

THE AMURI DAIRY EMPLOYERS GROUP: ITS FORMATION, OPERATION AND EFFECTS

Reuben Edkins and Dr Rupert Tipples

Introduction

The Amuri Dairy Employers Group (ADEG) was formed in early 2000 as a response to the difficulties employers in the Amuri faced attracting and retaining dairy farm staff. This article describing the group is based upon a two-year study of ADEG. A case study approach was used to look at the formation, development, operation and the effects of ADEG. This study sought to understand whether the ADEG concept could be used to address employment problems beyond the Amuri.

The research was born from an interest, which arose from time the primary author of this work spent living in Amuri, an isolated geographic basin some 90 kilometres from Christchurch, and involved with dairying farming. As part of this study, all current members of ADEG as of early June 2001 and 2002 were interviewed, as well as 20 employees of ADEG members. Several other Amuri community members were interviewed, and a survey of ADEG members' employees was conducted.

The Amuri

Land use change to dairy farming was facilitated by the commissioning in 1980 of the first of the two major irrigation schemes in the Amuri. The industry developed quickly following the first farm conversion in 1983. This change of land use was accompanied by major social changes. There was an influx and then outflow of people involved with the construction work associated with the irrigation schemes and systems. Former farming systems, farmers and families were replaced.

An existing farmer in the Amuri may have moved from a situation where the neighbours had been there for three generations, to one where the new farm owners lived outside the area. The sharemilker changed at least every three years, and most staff moved on annually. The population underwent a significant change, as did the demands for services and staff. The cumulative effects of these changes were magnified by the nature of the Amuri. The resulting issues have been studied and reported by many previous authors including Hunt (1998), and Tapol and Bishop (2000).

The problems and the formation of ADEG

Concerns about the difficulties attracting and retaining good staff had on farm operations in the Amuri led a dairy farmer, relatively new to the area, to initiate public meetings and discussion about

the problem. On the 11 May 2000, the ADEG was officially formed, following a six-week period of discussion. During this period an executive to run ADEG was formed, ADEG's aims objectives and activities were defined and a constitution was developed.

The executive from that first public meeting met four times during the formation process to develop and refine some aspects of ADEG. Broadly the aims of ADEG were –

- To function and promote themselves as high calibre employers
- To promote dairying as a career option
- To promote the Amuri area as somewhere to live and work.

The final step in the formation process was getting agreement on the code of practice for employment practices. The major challenge in the formation of ADEG and the code of practice, was reaching agreement on a limit on the hours worked by young staff. The initial proposal was a maximum of 50 hours per week be worked by those under 20 years old. Through initial debate a consensus was reached that this be altered to 'less than 50 hours per week for under 18-year-olds'.

The debate around the code of practice was described as colourful, heated, loud and robust. The main objections were from people who had staff for the coming season organised who were affected by the limit to hours worked. They considered that the 50 hours per week limit would put undue stress on the rest of their work force. Or it would require them to employ more staff, when budgets had already been confirmed for the coming season. Reaching a final agreement was fundamental to getting ADEG established.

The proposal was modified to a maximum of 100 hours per fortnight worked by under 18-year-olds, except for a six week period during the spring where the limit was increased to 120 hours worked per fortnight. There was to be the provision of an evening meal each day of the period. Staff under 18 years of age could not be expected to work more than 12 consecutive days, and must be given at least two consecutive days off. Not all members thought this standard was sufficient to attract new recruits and to give ADEG a point of difference. Some still do not.

Membership of ADEG was initially limited to dairy farmers who employed staff, although recently a second level of membership has been added, creating the option for people who do not employ staff, to be involved and undertake the training provided. It is accepted however, that ADEG should retain an entry level membership step to attract new members. There are steps being taken to develop accreditation tiers within ADEG for those who wish to push on with the development of their employment systems and practices.

Activities

The overall intent of the ADEG's activities was to attract and retain quality dairy staff in the Amuri area. To achieve this aim, ADEG began with employer training. ADEG also provided

extensive employee training opportunities, designed to compliment AgITO training, and to cater for those not involved with AgITO.

ADEG also had a sub-committee dedicated to social activities, which has organised many events – some employee only, some employer only, and some joint functions. These were designed to address the perceived lack of social interaction and the limited options for social interaction among the dairy community in the Amuri. This problem was partly attributed to the transient nature of the Amuri dairy community.

Stories exist of people in the Amuri, even in cases where the employment relationship worked well, that due to feelings of isolation and the resulting unhappiness, left the area. In many situations these were couples, and often the non-dairying partner in a relationship drove this issue. The perceptions these people had of the Amuri were considered to be playing a part in the poor reputation the Amuri developed. The social dimension was addressed and many of ADEG's activities were made open to the general population to improve the mixing between dairy and non-dairy farming members of the community. ADEG worked towards improving the image of dairying and dairy farmers in the Amuri, and these activities were seen as giving something back to the community.

From the time of ADEG's very beginning there was concern among the members about the youth and lack of life skills among dairy farm workers in the Amuri. Many of the dairy farm workers were young men who had just left home, who were living either by themselves or with other young people. The first life skills course ran within a few weeks of ADEG getting started. These courses are all part of ADEG's focus on building skills and attributes in employees beyond the technical skills needed on farm.

Development

From the outset there was general agreement from the group on the need for independent assessment of employment practices, but it took a lot of time and effort to find an acceptable method of doing so. Investors in People New Zealand now conduct an annual assessment of the employment practices of ADEG members against the code of practice. Subsequently several members have undertaken the Investors in People accreditation programme independently.

As there was no system in place for enforcing compliance with the employment practices on which ADEG was based and promoted, it was easy for people to be critical and cynical about what ADEG was doing. The assessment programme should leave no room for this criticism. An employer's adherence to the Code of Practice is assessed and non-compliance results in loss of the right to advertise as an ADEG member, but no longer in the full suspension of membership. The right to be an accredited ADEG member can only be regained through undergoing the employer training programme and passing the employment practice assessment, usually in the following year.

What ADEG achieved

So what effect has ADEG had on the dairy employment situation in the Amuri? Determining measures of success, and finding data

against which information collected in the Amuri could be compared, were major challenges to this work. The lack of comparable quantitative information meant that the research took a more qualitative approach, with an in-depth study of the Amuri, people in the Amuri and their observations.

A confounding factor to isolating the effects of ADEG is that the research occurred through a period of record high payouts and when there was a general outcry in the media about the shortage of staff on farms and the opportunities available. The exact effect of these matters on the achievements of ADEG cannot be determined, but ADEG continues successfully in a climate of a much lower payout and less publicity regarding the opportunities in dairying.

EMPLOYEES

The turnover of staff on farm appears to have been reduced, although several ADEG members, now confident in their ability to attract and select suitable people, did initially make staffing changes with the long-term stability and sustainability of their staff in mind. The real change appears to be that the movement of staff is now occurring within district. People progress along the career ladder within the Amuri, as it is now seen as a more pleasant place to be, and because of the opportunities ADEG provides to staff for learning and development. How this rate of turnover and migration compares with other regions cannot yet be determined.

Of the employees interviewed, most intended to remain in the dairy industry long term. All those leaving gave a reason other than poor treatment, such as a physical complaint or employment opportunities for their partners. The information gathered compares very favourably with the other data regarding staff turnover in the dairy industry.

Few employees had been attracted to the dairy industry or to the Amuri by ADEG at the time the research was conducted. Few employees identified benefits to themselves from ADEG or their employer being an ADEG member. Most of those who identified benefits were generally those who had been in the Amuri prior to ADEG.

EMPLOYERS

The employers were asked their opinions of how well ADEG had performed its functions, such as employer and employee training. They were also asked what effects ADEG might have had, any difficulties they thought ADEG faced, and any improvements they could suggest regarding ADEG. Most ADEG members were quite happy with the employer training, although scheduling was problematic. Many employers believed that the employer training at the early stages was at too low a level.

The employee training was also quite well regarded, but this was a developing view. Co-ordination with AgITO training, the timing of courses, and providing courses to meet the wide range of skills and experience levels among the staff employed in the Amuri were causes of complaint. This was perceived to be improving.

Respondents were asked to rate on a scale any improvement they observed – a score of one meant very much improved, and a score of five was no improvement at all. The mean scores are shown in the table.

Mean ratings of observed improvements

Factor	2001	2002
Attitude of respondents	2.09	2.07
Evidence of fewer vacancies arising	2.19	1.75
Time taken to fill vacancies	2.26	2.77
Numbers of respondents to employment opportunities	2.26	2.83
Quality of respondents to employment opportunities	2.32	2.79
Skills of respondents	2.32	2.63

From the ratings given a definite positive effect to ADEG's existence can be seen. The factors that were rated less improved in the second year most can be explained by the lifting of employer's expectations regarding employees, and the training they had received. For example, it takes longer to find someone to fill a vacancy if the requirements of a person to fill a particular role are now closely defined, unlike the previous situation of taking whoever replies to the advert and fitting them in.

ADEG HAD POSITIVE EFFECTS

Most employers interviewed considered that there were advantages to them advertising for staff as a member of ADEG, that ADEG had improved the employment situation in the Amuri and that ADEG had positive effects on their existing staff. All of these improvements were noted at first round of interviews, just over a year after ADEG began.

In terms of the improvements, most suggestions during the first round of interviews were related to operational matters, like scheduling, and that the training should be at a higher level for both employees and employers. By the second year, there had been a massive shift in attitudes and opinions, and the comments made were far more cohesive. The same issues of wanting higher level training came through, but most people accepted the difficulties of trying to suit everyone, in what is a voluntary and self funding organisation.

By the second year, the credibility of the group and its standards seemed to have been accepted among the respondents. Apathy was identified as a threat to ADEG's sustainability. Another issue arising is that the goals of the people, who provided the drive and enthusiasm needed to get ADEG to where it is, have not yet been achieved. A method needs to be found to allow them to push on with what they want in order to retain their valuable input, without ostracising other members.

A significant issue in appraising the changes made are that two-thirds of the ADEG members interviewed in 2002 were sharemilkers. This would suggest that if people are committed to making improvements to their employment practices, the constraints faced by sharemilkers, can be largely overcome with effort.

A great deal achieved

ADEG has achieved a great deal, but few of the effects are objectively quantifiable. There are no industry norms. Many of the changes have been in terms of attitudes, expectations and the very core values of the employers. These core values and

how they change are, as identified by Nettle (2001), fundamental to making lasting changes to employment relationships. New knowledge, skills and tools learnt regarding employment practices may achieve nothing, unless the need for change is accepted and the values of people in employment relationships change.

At the time of the last round of interviews, most ADEG members had attended just two ADEG organised training courses. However, significant change had occurred. The combination of the training, the access to experts in the employment field, the assessment procedures, and the interaction between employers, all supported and facilitated the changes made. This finding is in agreement with the research of Kilpatrick (1998) who found that the combination of factors, the training, the access to experts and the interaction between participants were important factors leading to farm management practice changes.

A USEFUL CONCEPT

ADEG has made significant positive change to the employment situation in the Amuri. Most ADEG members are able to attract the staff they want, and the retention of staff on farm and within the district has improved. On the basis of this research, it appears that the voluntary grouping of farmers in a district to improve their employment relationships and the image of the district, the ADEG concept, could be useful in addressing the employment problems facing the New Zealand dairy industry. ADEG was accepted because it was developed and controlled by the dairy farming community. The major hurdle to replicating ADEG is gaining the acceptance and the level of commitment required of prospective members of such a group.

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Reuben Edkins is completing an M.Com(Ag) at Lincoln University. Reuben's interest in dairy farm employment matters stems from having been born and raised on dairy farms, initially in Northland, and more recently in Canterbury.

Rupert Tipples is Senior lecturer in Employment Relations in the Agriculture and Horticulture Management Group, Applied Management and Computing Division, Lincoln University.