

Enhancing the liveability of farm systems: Supporting new farm and advisory practices in the Australian dairy industry

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Abstract: Long working hours and farming systems complexity challenge the ‘liveability’ of dairy farming, and industry sustainability, as it affects business performance and the ability to attract people. The question is challenging: how to create change in farm working culture and practices to improve this situation? Good working relationships and effective farm systems improve the liveability for dairy farmers by reducing stress, reducing hours worked and improving lifestyle and satisfaction with farming. In recent years, however, farming systems RD&E have often failed to account for the social and workload implications of new approaches. The Australian program ‘The People in Dairy’ aims to create change in farm working culture and practices to improve this situation. Three fundamental principles underpin its approach: design farm systems to suit people, increase efficiency and productivity by matching people to jobs, and place great value on having effective working relationships. We report on the innovative design principles, program activities and early results, with an ultimate goal of improving satisfaction with farming, thereby benefiting the industry.

Keywords: employment relations, dairy farming systems, capacity building, farming liveability

Introduction

The ability of agricultural industries to attract, retain and develop people is growing in significance as changes in youth career aspirations, an aging farming population, and competing industries (for pay and conditions) influence the entry and departure of people from the rural sector (Nettle and Oliver, 2009). In part, the real and perceived ‘liveability’ of dairy farming contributes to the attractiveness of the industry as a career choice.

We consider liveability to equate with quality of life, which is strongly linked to wellbeing. In the context of this paper, liveability is a measure of the work-life balance, provision of ‘decent work’ and satisfaction with dairy farming. The purpose of this paper is to describe the response of the Australian dairy industry to improving on-farm employment relations, and outline the development agenda.

Background

Declining terms of trade in Australia has seen many farmers increase the size or productivity of their farm, or both, to address the cost-price squeeze (ABARE, 2003). Whilst total dairy farm numbers have declined in Australia over the past two decades to approximately 8000 in 2009 (Dairy Australia, 2009a), average herd size increased to over 270 cows per farm. 16% of farms have more than 400 cows, and contribute 47% of Australia’s annual milk production (Dairy Australia unpublished data, 2008-09).

Subsequently, the number of dairy farms operated by a single person only, or with a partner, has been fallen steadily from 43% in 2007, to 34% in 2008 and now 28% in 2009 (Dairy Australia 2009b). Larger farms, with more employees, are the way of the future. The move from an owner-operator based industry has provided new challenges in terms of staff recruitment, deployment and retention, and necessitates a change in how farmers design and implement their farming systems. Some

farmers have identified a labour supply issue, relating to poor conditions of work, particularly times of work, impinging on lifestyle and the attractiveness of a dairy as a career (Garcia and Fulkerson 2005). Options to reduce the requirement for additional employees such as robotic milking or Once-A-Day (OAD) milking have been considered by industry (Garcia and Fulkerson, 2005, Voerword and Tipples, 2007), but still remain uncommon choices, given the nature of Australian dairy farming systems.

The increasing employment of non-family members on farms has contributed to the change in employment relations, with different worker expectations and new skills required from farm management in managing staff, farming systems design, leadership and communication. The skills and capability of farm owners and managers is critical to the sustainability and development of the dairy industry (Dairy Australia, 2009b).

These changes to the workforce on farms are also being experienced elsewhere. Alternative structures to the traditional ‘husband and wife’ team have been reported (eg Cournut *et al.* 2008). In response, there has been various research approaches, framing the issue in terms of its technical content (efficiencies around the work which must be done), its social content (who is doing what, the skills required) and in its consequences (flexibility, lifestyle, liveability) (Dedieu *et al.* 2006). For example, research around people issues on farms may be framed around ‘simplified management’ as a response to improving the liveability of farm systems for the farm owners and employees (eg Cournut and Dedieu, 2006), whilst work organisation on farms can be considered purely from an economic imperative in terms of improving profitability (eg O’Brien *et al.* 2006) or liveability and flexibility (eg Madelrieux and Dedieu, 2008).

Research has shown that investment beyond employer training in Human Resource Management procedures, information provision and industrial relations advocacy is required if change, rather than acquiring new skills, is the desired outcome. A significant *cultural change* is required on the part of farm employment participants for effective employment relationships (Nettle *et al.* 2006). Two case studies of learning interventions by Nettle *et al.* (2006), involving small groups of farm employers and employees, found that changed behaviour in employment was possible, but appropriate facilitation as well as ongoing support was required to ensure that change is embedded in workplace practice.

The challenges around people – reducing liveability

Australian dairy farms typically involve more than one person, with 63% having two – five workers. A tenth of farms have more than six workers, with a small proportion (0.5%) employing more than 20 people. Australian dairy farmers (owners/ managers) work an average of 68 hours per week, with two weeks of annual leave (Dairy Australia, 2008). This is significantly more than the average 39.4 hours per week for full-time employed Australians recorded in 2006-07 (Australian Bureau of Statistics, 2008). This workload resulted in 79% of respondents (farm owners/managers) unable to take part in leisure activities or other interests as often as they would like, and consequently 69% reported that working such hours adversely affected their satisfaction with farming (Dairy Australia, 2008). Farm supervisors and farm hands fare better, with more reasonable hours, but these can still include split shifts, early starts and weekend work which can be unattractive features when compared with other industries.

Confidence in the industry is measured each year by asking farmers about their attitude to the future of the dairy industry. In 2009, at a time of very low milk prices and prolonged drought some 28% were fairly negative or very negative, and 66% fairly positive or very positive. The two extremes can be viewed through the discourse of an online industry discussion group, AusDairyL.

“It’s all very well to love the job, but if you need another ‘day’ job to be able to survive, it makes it a bit depressing. Getting nothing for the product certainly seems to be a quick way to take the enjoyment out of the job.” (2/2/2010 AusDairyL@dairy.edu.au)

“... just that maybe dairy farmers are getting sick of people putting the dairy industry down all the time. Myself included. I have been in dairy now for 25 years and love it to bits. The dairy industry has been very kind to me and my family.” (2/2/2010 AusDairyL@dairy.edu.au)

The ideal of ‘decent work’ for the dairy industry refers to a profession where individuals operate in a safe workplace, find the work rewarding, are able to achieve a balance between their working and private lives, and have a career path (adapted from Buchanan, 2006). Long working hours and the specific conditions of dairy farming can also impact on general health, with farmers experiencing higher death and injury rates, and below average life expectancy (Brumby *et al.* 2009).

Recruiting workers is not always straightforward. In the five years preceding 2008, 59% of dairy farms had tried and almost two-thirds of these (64%) said they often had difficulty finding the right people. Moreover one-third (29%) of those who had difficulty believed this had affected the performance of their farm business ‘a great deal’ (Dairy Australia, 2008). There was an even mix of experiences around the ease of retaining people – some had found it very easy (17%) or fairly easy (39%) and others fairly difficult (26%) or very difficult (11%) (Dairy Australia, 2008). Many (78%) of those who had found it difficult believed it had affected the performance of their farm business.

For farmers, used to working alone or with family members, being an employer provides new challenges in terms of communication, leadership, expectations and work allocation. With increasing farm sizes a more recent phenomenon, farm employers often have had little experience of being employees – the most common experience having been ‘working for dad’. There are also additional regulatory requirements around dealing with general employment issues (Verwoerd and Tipples, 2007) for farmers and farm employees to familiarise themselves with.

With an aging farming population, long working hours for farmers and farm managers, and attractive alternatives for employment, the social sustainability of dairy farming is an issue, for Australia, and elsewhere. Attracting, retaining and developing people is key to ensuring future growth for rural industries. We report now on the response to this challenge for the Australian dairy industry.

Improving the liveability of dairy farming - The People in Dairy principles and approach

A change management program seeking to improve liveability for dairy farmers and employees needed to be underpinned by quality, accurate information, address the cultural change required and facilitate a supported capacity building process. Capacity building has been defined as processes ‘designed to help people in rural Australia understand and manage their changing circumstances thereby improving stocks of human, social, financial and natural capital’ (McKenzie, 2007). In recent years, there has also been a shift from traditional program delivery utilising institutional arrangements such as the extension resources within Departments of Agriculture, to investing in alternative approaches which may develop independent networks of consultants or other service providers.

Effective farm working relationships underpin the dairy farm sector’s ability to attract, retain and develop people (including farm family members). In 2006 Dairy Australia, the dairy industry funded research and development organisation, initiated a new program – The People in Dairy (TPID) – to address the issues of work-life balance and good employment relations and improve social sustainability for the industry. The authors contribute to The People in Dairy in several ways – as researchers or undertaking evaluation (Crawford and Nettle), as the overall program leader (Brightling) or as an active farm management consultant with extensive ‘people’ experience (Hibbert).

A program logic was used to develop the program of work, identifying the objectives, outcomes and interventions required to achieve a long-term (2018) objective of 70% of dairy farmers satisfied with their work, reversing the current trend of greater dissatisfaction.

The overarching objectives for The People in Dairy were established as follows:

- Farmers are effectively using their people resources when building the strategic vision of their farm business.
- Farm profitability increases through a more efficient and productive farm workforce.
- Farms attract and retain the people they need to achieve the strategic vision of the business.
- Farms comply with legal requirements and have a low business risk around their people resources.
- Advisers have increased capacity to support farmers on people issues
- Industry programs have integrated a people framework into their design and delivery.

The first four objectives are farm business-focused, with the following objectives concerning the required environment to support change. Three fundamental principles underpin its approach:

- Design farm systems to suit people;
- Increase efficiency and productivity by ensuring the right people do the right jobs at the right times;
- Place great value on effective working relationships.

Whilst The People in Dairy program spans areas from leadership development, workforce planning and action and farmer delivery, two keys areas are the focus of discussion here: online resources and adviser capacity building.

Online resources to support change

The first step was to develop and pilot an approach (conceptual framework) to managing people on dairy farms (employees and family members), supported by information and tools. These were made available online to allow access by all Australian dairy farmers and service providers. Web-based delivery was chosen to allow the provision of accurate, regionally-specific information about industrial laws, an area which was undergoing rapid and significant change.

It also provides an interactive and engaging user experience and the opportunity for farmers to customise templates such as position descriptions and standard operating procedures to suit their own circumstances. Information and resources are organised around the seven key theme areas: a people approach; farm policies and systems; recruitment; engagement and reward; individual performance; working together and planning for the future (refer www.thepeopleindairy.org.au). Tools such as the 'People Analysis' allow diagnosis of a farmer's current people situation on-farm and guides reflective analysis for improvement. It can be used to explore the efficiency and roles and responsibilities of the people on a specific farm, and check the working conditions offered. The 'People Analysis' tool also helps farmers to make decisions about work practices and recruitment for the farm.

Building capacity of farm advisers to help farmers modify their people practices

A key 'enabling environment' for farm change in this domain is access to skilled and confident advisers. At the outset of this program, the lack of capacity even in highly experienced consultants to address people management issues with farmers was identified as a significant gap. In addition, advisers who did provide some advice (e.g. accountants) had little access to dairy-specific information.

Equipping a cohort of farm advisers with the necessary skills and knowledge to address people issues on farm was viewed as the most effective approach to achieve the desired practice change for the industry. People issues may not specifically be identified by farmers as impediments to effective farm management, yet often underlie other issues such as low in-calf rates or poor grazing management. Viewing the farm business through a 'people' prism can assist to identify areas for improvement.

Growing the capacity of advisers to address people issues was viewed as a win-win outcome – it provides a source of skilled advisers regionally located to assist with the achieving the desired on-farm practice change, as well as value adding to the advisers' own practices. Helping farmers to address the people issues on their own farms to improve 'liveability' and satisfaction with farming is best achieved through a facilitated coaching model. Such changes can be significant, and challenge previously held views and practice. Often, conflicting views between different family, employer and employee require mediation if change is to be achieved.

A formal qualification (the Diploma of Human Resource Management - Dairy) was designed and delivered to develop and train advisers. The Diploma provides a theoretical and practical foundation in dairy recruitment, retention and remuneration, analysis of roles and responsibilities, employment law and industrial relations, policies and procedures, management of working conditions, training and development issues, succession planning and occupational health and safety.

Advisers participate in four face-to-face workshops, each of three days duration. The workshops are delivered by local and international guest presenters, well experienced in dealing with people issues, and generally with considerable on-farm consulting experience. The course material is delivered within a framework of dairy industry case studies and The People in Dairy online resources and tools. Participants complement the course learning with workplace based activities. Since its inception in 2007, twenty-one advisers have completed the Diploma, with a further twenty-five or so underway.

The program logic for The People in Dairy is that the combination of advisers with the appropriate knowledge and facilitation skills, and high quality and relevant online resources will contribute to creating an environment for farmers and farm managers to improve their awareness and understanding of people issues on farm. More effective farm management practices and a happier workforce will improve the liveability of dairy farming as a career and lifestyle choice.

Early impact on advisory services

In October/November 2009, TPID-trained advisers were surveyed regarding changes to their practice over the previous twelve months. The advisers had an average of 18.7 years experience in the dairy industry and had used the TPID tools and principles on an average of 17.4 farms over the previous year (range 3-50 farms). Effort was mostly spend on providing information (27.6%), with identifying underlying issues and coaching towards change accounting for around 19% respectively. Establishing systems took some 13.7% of their effort. Only one adviser reported that there had been no change in the breadth and scope of discussions with farmers on people issues over this time – 95% signalling that it was more, or a lot more, than before.

I have previously been involved in these discussions through my role as a field officer. However I now feel able to explore the relevant issues more extensively. I am also more capable of offering solutions or options to people issues on farm.

(Dairy company field officer)

A vast majority (89.5%) of the advisers found that the TPID principles, resources or tools had been very useful for the discussions that they had had with farmers over the past year. Growth in demand for advice on people issues was reported to have grown by 78%. Two thirds of the advisers had adjusted the existing services or developed new services within their business around people issues.

The HR Diploma has equipped me to deal with farmer client questions. I had two clients (husband and wife) who would not/could not address issues as they arose. I used a technique that I picked up... and demonstrated the importance of dealing with a problem sooner rather than later before the business drifted off... It helped my clients and it has helped me as manager of this business. One can advise with more certainty especially where farmers are taking a risk on Industrial Relations, Occupational Health and Safety and taxation laws. I am prepared to raise work/life balance issues and sustainability issues more.

(Dairy farm consultant)

The most common people issues discussed with farmers included recruitment, staff remuneration, share farming, managing individual performance and contracts and industrial relations law. Topics such as building teams and leadership were less frequently broached. Building demand for trained advisers is also an important part of the strategy – helping farmers and others recognise that a facilitated approach around people issues will contribute to the success of the farm business.

The success of programmes like TPID will be promoted if consultants can build consultancy services around it and there is demand for those consultancy services. Rarely do farmers make the approach on people issues, so engagement with farmers is dependent upon the consultant's ability to promote the service - that's where promotion at an industry level would help.

(Dairy farm consultant)

The uptake of online resources

An assessment of the impact of the online resources over the twelve months from November 2008 has been structured around three key questions:

- Visibility in the web environment (what presence does the site have, especially for search engines?)
- Engagement of the audience (when users arrive, what do they do?)
- Outcomes (what changes occur, especially for our target audience?)

As part of the desired culture change, TPID has actively moved to use the terms 'people, employees and staff' rather than 'labour or workers', emphasising the value of people to farm businesses. When a program aims to change culture in a specific area (eg through setting a specific vocabulary) it is faced with a 'lead-follow' nexus. Words used to set a culture may not be initially used as search terms by potential users.

Trends toward use of the preferred terms in searches indicate that culture change is happening. The site is now (November 2009) regularly rating in the Top 10 of Google searches via the preferred terms, for example, 'dairy people' or 'dairy employee'. A key feature of the online resources is the provision of templates designed for farmers and advisers to use to create customised documentation for their farms. In the twelve months from November 2008, a total of 33,026 downloads occurred of 202 documents. Documents from the module Engagement & Reward were most popular. The online delivery provides the ability to provide information that has a low frequency need as easily as information with a high frequency (a wide range of electronic 'stock').

But how many farms are benefiting from this investment by their industry organisation, Dairy Australia, and in what ways? The People in Dairy online resources are gaining increased traction with the Australian dairy community as a significant aid in management activities. The National Dairy Farmer Survey 2009 (Dairy Australia, 2009) showed that by February/March 2009 (less than 12 months after a soft-launch), 19% of all farms and 43% of extra-large farms had used the website 'to help with people management on the farm'.

Anecdotal evidence from farmers has been positive:

"I was attending the Western Australian large suppliers meeting and talking to [farmer Sarah] who with her husband has a 1400 cow herd near Busselton. She says that the People in Dairy website saved her thousands of dollars because she could download a lot of formats with little required to make them suitable for Western Australian legislation."

(Industry leader)

"The People in Dairy has saved me days of officework (using it right now for employment stuff and cutting a swathe through the Occupational Health & Safety paperwork)."

(Gippsland farmer)

The challenge now is to ensure that The People in Dairy online resources becomes central to the information, tools and processes that farmers and advisers use to achieve changes around people

management, by continuing and extending the relevance, currency and ease-of-use of the site, and promoting it widely.

Conclusion and proposed research agenda

With change management activity underway in The People in Dairy program, the next step is to integrate 'people thinking' into farm systems analysis and technical farm productivity programs such as InCalf (improving herd fertility) or Cool Cows (managing heat stress in herds). Understanding the 'people' implications when developing new farming systems or farm management guidelines helps increase the likelihood of practice change on farm. The broader incorporation of the TPID principles and resources into other dairy industry programmes will help them achieve their required outcomes on farms, and ensure that TPID remains relevant by responding to their needs. The best way to achieve such integration is open to conjecture, but a small project is underway, using the Cool Cows project as a case study, with the process for integration being documented and reviewed.

A second area of development is to improve the understanding of the value proposition for 'getting people right'. Effective working relations on-farm underpin profitability through improved farm systems and deployment of resources, as well as greater retention of employees. The difference that improving people management can make to a business is rarely quantified and therefore often challenged (improvements are seen as a result of peculiarities to a farm/farmer); traded-off (e.g. "yes I work them hard and long – but I pay them well – so what's the issue?"), or trivialised (e.g. "the industry just has to realise it has to pay more"). There is limited sophisticated discussion in industry about the way farm systems, farm operations and culture and leadership influence farm performance and how change can be supported. Demonstrating these links in terms of an economic value is difficult, yet an important component for increased engagement. We propose the following ongoing research questions:

1. What are the people-management factors most strongly associated with farm businesses profit?
2. To what extent is the variation in farm business profit accounted for by people-management factors?
3. To what extent can the people-related business sustainability drivers be quantified meaningfully (reliability of indicators)?
4. How does quantifying people related business sustainability drivers help target RD&E efforts, industry strategy and communication?

Although only in the early stages of delivery, the TPID online resources and tools, and trained advisers have provided support and facilitation for farmers to adapt their farm management systems to better suit people. Improved employment relations, more effective farm systems, and capacity building opportunities for all members of the farm workforce should assist with the attraction and retention of people in the dairy industry, providing decent work and improved liveability.

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