
The Quality Employers Group concept in a rural community

For the Primary Industry
Council/ Kellogg Rural
Leadership Programme
2006

Dick Sharpin

TABLE OF CONTENTS

3	Acknowledgements
4	Introduction
	The Quality Employers Group concept in a rural community
6	General overview of employers groups
7	The reputation of dairy farmers as employers
9	Community advantages of employers groups
11	Establishing an effective employers group
12	Training opportunities within the group
14	The importance of the independent audit
15	Recommendations
17	Conclusions
18	References
19	Endorsements

ACKNOWLEDGEMENTS

I would like to acknowledge the support and assistance of:

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Amuri Dairy Employers Group – Elizabeth McCraw-Neill

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November 2006

INTRODUCTION

The Clydevale Clinton Quality Employers group has been set up to specifically meet the needs of our 20 plus dairy farmer members.

In setting up the processes and procedures for the group we have endeavoured to meet critical employment standards in areas of our industry that often create problems. This has included:

- Capping hours of work for fewer than 18s
- Guaranteed standards of accommodation
- Recommended/standard time on/off rosters

We believe that for an employers group to work successfully, you need a group of like-minded go-ahead dairy farmers within a close geographic area who have seen the need to offer a better standard of employment terms and conditions for the current and likely future employment landscape.

One of the key aims of this process is to put our members to the forefront of employers in our community - "To be Employers of Choice".

Through the employers group format, members are able to offer their staff ongoing training and skills development. This includes A.T.V safety courses, chainsaw safety courses and specific seasonal training opportunities like pre-mating and pre-calving sessions. As part of our education and training schedules we have endeavoured to include social and life skills opportunities that may not necessarily be directly related to the 'on farm' working situation. A good example of this was a Budget Advisory Service seminar. Young staff arriving on farm, often are leaving home for the first time and it becomes quite apparent that their life skills base can be non-existent when it comes to looking after themselves both financially and practically (i.e. buying groceries, cooking and housekeeping).

Further benefits accrue by way of the employment opportunities that develop within the group i.e. opportunity to advance yourself as an employee by shifting to another position within the group, knowing you will have very similar terms and conditions.

Further development programs are also offered for the employer group members as an encouragement to improve their personal skills and develop their business skills. Use of a dairy industry developed document called the Employment Health Assessment document is an example. We have recently run lunchtime sessions for our members that allow them to look at the various employment issues and hints covered in this publication.

This process has looked at areas such as Goals and Motivation, Work-Life Balance, Performance Management, Training and Development and Rewards and Remuneration.

So for both the employees and the employers there are education and self-development opportunities, hands on training, social interaction and support within a local community group context.

THE QUALITY EMPLOYERS GROUP CONCEPT IN A RURAL COMMUNITY

1 General overview of employers groups

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

In a report compiled for the Nelson/Marlborough Seafood Cluster by the Department of Labour, TEC and ACC (May 2003), many of the facts and suggestions made can be easily applied to employers in any field and from my perspective particularly the dairy farming employment arena. They talk about being 'Employers of Choice by 2010'.

Employers of Choice is certainly a phrase synonymous with CCQE. The Employment Guidelines which we have developed are the catalyst to the group's members in time becoming Employers of Choice.

As an employer there are some pretty basic, common sense and well mannered actions you can take that will go some of the way to becoming an 'Employer of Choice' (being considerate, approachable and open to communication with your staff will go some of the way).

Evidence from the NZ Business Practice and Performance Study shows a real link between business success and a good employment situation.

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

This study identifies the direct relationship between good employment

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

"In other words it is not enough to just create a good employment policy. To be effective, policies and programmes must be properly implemented with a view to maintaining quality processes for quality results."

Also the PriceWaterhouseCoopers' Global Human Capital Survey (2002) indicates that good employment relationships mean good business.

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

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

2 The reputation of dairy farmers as employers

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

Understandably traditionally accepted practices have been questioned, particularly with the increase in herd sizes and so the longer milking times i.e. more hours in cowshed.

The traditional farmer and his wife with 100 - 250 cows and maybe one helper has been overtaken during this rapid growth and we now see many large units milking 1000 and more cows through large rotary

dairy sheds.

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

The reputation of dairy farmers as good employers on the whole was being brought to question.

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

These groups have endeavoured to address employees' terms and conditions on the generally large dairy units that predominate in South Island dairy areas.

- Addressed hours of work for young (under 18)
- Addressed time off by recognised rosters
- Addressed training and skills for employers and employees
- Standardised acceptable housing conditions

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

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

Employment groups generally believe that these opportunities still exist

and believe it is worth our advertising this opportunity so people entering the industry can follow a definitive line. We want to make dairying an enjoyable and successful job or career.

3 Community advantages of employer groups

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

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

Social interaction between employees is seen to flourish as they mix together at training days and organised social occasions.

Within the community the benefits begin to become quite tangible when you see lower staff turnover. Peoples 'sense of community' is heightened and the flow through to community groups i.e. Lions, Sports Clubs, is very evident.

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

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

The opportunity from within community employers groups for people to pick up and develop leadership skills is huge.

This begins at a local level where employers groups require a committee to function. Leadership opportunities at this level give

people an exposure to committee procedures and positions. Meeting etiquette and skills can be learnt in a environment where people are comfortable as they are only having to deal with their local 'peers'.

As members' profiles increase within their communities further opportunities present themselves and having had a good grounding at a very local level, people are better prepared to step up the ladder and accept more challenges in other related areas - BOT, Advisory Boards, Community Groups, Rural Polytechnic Board and Kelloggs Rural Leadership Program!

People hunt out those from within communities who lead from the front and who are prepared to 'have a go'. Often these people don't realise they have developed a profile - 'it's just what happened'. The fact that they are 'doers' makes them invaluable as leaders when there are jobs to be done.

A further community spin off for our members has been the development of a stand alone group made up of most of the CCQE members called South Otago Buying and Investment Group (SOBIG). SOBIG sets out to use the collective might of its members in order to negotiate a commercial advantage with our suppliers.

To date key areas of farm inputs such as fertiliser, animal health products, fuel, electricity, farm machinery, motorbikes have been put up for pricing opportunities.

The important ingredient that allows CCQE and SOBIG to flourish and develop is the sense of trust and 'community' that has grown significantly since we have been working together.

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

Employer groups give members the background support by ensuring through their Employment Guidelines that every effort is being made to provide employees with a work environment that is safe and secure for

both them and their families.

Through the independent Audit process areas such as housing conditions and hours of work for under 18s are addressed along with OSH issues. Employers group members realise the benefits to their businesses of having these social aspects right. The flow on effect from stability and a generally happy environment is not to be underestimated, i.e. sick days and sleeping in.

Clearly the concept of a strong network of employers within a community is beneficial for the group as a whole and its wider community.

4 Establishing an effective employers group

We began with the concept of a likely successful group as a collective of like minded people who share common goals, values, principles and who are confined by a general geographic area.

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

Common sense would suggest that success of a group is much more likely if they're a tight knit group and defined within a close geographic area, i.e. CCQE and Amuri Dairy Employers (Amuri Basin). For operational reasons the close community aspect is important as members tend to have a greater emotional tie to something within their area/district/community. Obviously its easier for potential members to relate to the benefits when they see them accrue in their district.

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

Naturally one does not wish to advertise these groups as elitist, but

really by definition they are. So hopefully that elitism will mean job hunters will gravitate towards the right employers because they have a knowledge of what they can expect.

Part of the success of groups comes from having a focal point or a hub where the Employer Group meets, runs training days and socialises. For CCQE this hub is the Greenfield Tavern.

The social opportunities that tie in with training days are important in establishing a group ethos.

From the hub/pub focal point, employers and employees can rub shoulders and develop the team and community spirit that is essential for these things to grow.

The right people in these areas also act as a watch dog for young people who may be struggling somewhat with the high demands of our seven day a week industry. Whilst not a formal arrangement, a word in the right ear often sees any issues nipped in the bud before they escalate.

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

A focal can be anywhere that suits your environment. It may not necessarily evolve around a hotel but for us that has proved to be effective.

5 Training opportunities within the group

The responsibility of a group to its members and their staff with regard to education and training is significant.

To begin with, the group should endeavour to develop an annual timetable of events which highlight the training opportunities they intend to offer. Members obviously need to have an input here so the

right areas are being dealt with.

Information that emanates from the Audit process can be used to identify key areas requiring attention. Generally people can be accessed to deliver these training opportunities at little to no cost to members.

Through sponsorship of the training professionals can be used to facilitate the programme, i.e. CCQE Calf rearing (Bas Schouten, Sponsor RD1), Employment law issues (Sarah Borrell, Federated Farmers, Sponsor RD1), pre-calving and pre-mating seminars with Clutha Vets.

It appears the logical approach that training should evolve round a seasonal focus so employers and employees are keeping up with what is best practice for tasks on-farm 'now' - calving, mating, forage crops etc.

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

Opportunities exist through contact with other organisations to offer training in many areas connected to employment.

Utilisation of the Employment Health Assessment document (Dairy Insight and ATR Solutions) is certainly an area CCQE are going to develop. This document gives a step by step approach for employers to go through and identify areas of their employment practices that need attention. The process allows for the user to identify the priority issues then work through and look at solutions for future steps.

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

Training and education is seen as a good way to ensure the employers in the group will be viewed favourably and as Employers of Choice.

6 The importance of the independent Audit

The audit process is an independent analysis of members businesses. A robust and critical audit process was developed based upon the criteria set out in the group's Employment Guidelines and Constitution. Developing this process did take time and discussion amongst members to ensure that the members accepted the process and its importance. It is the guts of it!

The independent Audit gives the Employers Group credibility. The employment situation and practices set in place are inspected and it also identifies areas to be developed in future years.

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

The selection of the Auditor is critical to the delivery and acceptance of the Audit. When CCQE completed their first Audit in 2005 they were very careful and selective as to whom they employed. Given the fact that it was the first Audit we were mindful that members did not need to be frightened off the Audit process.

A very non threatening Auditor was contracted and his careful and professional approach guaranteed, that Audit in 2005 was a success.

Through the process he highlighted areas that needed attention so that in the final analysis we were able to come up with the main areas requiring attention for 2006.

Other organisations such as QFENZ (Quality Farm Employers of New Zealand - Shaun Wilson and John Fegan) have slightly different processes but essentially they work towards the same result. You need an independent report that says that you are achieving or delivering what you claim you are!

Self Assessment is an integral part of process before the auditor's visit and this gives members the opportunity to informally assess where they are at. This allows them to buy into the process.

RECOMMENDATIONS

1 As every process should have a logical point to reach or conclude with, I feel it is important to identify some key factors I believe gives the Employers Group model some real guts and integrity.

In order for the benefits of these processes to be shared or enjoyed by other farmers I believe the basis for what we have done needs to be expanded to become a National Standard for Dairy Employers.

Dairy Insight through their "On Farm Innovation Fund" have recognised the benefits and have accepted our application to expand this process into a "Beginners' Guide to Community Based Employers Groups".

The real benefits to farmers and employees would soon become apparent as the opportunities to shift from one accredited member to another employer in another area knowing full well you would be confident that your terms and conditions, accommodation and education opportunities would all be of a similar standard to those you were leaving.

The employer would have access to a data base of staff that were well versed in current employment practices. Given the current climate of tight staff availability it makes sense to develop a network that keeps those already in the industry - the opportunity to shift around the country may be an incentive in itself and allows for employees to grow their skills in the different environments that the spread of dairying offers throughout the national supply base.

2 There is an opportunity for CCQE to develop their contacts with the Amuri Dairy Employers Group. The opportunity is there to be developed as the only two South Island employers groups. Logically we will grow this association in order to help accommodate our respective members as they endeavour to remain the "Employers of Choice" in their respective regions. The interchange option is an obvious benefit that needs to be expanded for group members and staff in both regions.

This vision will grow to a national example as we gain some traction with our "Beginners Guide."

3 Another possible opportunity exists for interaction and mutual benefit with a more commercial option that is QFENZ.

QFENZ members pay to become part of an organisation that has a commercial base and is represented nationally. Whilst in its infancy, its client base has expanded significantly and their model has been embraced by a growing number of corporate clients in particular.

The real benefit to farmers and employees in the future will come from an amalgamation of the community based concept and the commercial model.

A creative process should allow the development of a system that embraces the best of both options. This creativity should develop opportunities for employers to grow as far as they feel inclined to within guidelines and proven systems that are a mix of the best options from the CCQE/Amuri model and the commercially motivated QFENZ system.

4 Industry funding in association with Dexcel, Dairy Insight and ATR Solutions has allowed for the development of the Employment Health Assessment document.

I feel that the EHAD is a resource that the industry should embrace. Farmers should be encouraged to use this document to assess their own employment practices and identify areas to develop.

This has been done as a trial by CCQE members with some very fruitful discussion and exchanges of ideas. An analysis of the seminars and the document will show that the EHAD should be used more widely.

CONCLUSIONS

From the information outlined in this report, I feel I have given a good insight into the objectives and benefits of a community based employment group.

As shown by the level of support from industry organizations and from groups and businesses within our community the benefits we are seeing certainly endorses our aims for CCQE (see Endorsements).

The value members gain in terms of education and training for themselves and their staff is immeasurable.

Often employers are so focused on their own business that they fail to look at themselves and take an honest view of where they rank as far good employment practices are concerned.

As farmers we are well versed in all the latest on farm technology that helps in areas of production, environmental sustainability, financial control, but very rarely have we been innovative and forward thinking in areas relating to employment.

The employer group concept picks up this challenge and endeavours to develop the ethos of being 'Employers of Choice'. This is backed up by the independent Audit process and the ongoing training and educational opportunities that the group offers.

“My employees have a great job!”

Would it be easier to say 'yes' to this statement if you ran your farming business with the support of a community based employers group?

REFERENCES

“Good employment practices are good for your business” – Report to the Nelson Marlborough Seafood Cluster, May 2003.

“Global Human Capital Survey” – PriceWaterhouseCoopers, 2002.

“Firm Foundations: a study of New Zealand business practice and performance” – Ministry of Economic Development, 2001.

“Employment Guidelines” and other group documents – Clydevale Clinton Quality Employers, July 2006.

“People Matter” – Elizabeth McCraw-Neil, Amuri Dairy Employers group.

ENDORSEMENTS

Community endorsements as to the work of the Clydevale Clinton

Quality Employers follow.

Tuapeka West

R D 1

Lawrence

15th November 2006

To whom it may concern,

In my opinion, as Chairperson of the Clutha Valley Primary School for the past six years and as a Chartered Accountant practicing in Balclutha, the Clinton Clydevale Employers Group can only provide positive benefits to the Clutha Valley Community.

The shift from the traditional sheep and beef farms to dairying that has occurred in Clutha Valley over the last ten years has had a huge impact on the school. Our role has continued to grow. At present we have a role of 139, with an expectation to finish the year at 141. Predications that were made before the move to dairying indicated that the school would have a current role of approximately 70 to 80 students. This role growth has allowed us to maintain our 5 teacher school with a sixth teacher being employed this year. However this growth brings with it its own challenges, a significant number of children arrive and leave on the 1st of June, the annual moving day for sharemilkers. Often we have no forward knowledge of these children coming to our school. This causes extreme difficulty at the start of the academic year in planning class sizes. In the past two years we have had a net gain of up to a 17 children on the 1st of June. This has meant that half way through each year we have had to undertake a review of all class sizes with children being transferred up a class or look to

employing another teacher, often funded by the Board of Trustees, to alleviate large class sizes.

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

It is a well known educational fact that children that move to a new school can often take several months to settle into the new routines, make new friends and begin to learn. It is also a well known fact that children that move schools often may experience learning difficulties and need more attention from their teachers than children that are more settled. Obviously if the Employers Group provides stability for employees this will mean their children will stay longer at the school, resulting in all children having better learning outcomes.

In a wider perspective, the success of the Employers Group has flow-on effects for the entire community. Increased trade with local business such as garages, rural supply outlets and agricultural contractors can only provide positive outcomes for the community. There is also a growing industry of local sheep and beef farms providing grazing to dairy farms, again this can only be positive.

In summary, I believe the success of the Employers Group will only provide positive outcomes for the Clutha Valley district resulting in a more stable workforce and increased trade.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Gaye Cowie', with a stylized flourish at the end.

Gaye Cowie, CA

October 15 2006

My name is Lyndon Mills, I own and run with the partnership of my wife, Karen, the Greenfield Tavern in Clydevale, South Otago.

We first heard rumours of a Dairy Employment group about 3 years ago.

Having lived in the Clutha Valley for five years we have watched many Sheep and Beef farms convert into Dairy Cattle. With this has come an influx of workers from around New Zealand and overseas. My view of an Employment group is quite skeptical.

My main concerns and the common concerns of other locals were:

- Will the employers who need to be a part of this group join?
- Will the quality of the employee improve?
- Is the dairy industry isolating itself even further from the community?
- How long is the process going to take?
- What or how is it going to influence or change the community as it stands?

The Clinton / Clydevale employment group hold regular meetings, discussion groups and luncheons at our Tavern. Putting aside and financial benefits, I was impressed at the depths that these meetings go into. The regular contributions from advisors, Fonterra and other related groups shows this group has a firm focus on achieving a platform to work from.

Though there are still employers in the Valley that could benefit from being a member. The numbers that are involved tend to have a staff base that will work a full season before moving up or on to another position. Where as others can go through multitudes of different staff in a season.

I feel there still needs to be more interaction between the Dairy and Sheep industries. Perhaps if a regular news drop was circulated so the Valley knows the group's direction or perhaps concerns etc.

The employment group is still in its infancy but personally I think it is a great thing for the future of Dairy in the Clutha Valley. The extra workers it brings to the area means a viable future for the other businesses in the area.

Kellogg's Rural Leadership Programme

Endorsement for Dick Sharpin

6 October 2006

I know Dick Sharpin in his capacity as Chairperson of the Clydevale Clinton Quality Employers Group. During my time working with him this year, Dick has demonstrated total commitment to the dairy industry.

Our first meeting was an extremely positive one. Dick saw the opportunities where Dexcel could assist the Quality Employers Group and was very receptive to new ideas. He was prepared to embrace them totally. Some of these included:

- Promotion of Clydevale Clinton Quality Employers to Lincoln and Massey University New Zealand Dairy Industry Undergraduate Scholarship recipients as an opportunity for part of their 39 weeks practical work requirements in the summer of 2006 - 07
- Developing relationships with local schools who may attend the Sharemilker of the Year dinner in 2007
- Promotion at South Otago High School Carers Evening in 2007

Students at both Universities have been notified of the opportunities for summer employment with the Clydevale Clinton Quality Employers. Dick is co-ordinating this opportunity which will be a win/win situation for the Quality Employers and students.

The next two events will take place in 2007 and planning will be underway shortly. I know that Dick will ensure that these events will have full support as he is a man of action.

I endorse the work that Dick does in the community for the Quality Employers and feel privileged to work with him for positive outcomes for the dairy industry.

I am available to make further comment in support of Dick Sharpin if this is required.

Joy Piper

Dexcel Ltd.
Industry Education Facilitator (South Island)
Phone 03 2184572



22 October 2006

To whom it may concern

**Support for the concept of a Quality Employers Group
as in the Kellogg Study topic of Richard Sharpin of Wharetoa**

On behalf of the Clutha Agricultural Development Board, I write in support of the concept which is the study of Dick Sharpin during his Kellogg Study year.

Support for the Clydevale Clinton Quality Employers group, of which Dick is the founding Chairman, has been an important part of the work of the Clutha Agricultural Development Board over the last three years. This group of some 25 dairy farmers has developed into a flagship statement that employment relationships in this industry have to improve. They have set down core standards in their "Employment Guidelines" that meet legal, social and economic imperatives for their businesses. Members are obliged to meet these standards through an independent audit each year. The group has also made it clear that the bar needs to be raised on these standards in the coming years. It is the Board's belief that this group is doing great work for the industry in showing the way towards a healthier employment situation in the dairy industry.

The group has been an important part of the community in the Clydevale area especially with a variety of industry training, business and leadership courses and projects and trials being held around this core group of forward-thinking farmers.

It has been a great pleasure to be part of this group with our administrative and financial support and we are sure that this Clydevale Clinton Quality Employers group will have a significant impact well beyond their own geographic area and well into the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Malcolm Deverson', written over a light blue horizontal line.

Malcolm Deverson