

Other leanings are:

- School students prioritised job security
- Tertiary students prioritise a sense of achievement
- Employed people prioritised a clear career pathway

Unfortunately sample set sizes of those in tertiary and employment distort lower preference. A larger sample size of each group would confirm this further.

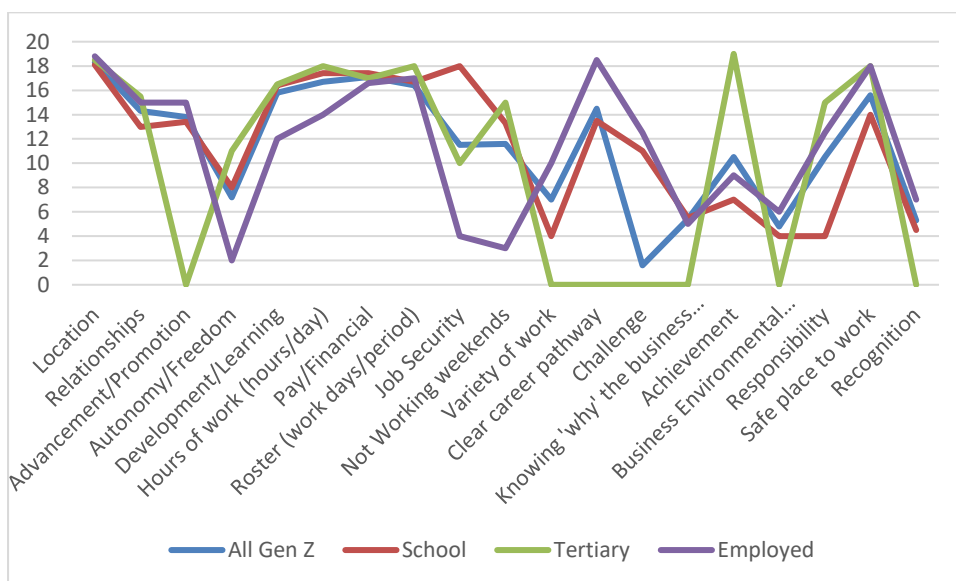


FIGURE 20: WHAT GEN Z VALUE WHEN CONSIDERING EMPLOYMENT

Impressions of the Dairy industry

Approximately 80% of respondents said they had considered a career in the dairy industry. However when questioned about their perceived quality of social life if they lived and worked on a farm, approximately 65% thought it would be below average or poor (Fig 21.). Reasoning was due to the actual and perceived long hours coupled with location or likely distance from friends/family. Overall this did not change when considering working on a dairy farm but living elsewhere, however over 70% thought their social life would improve if they worked in another industry.

Those who thought positively likened their responses to being outdoors and a love for farming/animals, but still cautioned hours of work they would complete daily.

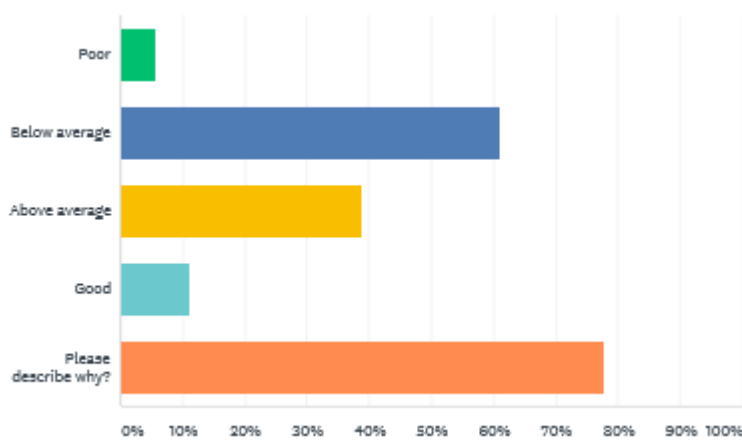


FIGURE 21: GEN Z'S PERCEIVED QUALITY OF SOCIAL LIFE IF LIVED AND WORKED ON A DAIRY FARM

When asked to describe what would improve their social life, responses included money, hours of work that did not excessively restrict social activities (understood to mean early mornings and late nights), time off, and connection with people (including neighbours)

When asked to describe changes to the dairy industry considered necessary to choose/undertake a career in the dairy industry responses ranged from nothing to hours of work and pay. Three respondents skipped this question.

Remuneration

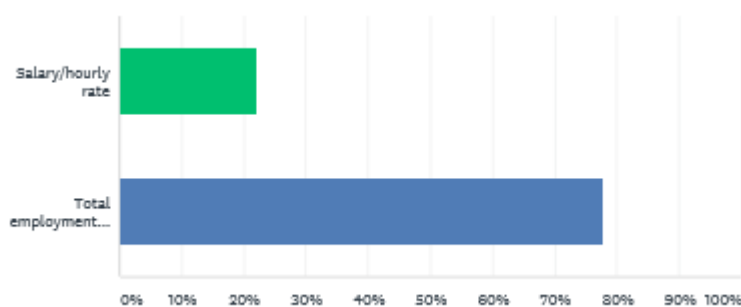


FIGURE 22: WHAT GEN Z LOOK AT WHEN CONSIDERING EMPLOYMENT

The majority of respondents would look at the total remuneration package when considering employment. This is important for ensuring fairness and transparency if comparing to other jobs/industries

8. Discussion

The objective of this research project is to measure where misalignment exists in the priorities of both perspective employees (Gen Z) and employers

Figure 23 demonstrates that largely employers are aware of what Gen Z prioritise when considering employment. The top three priorities for Gen Z are location, pay/financial, rosters. Employers responses closely mirrored those of Gen Z, but placed significant more priority on recognition.

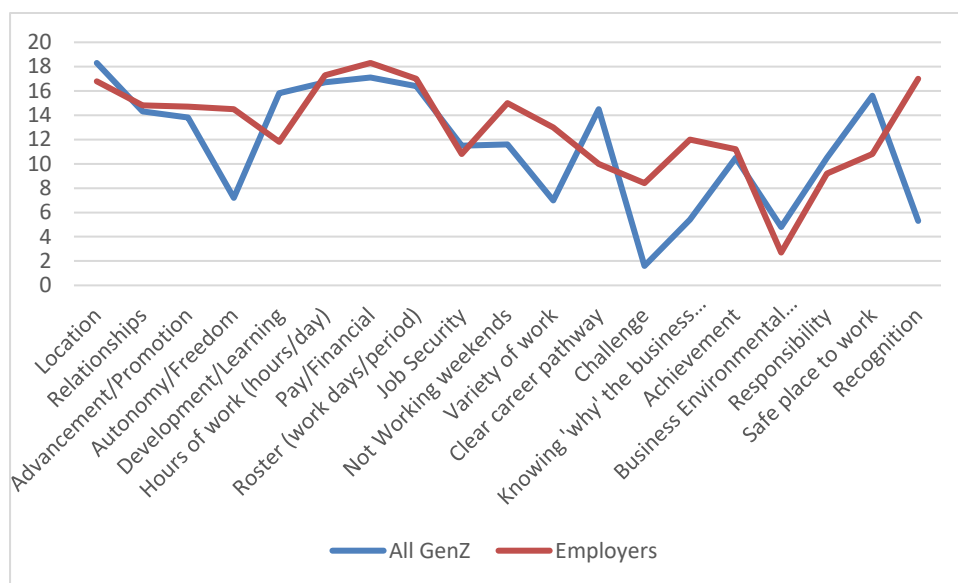


FIGURE 23: COMPARISON OF WHAT GEN Z VALUE AND WHAT EMPLOYERS THINK GEN Z VALUE – WEIGHTED AVERAGE PRIORITY

Although there is awareness and alignment of priorities, how farming businesses operate and the expectations and realities of employment conditions within the dairy industry do create barriers to recruitment.

The realities of a career in the dairy industry are supported by literature review findings where:

- Early mornings and long hours on a dairy farm put a lot of students off¹³.
- Average working hours were 64hours per week over spring.¹⁴
- Accepting and tolerating unattractive or poor workplace conditions now is no-longer justified due to lower expectations of future reward.

¹³ Rolfe 2015, Stoking Secondary School Students Interest in Primary Industry Studies

¹⁴ DairyNZ (2013) Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020

Industry Expectations

Rosters

The notion of rosters within the industry is not new. As noted by DairyNZ, (2014), It has been common practice to exercise rosters within the dairy industry, commonly 12 days on 2 days off or 11 days on, 3 days off. These represented close to 70% of all rosters for all farms surveyed. Rosters were not a focus of this project. However rosters combined with hours of work per day contribute to the “long hours” perception and reality of the industry. I consider rosters that contribute to “long hours” are a barrier to making the dairy Industry a career of choice.

To gain a better understanding of the impact of rosters, specific information could be collected by survey within the industry or compiling information from the likes of the Farm Source recruitment website as to what rosters employers are now expecting.

Hours of Work

Hours of work was a priority of Gen Z. From the literature reviews and survey responses a strong theme was that the number of hours worked are considered long and unappealing, creating a real barrier for recruitment. While not explored as part of this project, it is considered that long hours further contribute to retention issues. DairyNZ suggested 64hrs/week average over calving with subtle seasonal variations¹⁵. This is further acknowledged by Stuart Taylor’s work where long hours speaks for the majority of dairy businesses. Likely reasons (drawn from my experience within the industry) for why this occurs are:

- Employers’ resistance to consider shift type work
- Employers’ perceived inability to increase permanent resource due to;
 - A lack of infrastructure or suitable housing to meet above “normal” expected use
 - Additional costs to the business (labour and associate costs, vehicles) – this pressure could be higher for contracting/LOSM positions where profit margins are significantly tighter. This could have further flow on effects
 - Consideration/the impression that the farm would be over resourced
 - Increasing rostered days off increases the need for casuals to replace full time staff and may be seen as lowering productivity (less working days), rather than improved productive days when working.
- The majority of employer respondents were in the mid-level tier. Here there is a level of farm ownership above who are involved in setting business operational expectations. While the characteristics of the farm owners in the case were not explored, I make an assumption (based on my industry experience) that they likely fit the age group of 40yrs plus or of a corporate nature. As a key decision maker within their business regarding setting operational expectations (captured by the likes of Share Milking agreements – minimum number of staff required), farm owners also need to understand and share the vision for

¹⁵ DairyNZ, (Strategy for Sustainable Dairy Farming 2013-2020

changing working conditions. A challenge that may present to winning this over with farm owners is the mindset of “I worked hard to get where I am, so why should it change”.

Hours of work is identified as a key priority for Gen Z. Long hours are a barrier and contribute to the perception of below average quality of social life if living and working a dairy farm.

A Reconditioned Motor versus Trading Up - An Approach to Employment

The approach here is new employees to the business could be likened to a reconditioned motor in a car. New skill and talent (the motor) will undoubtedly assist the business (the car) in developing efficiencies and improving on how the operation previously worked, but fundamentally the car (the business) will still operate/drive the same.

We need to take an approach of trading in the old model, to get a new version (changing the business too). Yes parts of the business will remain familiar, however overall its appearance to the owner (and the public) is it is cleaner, more aerodynamic, offers “want to have” modern conveniences and a much improved driving experience (one where we/employers want to take the drivers seat). It would be so good, people will be talking and telling others about it, not just to have a test drive but take ownership of. The next challenge will be looking after it so it remains new, servicing it regularly to maintain performance and not letting it get covered in dirt and dust or ultimately returning to a similar state as the old.

Remuneration Packages

Pay and financial value of employment were identified as a priority by Gen Z. 80% of Gen Z respondents said they look at total remuneration package when comparing employment packages rather than hourly rate.

Farming employment packages comprise typically three main areas:

1. Salary or hourly rate
2. Accommodation
3. Other benefits – Electricity, firewood, meat, vehicle, allowances, rearing or grazing animals

Salary hours or hourly rate are pretty straight forward when comparing positions, allowing employees to clearly know the value they will be remunerate whether it be on an hourly basis, pay period or annually.

Accommodation on-farm has for a long time has been part and parcel of the job and lifestyle and was once termed “a free house”. Accommodation is likely considered necessary and a necessity for farming jobs due to location/distance from main centres and requirements for early mornings etc. Due to employment and financial regulations free houses are a thing of the past. Nominal rent

values are now typically applied. How values are determined are a point of interest. Some employer and employee considerations are,

Rent Value Method	Pros	Cons
Nominal value (less than market rate)	Lower tax obligation for Employer	Under values employees total remuneration package
Market Rate	Values employee total remuneration fairly/competitively	Increases tax obligation for employers For some employees, may push total remuneration value over thresholds reducing ability to access benefits (ie Working for Families) If valuation is not transparent, some employees may consider accommodation as overvalued and unfair, favouring the value to be attributed to salary instead.

FIGURE 24 . PROS AND CONS OF ACCOMMODATION VALUES –EMPLOYER AND EMPLOYEE

For share milker and contract milker relationships, especially those of lower percentages (equivalent of 18-20%), farm owners (as part of the contract) supply houses (typically with no value attached). All expenses are negotiated, however tax on accommodation benefits is likely to be missed and/or an allowance would need to be made from the farm owner to the share/contract milker for these costs. There is likely to be a resistance to a market rate approach to determining rent values.

A thought to consider is does the industry undervalue our remuneration packages in order to reduce tax obligations? Do we fail to attract the best to the industry as our remuneration is not competitive?

Other benefits (like meat, firewood, electricity, rearing calves) exist to varying extents. This has not been a focus area of this project, however as with accommodation, appropriate fair market value should be considered.

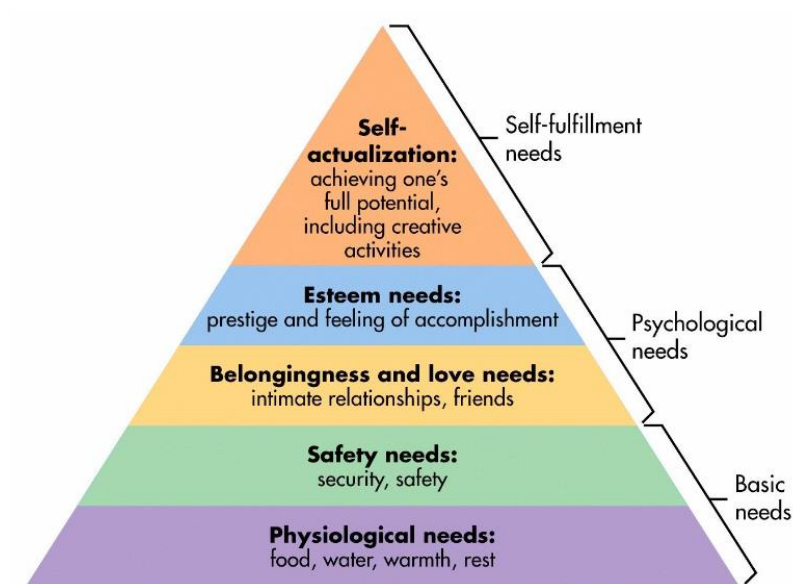
Generation Z

The sample size of 18 creates some enlightenment as to Gen Z’s thinking, but also has some bias. To validate whether these results are truly representative, further investigation should be undertaken. There remain the issues around attraction to the dairy industry as well as knowledge of Gen Z and their characteristics. Unfavourable stigmas and perceptions of the industry exist and sit with Gen Z and their closest advisors (family including parents) and careers advisors. This is unhelpful but individually we need to take ownership in making a change and promoting a better industry (from an employment perspective)

There is a trend that shows pre workforce priorities and how these change when Gen Z gain employment (fig 20). This is supported up by findings in my literature review that due to the 'young' age of Gen Z, adult characteristics are likely still to be formed¹⁶.

Farm Location

Farm location was identified as a key priority by Gen Z when considering employment. Location was not explored as to what determined good versus bad, but on the basis of Maslow's Hierarchy of Need (1943)¹⁷ the psychological need of belongingness comes into force. I believe this is either connectiveness to a main centre/town or just close location to friends and family. Therefore, I consider if this priority/need of Gen Z cannot be met, it becomes a barrier to recruitment. A large proportion of farming businesses will struggle to meet this need simply due to their geographic location therefore the next priorities must not only be met, but exceeded (good hours of work, attractive rosters).



Source: www.simplypsychology.org/maslow.html

FIGURE 25 . MASLOW'S HIERARCHY OF NEEDS (1943)

Once employed Gen Z's priorities show subtle changes where development and learning followed by clear career pathways increase in priority. Due to the low number of respondents in this age group, further investigation should be undertaken. As Gen Z's characteristics develop as they enter the workforce and workforce population distributions change, these priorities are likely to mould and change too. It then becomes important to understand these trends and predict directions and develop strategies to remain competitive. Resurveying regularly is an approach that would ensure continued understanding and insights.

¹⁶ <http://genhq.com/faq-info-about-generations>

¹⁷ <https://www.simplypsychology.org/maslow.html>

9. Conclusions

Key Points

- Gen Z survey responses do contain bias towards the industry and likely do not truly represent all interests.
- Employers within the industry vary in age and business structure. However, with each business structure below Farm Ownership this means the Farm Owner needs to be involved and invested in making change if it is to occur.
- Not all Gen Z have outdoor interests, but all respondents like interacting with animals – This should be a point to leverage
- The industry is not seen as an attractive career option for a number of reasons, but not exclusive too
 - The perception of long hours and hard work. This is also a reality.
 - The reality of long hours and hard work creates a negative perception of quality of social life.
 - Remuneration packages due to accounting of accommodation and allowances are undervalued.
 - Expectations of future reward (equity, wealth creation) no longer exist to the extent they used to.
 - The combination of unattractive location, pay, hours of work and roster create a real barrier to the dairy industry being chosen as a career option.
- Rosters that contribute to “long hours” are a barrier to making the dairy Industry a career of choice
- Parents/friends and teachers are key influencers in career advice for Gen Z.
- Employers’ top three qualities for employees are work ethic, honesty and communication skills.
- Millennials are the closest generation aligned to understanding priorities of Gen Z, however it needs to be noted that these priorities may mould and change as Gen Z develop career experience
- Employers largely know what Gen Z consider priority when considering employment, but farm systems have not been adapted to align more closely with these priorities.
- The focus of this research could be replicated to people who might consider changing careers from another industry to the dairy industry.

From this research, I have found that there is not significant misalignment between employers perceived and Gen Z’s actual priorities for employment. However, there is misalignment between what Gen Z prioritise and the realities of a career within the Dairy Industry where long hours and poor rosters exist.

10. Recommendations

The recommendations below are to encourage thinking by possible changes that could be implemented in dairy businesses. If we keep doing what we are doing, we will get the same results. The purpose is to make the dairy industry the industry of choice as a career/employment option. Implications of the following recommendations need to be assessed. Employers largely know what Gen Z prefer, but farm systems need to be adapted to align more closely with these priorities.

- Rosters
 - Put people first.
 - Set a new standard for rosters. The old 12 days on 2 days off (or similar) are no longer tolerable if we want to be seen as an attractive career option. 5 days on 2 days off is an option to consider.
 - Consider position shifts that rotate, rather than one person who does all.
 - Provide some boundaries, but engage your staff in the problem solving. They will come up with some solutions.
 - Ensure break times are achievable.
 - Respect individuals time off.
 - Role model what is expected.
 - Ensure Farm Owners are brought into the discussion.

- Hours of Work
 - Consider shift work that caps hours within a week (50 hours) or within a day (8 hours) for example.
 - Consider the likes of an oil and gas industry model (eg: week on, week off), where the house is accommodation while at work, but the employees is encouraged to seek primary accommodation off site (at their expense).
 - Consider changing system to once-a-day milking or new routines.
 - Consider position shifts that rotate, rather than one person who does all.
 - Create flexibility in time off.

- Remuneration
 - Value all accommodation and allowances appropriately for the employees benefit, not just for a reduction in tax liability.
 - Realise the true cost of labour to operate a dairy business (value overtime or provide more resource).
 - If employees have skills or training, exceed minimum wage.

- Attraction

- Understand what Gen Z prefer and make a commitment to change (like a shop front being “Under New Management”)
- Tell a good story and demonstrate the reality of it.
- Good accommodation, good facilities and good banter is essential.
- Use technology to assist management and operations, not just to reduce labour
- Paid internships or cadetships could be an attractive option.

- Follow up considerations for the industry
 - Expand Gen Z Survey to capture a better representation of the group.
 - Re-survey regularly (1x per year or 1x per 2 years) to understand the changing dynamics of Gen Z’s employment priorities and characteristics.
 - Conduct an industry survey of rosters and hours of work.
 - Investigate the decision making of employers to identify barriers to change.
 - Work with farm owners to understand the need to change so that the industry can actively work towards improving recruitment.

In summary, farm businesses and/or employment systems within the dairy industry need to change if Gen Z are to find dairy farm work more appealing.

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The Center for Generational Kinetics, Top 10 Gen Z and IGEN Questions Answered, Generational Breakdown: Info About All of the Generations <http://genhq.com/faq-info-about-generations>

12. Appendix

- 12.1 Career and Employment Survey (Gen Z)
- 12.2 Dairy Farm Employer Survey