

SUSTAINABLE DAIRYING: WORKPLACE ACTION PLAN



Dairynz 





ANDREW HOGGARD

DAIRY INDUSTRY GROUP CHAIRPERSON, FEDERATED FARMERS

Employment practices on dairy farms are critical to a successful industry. This action plan comes from the desire of both DairyNZ and Federated Farmers to front foot this issue and show the public that our industry wants to be recognised as a quality employer. To do this we will develop and provide resources, tools and guidance, along with leadership to enable farmers to work towards incremental change in their businesses which will attract and retain employees. This will enable everyone to enjoy success in the dairy industry.

We have set a number of targets in our action plan, with goals. At the industry level these are aspirational and ambitious and we will develop ideas and solutions for farmers to use.

At the farm level, view these goals as areas you should focus on as a farmer to develop a quality workplace. While there are some minimum standards that are a matter of law, the plan mainly outlines guidance to you on the things to consider in creating a quality work environment for your employees. There is no one size fits all and you can shape your own plan to suit your farming situation.

Dairy farming has its financial ups and downs. With a high quality workforce you can reap the rewards of the good times and help each other during the tough ones. An engaged workforce also allows us to develop the next generation of dairy farmers for the industry.



JOHN LUXTON,

CHAIRMAN, DAIRYNZ

If we are to remain competitive as dairy farmers in a global marketplace, we need work environments that use technologies and business practices that motivate and reward people. Responsible dairy employers engender a pride in our industry that enhances our reputation and increases the chances of attracting and retaining talented people. High quality work environments are mutually rewarding to employers and employees.

New Zealand dairy farmers also have a fundamental duty to their employees and themselves to provide working conditions that are safe and healthy. As careers in dairy farming have changed, so must our practices. The most profitable and sustainable dairy farms have good management practices that make it easy to attract and keep a skilled professional workforce. The two just go hand in hand.

This new *Workplace Action Plan* clearly shows that DairyNZ and Federated Farmers are committing to working together to lift our industry's performance. We are keen to see farmers join us on the journey. Good people management will give us the firm foundations that we need to build a strong industry and workforce. We need to aim higher than just meeting the minimum and focus our collective energies on realising our vision of providing a world-class work environment on-farm. We can't do that alone as industry bodies – we need the support and leadership from dairy farmers across the country. Together we can make a difference – and that's exactly what we want to achieve with this plan. Let's make it happen.

CONTENTS

WHAT IS THE WORKPLACE ACTION PLAN?	3
WHY HAVE THE WORKPLACE ACTION PLAN?	3
THE FIVE PILLARS OF GOOD PEOPLE MANAGEMENT	4
BENEFITS	8
HOW WILL WE KNOW WE ARE MAKING A DIFFERENCE?	8
OVERVIEW OF KEY COMMITMENTS	9
1. BALANCED AND PRODUCTIVE WORKING TIME	10
2. FAIR REMUNERATION	11
3. WELLNESS, WELLBEING, HEALTH AND SAFETY	12
4. EFFECTIVE TEAM CULTURE	13
5. REWARDING CAREERS	14
SUPPORTING INFORMATION	15
• THE DAIRY INDUSTRY STRATEGY - WORKPLACE AND PEOPLE OBJECTIVES	15
• THE NEW ZEALAND DAIRY STORY	16
• CHALLENGES IN THE CURRENT LANDSCAPE	20
• PARTNERS AND FRIENDS	21

WHAT IS THE WORKPLACE ACTION PLAN?

The *Sustainable Dairying: Workplace Action Plan* is an industry action plan developed by DairyNZ and Federated Farmers to assist the 12000 diverse businesses in the dairy industry to adopt good workplace management practices. It supports the dairy industry's Strategy for Sustainable Dairy Farming *Making Dairy Farming Work for Everyone, 2013-2020*.

It sets out a firm destination and direction for the industry to travel. DairyNZ and Federated Farmers are clear that people, rather than technology, will drive sustainable, high quality milk production which minimises environmental and social costs.

The quality of the work environment is central to attracting and retaining good people. The benefit they will bring to dairy businesses and to the wider community is the reason why DairyNZ and Federated Farmers want to proactively improve farm workplaces.

WHY HAVE THE WORKPLACE ACTION PLAN?

THE PURPOSE OF THE WORKPLACE ACTION PLAN IS TO:

Describe a quality work environment in the dairy industry and set out the co-ordinated actions and commitments of industry leaders which encourage and assist dairy businesses to adopt good workplace management practices.

WHAT WILL THE WORKPLACE ACTION PLAN DO?

- Good people management practices will assist dairy farm businesses to:
 - meet all legal workplace requirements
 - improve their ability to attract, develop and retain motivated and talented people.
- The action plan will report industry progress in:
 - achieving the target of 90% of dairy farm businesses having quality work environments by 2020
 - achieving the related target of 90% of dairy farm businesses having fully competent farm teams by 2020.

HOW WILL THE WORKPLACE ACTION PLAN WORK?

- The action plan provides a framework to lead and coordinate contributions made by the leading partners and supporting organisations and networks.
- It sets out the major initiatives and actions to achieve good people management.
- It sets out the planned guidance and support that will assist that achievement.

WHO IS THE WORKPLACE ACTION PLAN FOR?

- Dairy farm employers and employees.
- Businesses and industry organisations that work with dairy farms and support good work environments.¹
- Supporting Government policy and regulatory agencies.²

¹ E.g. Primary ITO, New Zealand Institute of Primary Industry Management, Young Farmers, Dairy Women's Network

² E.g. Ministry for Primary Industries, Labour Inspectorate and Immigration NZ (within Ministry of Business, Innovation and Employment), WorkSafe

HOW WAS THE WORKPLACE ACTION PLAN DEVELOPED?

- The plan was initiated and co-led by DairyNZ and Federated Farmers to support the Strategy for Sustainable Dairy Farming, *Making Dairy Farming Work for Everyone, 2013-2020*.
- A wider group of organisations were consulted, provided input to the final version of the *Workplace Action Plan*, and support its implementation.

HOW WILL PROGRESS BE MONITORED?

- DairyNZ will develop a scorecard to monitor progress towards:
 - meeting all legal workplace requirements
 - 90% of dairy farm businesses having a quality work environment by 2020.
- Themes and actions which contribute to the scorecard will be tracked by a working group of the key accountable partners.
- The Dairy Leaders Forum will use the scorecard to report industry results. These results will be independently audited.
- The *Workplace Action Plan* will be formally reviewed within three years.

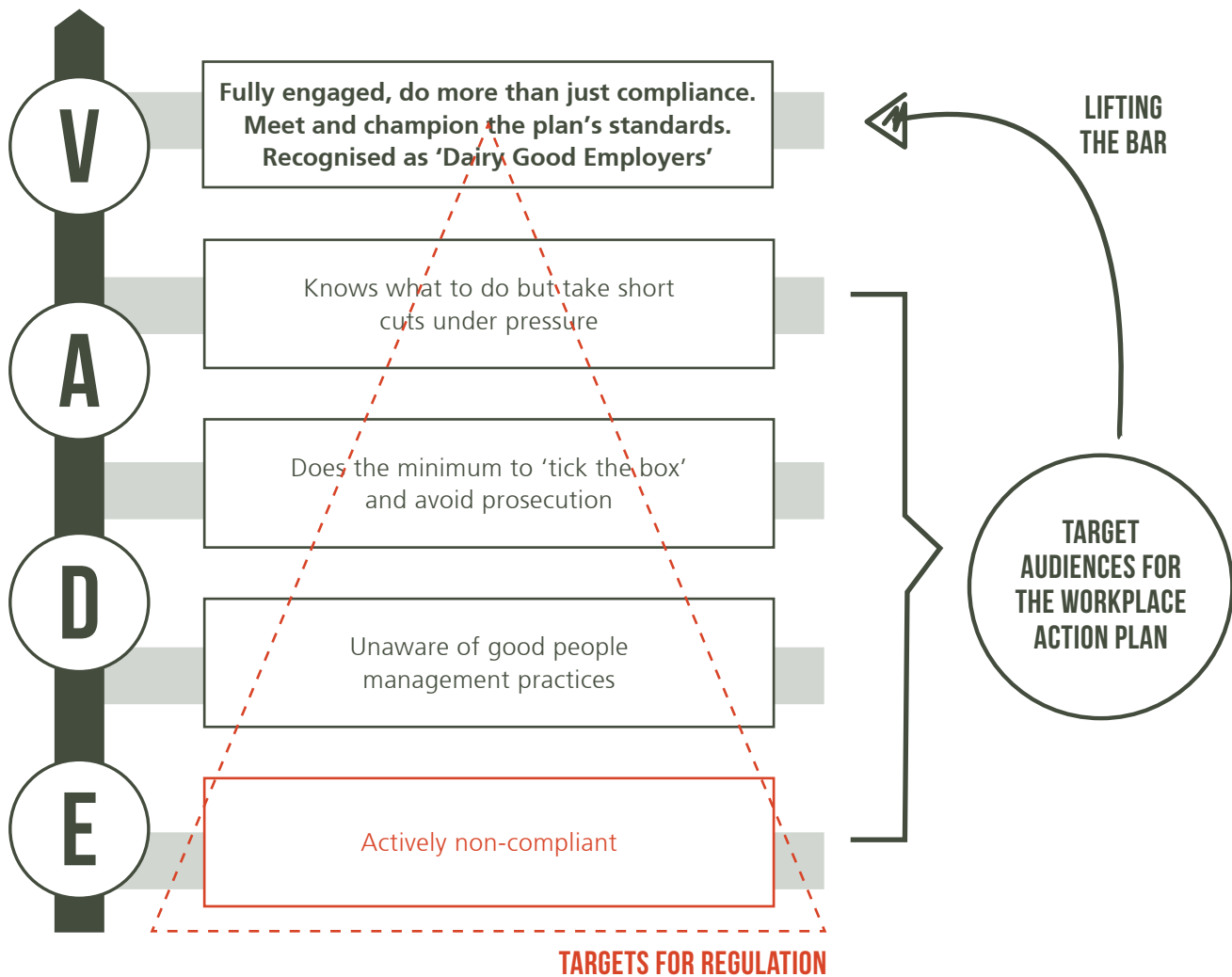
WHO DOES THE WORKPLACE ACTION PLAN TARGET?

The diagram opposite sets out the target audiences for the *Workplace Action Plan*.

VADE: VOLUNTARY, ASSISTED, DIRECTED, ENFORCED.

A model of implementation promoted by DairyNZ and Federated Farmers, that is supported by regulation.

The *Workplace Action Plan* assists farm employers and employees to voluntarily adopt good people management practices, while the Regulators use the full spectrum of actions, including assistance, direction and enforcement, to help achieve the same shared objective.



THE FIVE PILLARS OF GOOD PEOPLE MANAGEMENT

A quality workplace builds on the strength of the firm foundations created by complying with the law. DairyNZ and Federated Farmers are clear that we are not supporting only the bare minimum because accepting the lowest common denominator is insufficient to attract, develop, reward and retain the highly skilled and motivated people we need.

The explanations of the five pillars of good people management in the page opposite sign-post these minimum legal requirements by ★.





1. BALANCED AND PRODUCTIVE WORK TIME

Dairying has strong variations in seasonal work demands, which sometimes call for long hours and exceptional effort. However, exceptional circumstances should not be embedded as the norm.

Balanced and productive work time requires:

- Enough people with the right skills to ensure workloads are achievable and animal welfare, food safety and good environmental and employment practices are not compromised.
- A variety of tasks offering both physical and mental challenges.
- Motivating and enjoyable work that avoids constant fatigue.
- Sufficient flexibility to support an overall work/life balance.
- Employees working on a well-designed roster normally:
 - are not likely to work more than 50 hours a week
 - are not likely to work more than 10 hours a day
 - are not likely to work more than 4 hours in any day before a break is taken
 - have regular days off, set by the roster system within the employment agreement
 - have at least two consecutive days off.



2. FAIR REMUNERATION

The dairy industry aims to set wage and salary rates to attract, retain and reward talented people.

Competitive wage and salary rates are based on first meeting the legally required minimum standards:

- Minimum wages or above are paid for all hours worked. ★
- Employment agreements are in place for all employees. ★
- Records of hours worked and wages paid are kept. ★
- Holidays and leave are recorded. ★
- Remuneration packages typically include non-cash benefits, which contribute to socially constructive relationships.
- Formal accommodation agreements are in place.



3. WELLNESS, WELLBEING, HEALTH AND SAFETY

Wellness and wellbeing are the foundations of healthy, safe and productive work and require proactive attention:

- Persons in charge of a business or undertaking (PCBUs) weigh up all of the relevant matters and circumstances and take reasonably practicable actions to manage the risks to people. ★
- The workplace is physically safe, and emotionally secure and free from bullying. ★

- Accommodation complies with legal requirements ★ and is in good condition.
- Adverse conditions at work, such as temperatures, light, air or noise, are managed by appropriate personal protective equipment. ★
- The nutritional, physical, emotional and social needs of vulnerable employees (e.g. young employees and new migrants) are addressed.
- Employees are engaged in setting and operating the farm health and safety plan. ★
- Technology, systems and processes (e.g. work schedules) are used to improve the quality of the workplace.
- No one is permitted to work under the influence of illicit drugs or alcohol, or medication that would compromise safe work practices.



4. EFFECTIVE TEAM CULTURE

Employees are valued as integral to a profitable, sustainable and enjoyable business:

- Farm teams have:
 - clear direction and vision
 - open and honest communication
 - regular constructive feedback.
- The business has the right mix of skills to perform its tasks competently, which may include contractors, technical professionals and financial advisors.
- Employees are supported to be self-managing and responsible.
- Mutual respect and care is extended to all team members, acknowledging employees measure quality in terms of fairness in the workplace.
- Diversity is understood and respected (including cultural, gender and religious differences).
- The specific requirements of migrants (e.g. with settlement and with English language) are addressed.



5. REWARDING CAREERS

Retention of people in the dairy industry is highly valued:

- Continuous improvement through on-going skills development is supported.
- Employees have opportunities for personal growth and career development.
- Individuals are supported and valued, whatever career path in dairy they choose.

BENEFITS

The benefits of a quality workplace are considerable. Well-adjusted and motivated teams and individuals:

- are productive
- demonstrate strong positive health outcomes
- make sound work and life decisions
- take care of the quality of their work
- take on more responsibility
- seek opportunities for personal and career improvement
- maintain optimum relationships and build team unity
- ensure physical and emotional safety
- contribute improvements to work systems
- show commitment to their employer, with reduced turnover
- avoid drugs and alcohol at work.

By contrast, teams and individuals in workplaces which operate at, or below, the minimum obligated standards:

- are less productive
- achieve only the bare essentials in their work
- do not experience the same mental health benefits
- cause, or experience, more accidents
- are not team players
- disrespect those in positions above them
- are grudging in their involvement in the business
- have high turnover
- sometimes resort to drugs and alcohol at work.

HOW WILL WE KNOW WE ARE MAKING A DIFFERENCE?

The partners to the *Workplace Action Plan* will use a scorecard of indicators to track progress in achieving good quality people management in the dairy industry.

To complete the scorecard, data will be gathered from publically available statistics, such as ACC records, and by incorporating relevant questions into existing farmer surveys. The information gathered will not cover every component of the five pillars of good practice because some components lack valid and reliable sources of data. Instead, the scorecards will focus on selected indicators that act as markers of progress.

Once established, the scorecards will be updated regularly and the results made available publically.

OVERVIEW OF KEY COMMITMENTS

NATURE OF COMMITMENTS

DAIRYNZ

Design and promote further tools and resources that build capacity throughout the dairy industry to assist completion of the commitments made in the *Workplace Action Plan*.

Complete a scorecard that will measure and report regularly on progress against the objectives of the *Workplace Action Plan*.

Develop and promote tools to support farmers to identify strengths and opportunities for improvement in their workplace practices.

FEDERATED FARMERS

Provide leadership and promote the value of the *Workplace Action Plan* through its membership and public forums.

Advise farmers on compliance and the implementation of good workplace practices.

Provide tools and resources to inform farmers on how best to manage their responsibilities under the law and the *Workplace Action Plan*.



1. BALANCED AND PRODUCTIVE WORK TIME

EXPECTATIONS

Dairy farm businesses will invest in people, and structure their work time to maintain the balance and variety that allows people to perform to their potential.

DAIRYNZ WILL:

- Develop a measure of productivity per hour worked as an industry benchmark, to be included in DairyBase and used in Whole Farm Assessments, by February 2016.
- Use the measure of productivity to showcase high performing farmers.
- Continue to develop an online roster-building tool to support good rosters on dairy farms that meet legal requirements and achieve balanced and productive work time on farms.
- Work with Federated Farmers to develop regional networks of rural professionals who can provide HR advice and services to employers.
- Share examples of good practice people management on regional demonstration and focus farms.

FEDERATED FARMERS WILL:

- Develop and promote farmer-specific employment resources like employment agreements, leave application forms and pre-employment application forms.
- Provide advice on the implementation of employment agreements and on the content of the appropriate agreement for the situation.
- Maintain an 0800 legal help line to provide situation-specific advice to farmers.

MONITORING AND REPORTING

Progress on balanced and productive working time will be measured using two indicators:

1. The percentage of New Zealand dairy farm businesses structured so that employers and employees normally:
 - a. are not likely to work more than 50 hours a week
 - b. are not likely to work more than 10 hours a day
 - c. are not likely to work more than 4 hours in any day before a break is taken
 - d. get days off as per the rostered timetable
 - e. have at least two consecutive days off.
2. The percentage of New Zealand dairy farm businesses that believe that they utilise working time productively.

Data to update these indicators will be gathered through industry surveys and workplace assessment tools.



2. FAIR REMUNERATION

EXPECTATIONS

Dairy farm businesses will meet all legal employment requirements.

Using the legal requirements as a foundation, dairy businesses will offer competitive wage and salary rates that attract and retain the talented people needed for a profitable and sustainable industry.

DAIRYNZ WILL:

- Develop tools to support farmers to identify strengths and opportunities for improvement in their workplace practices.
- Incorporate the requirements for employment compliance into DairyNZ resources, and activities such as discussion groups or presentations.
- Focus on the Voluntary and Assisted end of the VADE model of implementation, with responsible, balanced acknowledgement of the Regulator's role in Directing and Enforcing actions.

FEDERATED FARMERS WILL:

- Conduct an annual survey which will track the changes in employee's remuneration.
- Undertake a series of targeted workshops explaining all compliance requirements.
- Encourage the commercial sector to develop an electronic means for time, wage and holiday records to ensure accurate accounting for remuneration.
- Encourage the government and commercial sector to develop technology for employees to easily keep an accurate track of their time at work.

MONITORING AND REPORTING

Progress against the goal of fair remuneration will be measured using two indicators:

1. A comparison of farm assistant, herd manager and assistant manager pay rates to equivalent roles in comparable industries.
2. The percentage of New Zealand dairy farm businesses that are 100% compliant with all legal standards for:
 - a. minimum wages or above for all hours worked
 - b. employment agreements
 - c. formal accommodation agreements
 - d. records of hours worked, holidays taken and wages paid.

Data to update these indicators will be gathered through industry remuneration surveys and Ministry of Business, Innovation and Employment (MBIE) records.



3. WELLNESS, WELLBEING, HEALTH AND SAFETY

EXPECTATIONS

The dairy industry will significantly improve its performance in health and safety.

DAIRYNZ WILL:

- Continue to develop a farmer wellness and wellbeing programme as a foundation for health and safety, building off the PitStop information on physical and mental health.
- Promote greater co-ordination among the primary sector and government agencies to develop long term approaches for improving mental health of those working on dairy farms.
- Feature wellness and wellbeing in its farm business assessment tools, and promote it in developmental plans.
- Work with the Regulator and a range of supporting bodies to support the Safer Farms programme to improve the culture towards health and safety in the dairy industry.
- Concentrate attention on farm vehicles, machinery, the handling of large animals and hazardous substances, which are the four areas of highest risk to safety on dairy farms.
- Work together with the Primary ITO field staff to provide resources, education and support for farmers.
- Implement preventative actions to reduce the level of stress and fatigue on farms.

FEDERATED FARMERS WILL:

- Work with the Regulator and a range of supporting bodies to support initiatives to improve the culture towards health and safety in the dairy industry, focusing on the Voluntary and Assisted end of the VADE model of implementation.
- Ensure that a fit for purpose health and safety plan and risk register template is available to the dairy industry.
- Ensure the availability of other useful templates such as induction forms and training records to help dairy farmers efficiently comply with legal requirements.
- Continue to develop and provide low cost tools to farmers for managing the administrative requirements of Health and Safety, in an efficient and low cost manner.

- Develop industry specific guidance for the management of hazards and risks.
- Undertake a nationwide roadshow to help farmers comply with relevant legislation.
- Maintain an 0800 advice line to assist with specific health and safety queries.
- Raise awareness of mental health and the support available for farmers through campaign.

MONITORING AND REPORTING

Progress against wellness, wellbeing, health and safety will be measured using three indicators:

1. The total cost of ACC claims made by dairy farming businesses for work related injuries.
2. The percentage of New Zealand dairy farm businesses that are 100% compliant with all standards for workplace safety.
3. A composite indicator that draws from a 'dashboard' of indicators to measure the wellbeing of the farm workforce.

Data to update these indicators will be gathered through ACC, WorkSafe and industry surveys.



4. EFFECTIVE TEAM CULTURE

EXPECTATIONS

Farm businesses will provide direction, engagement and support to employees to develop and maintain relationships that enable them to do their best at work each day.

DAIRYNZ WILL:

- Promote recognition of good team culture and HR practices through the Dairy Industry Awards in conjunction with other industry partners.
- Feature team culture as an essential component for productivity in its Progression Groups.
- Incorporate practical tips and techniques for good people management into DairyNZ's technical programmes, such as Milksmart and StockSense.
- Design and promote a range of tools and resources that:
 - increase the awareness and knowledge of employers and employees to have meaningful and respectful conversations, e.g. team meetings and employee's performance reviews.
 - encourage employers and employees to work together in setting health and safety plans and farm seasonal plans.
- Invest in training to build leadership skills and people capability to improve the operational efficiency of dairy farms.

FEDERATED FARMERS WILL:

- Promote recognition of good team culture and HR practices through the Dairy Industry Awards along with other industry partners.
- Expand current leadership programmes to cover on farm leadership in a team culture context, in conjunction with other industry partners.

MONITORING AND REPORTING

Progress against the goal of team culture will be measured using a single indicator:

1. The percentage of farm managers and farm employees who believe they work effectively as a team most of the time.

Data to update this indicator will be gathered through industry surveys.



5. REWARDING CAREERS

EXPECTATIONS

Dairy farm businesses will give employees the chance to learn new skills and knowledge and be rewarded by progression within the business or industry.

DAIRYNZ WILL:

- Promote the Dairy Industry Standard Roles and their related competencies and training pathways throughout the industry.
- Support the Primary Industries Capability Alliance (PICA) in its career development work.
- Support the Primary Industry ITO's industry training programmes and related initiatives, such as addressing deficits in literacy and numeracy.
- Work with the Primary ITO to strengthen the linkages between DairyNZ's extension team and services and the Primary ITO field staff.
- Design and promote tools and resources including DairyNZ's Career Pathways tool, that support quality conversations between employers and employees about performance, work satisfaction and enjoyment, and training opportunities.

FEDERATED FARMERS WILL:

- Promote consistent messaging and career pathways.
- Advocate for initiatives that will enhance strong rural communities and career opportunities in dairy, such as rural services, funding for rural education.
- Promote fulfilling and satisfying rural environments.
- Promote enhanced leadership capability in the primary sector through engagement with current and prospective farming leaders.

MONITORING AND REPORTING

Progress against the career goal will be determined using a separate scorecard that measures progress against the industry target that *by 2020, 90% of dairy farm businesses have fully competent farm teams*. Achieving this target requires that good employees are retained longer, developed through training and given opportunities to progress through the industry. All of these requirements also support the career goal in the *Workplace Action Plan*.

Data to update the competent teams' scorecard will be gathered from Ministry of Education, Industry Training Organisations, Statistics New Zealand and from industry surveys.

SUPPORTING INFORMATION

This section provides more detailed information and context for the *Workplace Action Plan*.

THE DAIRY INDUSTRY STRATEGY

The dairy industry's Strategy for Sustainable Dairy Farming '*Making Dairy Farming Work for Everyone, 2013-2020*' has ten linked objectives to support competitive and responsible farming that is sustainable. Sustainability encompasses the social as well as the physical environment. One of the ten objectives – *work environment* – is the primary focus of this leadership plan, which aims to cement the good people management practices expected of dairy farm employers who invest in people as a key asset.

The work environment operates in parallel with the *talented people* objective. Together these two strategic objectives aim to attract, develop, reward and retain highly skilled and motivated people who are the axis of competitive and responsible farming.



THE NEW ZEALAND DAIRY STORY

The New Zealand dairy story is one of steady growth over time into the current position of being the leading export industry of the country. There has been significant increase in the number of corporately owned farms, the size of herds and a strong movement from the North to the South Island.

FACTS



**4.9 MILLION
COWS MILKED**



**11,900
DAIRY HERDS**



**413 COWS,
AVERAGE HERD SIZE**



**1.7 MILLION
HECTARES FARMED**



**1.8 BILLION KG
OF MILK SOLIDS
PRODUCED**



**\$15 BILLION
AT FARM GATE
(APPROXIMATELY)**



**35,000 PEOPLE EMPLOYED;
NEARLY 60% OF WHOM
HAVE NO POST-SCHOOL
QUALIFICATION.**

2013/14 season



**10%
OF THE WORKFORCE IS
MIGRANT EMPLOYEES
ON TEMPORARY VISAS
(AVERAGE DURATION 1.5
YEARS); 50% ARE FROM
THE PHILIPPINES.**

In Canterbury, migrant employees numbered less than 2 percent of dairy employees in 2001, compared to 13 percent drawn from New Zealand beneficiaries.

In 2013, beneficiary hires were 8 percent, compared to 11 percent migrant hires. In Southland, beneficiary hires declined from 13 percent in 2001 to 6 percent in 2013, while migrant hires exceeded 14 percent.



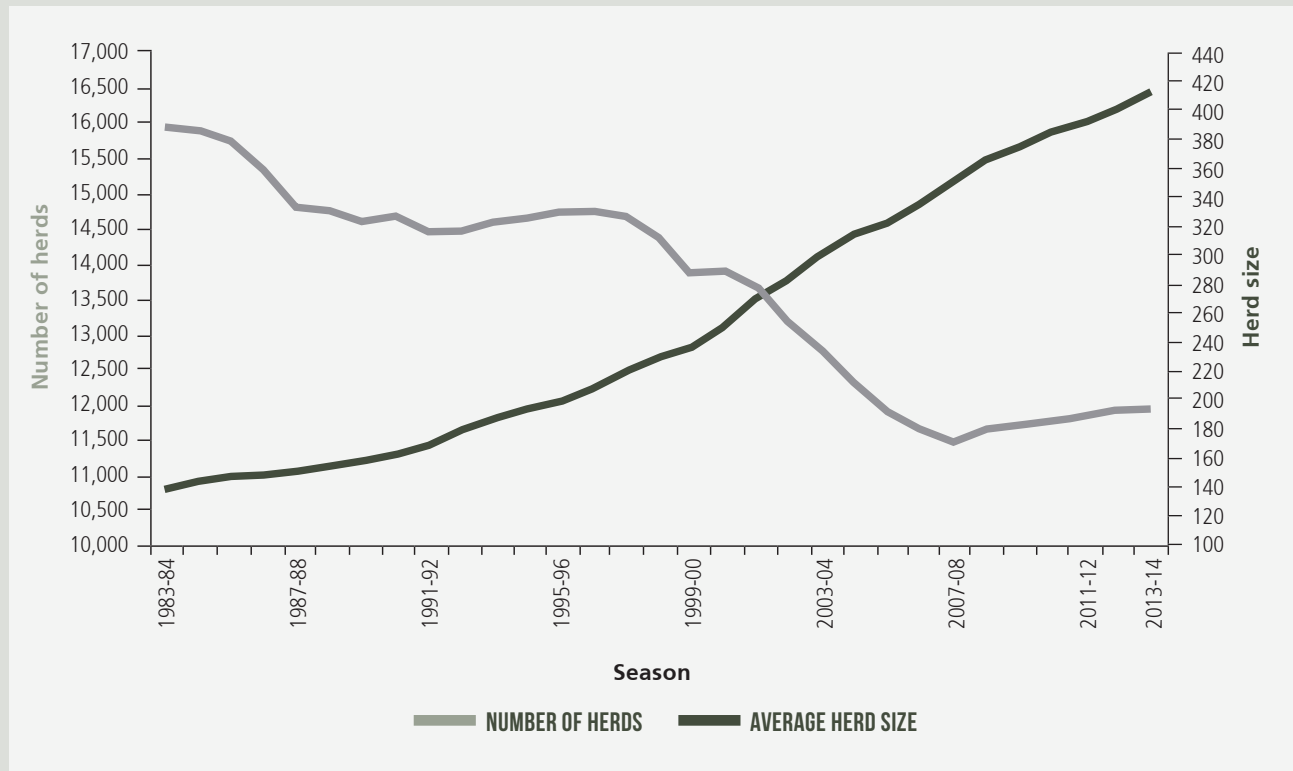
In districts such as South Taranaki, Waimate, Otorohanga and Matamata-Piako, the dairy industry accounts for between 1 in 4 and 1 in 5 of the total number of jobs in the region.

**THE INDUSTRY IS
DOMINATED BY
SEASONALLY DETERMINED
WORK PATTERNS, PEAKING
DURING CALVING, WITH A
COMPARATIVE TROUGH AT
MILK DRY-OFF.**



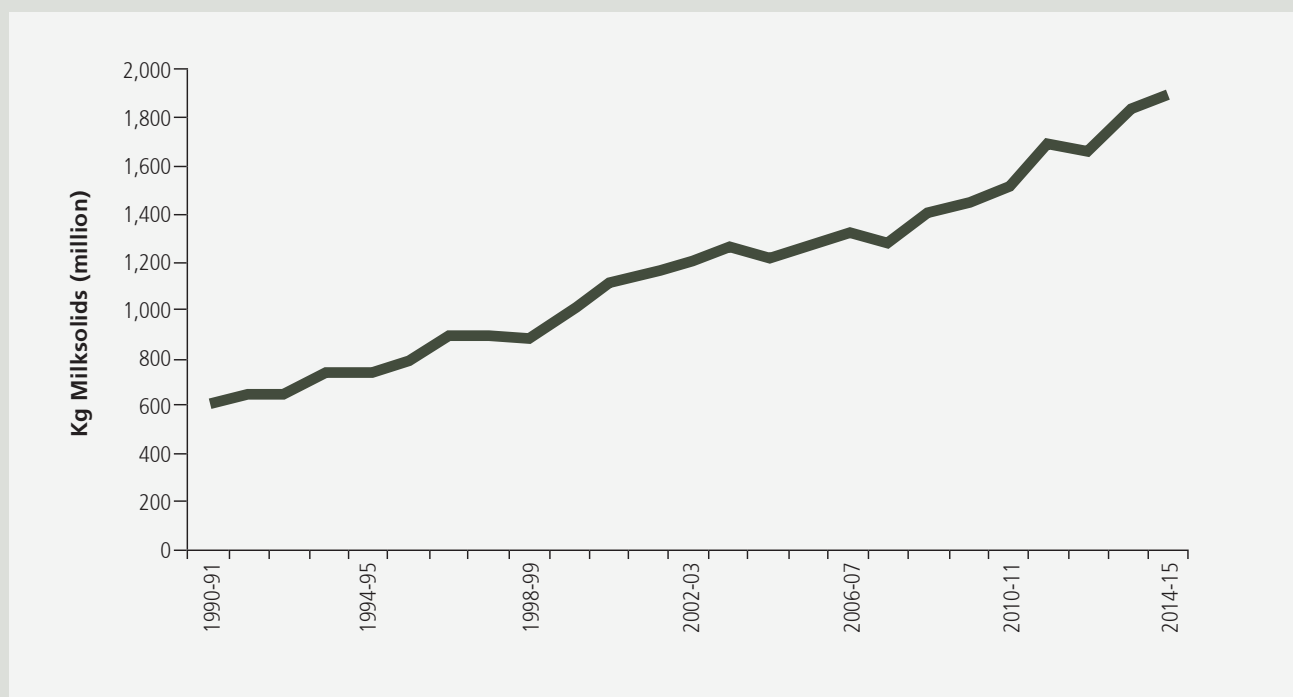
HERD SIZE

HERDS ARE BECOMING LARGER, BUT OVERALL, THE NUMBER OF HERDS HAS DROPPED.



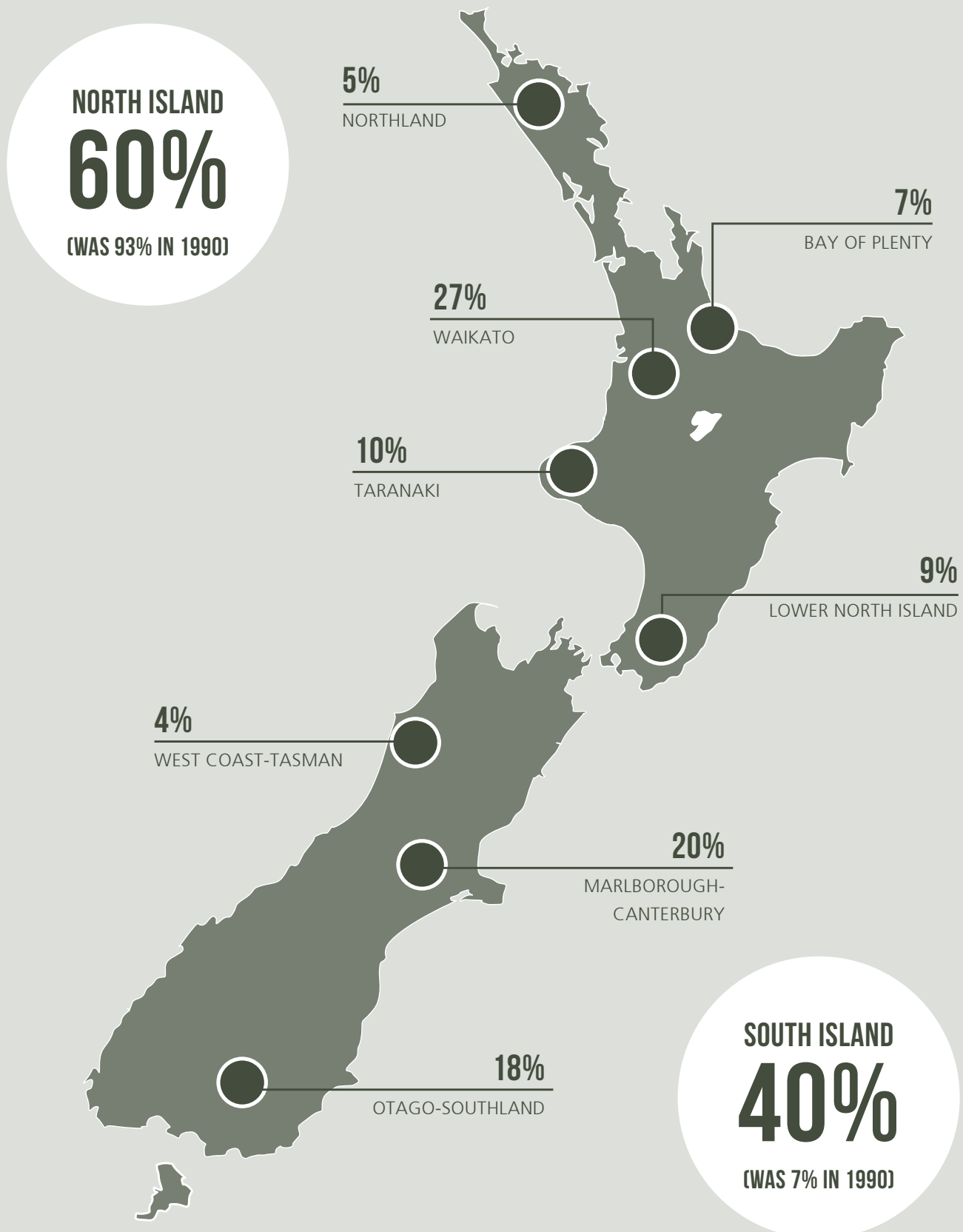
NEW ZEALAND MILK PRODUCTION

PRODUCTION HAS GROWN A STEADY 4.7% EVERY YEAR OVER THE LAST TEN YEARS.



REGIONAL SPREAD AND SOUTHWARD SHIFT

THE NORTH ISLAND DOMINATED DAIRY FARMING IN THE 1990'S BUT MOST GROWTH SINCE HAS BEEN IN THE SOUTH ISLAND:



JOB ROLES

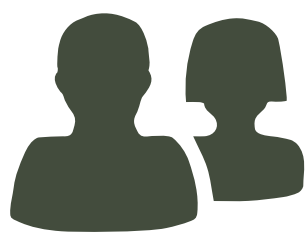
The dairy industry has agreed on descriptions for five standard roles, with increasing skills, responsibilities and autonomy. Together these form the dairy career path. On smaller farms one person may combine several roles:



REMUNERATION AND EMPLOYMENT DATA

(FEDERATED FARMERS ANNUAL SURVEY, 2015)

DAIRY JOB ROLES	MEAN TOTAL PACKAGE VALUE	MEAN SALARY	AVERAGE HOURS WORKED PER WEEK
FARM ASSISTANT	\$42,774	\$40,570	43
HERD MANAGER	\$55,985	\$52,178	48
FARM MANAGER	\$70,673	\$65,294	49
BUSINESS/OPERATIONS MANAGER	\$76,536	\$71,018	49



VALUE OF EMPLOYEES

THE SURVEY SHOWED THE IMPORTANCE OF FARM EMPLOYEES WAS RATED CONSISTENTLY HIGHER BY FARMERS AND FARM EMPLOYERS THAN OTHER COMPONENTS SUCH AS PASTURE, HERD QUALITY AND INFRASTRUCTURE

CHALLENGES IN THE CURRENT LANDSCAPE

The majority of dairy farm businesses have positive working environments and employ many of the good people practices promoted by the *Workplace Action Plan*. However DairyNZ and Federated Farmers recognise that best practice is not uniform and parts of the industry need to lift their performance to make dairy farming work for everybody.



BALANCED AND PRODUCTIVE WORK TIME

New Zealand's dairy industry has consistently raised production, but long hours are often worked.

Long working hours can affect performance. Henry Ford found in the mid-1920s that cutting the workday from ten hours to eight and the work week from six days to five, increased total worker output and reduced production costs. The link between long hours of work and performance is not well understood in dairying, but health and safety data suggests that some of the prevailing work conditions impede farm teams from performing their best.

Recent audits of dairy farms by the Ministry of Business, Innovation and Employment's Labour Inspectorate's, identified many opportunities for improvement, particularly in meeting minimum employment rights.

The current rate of accidents in the dairy industry is high. In 2013 there were a total of 24 deaths in agriculture and 22 in 2014. The estimated total ACC cost from injuries sustained on dairy farms is nearly \$20 million annually. Around 14 percent of farmers experience impeding levels of stress.

On top of the ACC costs, conservative estimates show that stress and fatigue are costing the industry over \$100 million annually through lost productivity (based on a 25 percent reduction in capability for the 14 percent of farmers who are on average, affected by burnout).

A wide range of research shows the negative effects of long working days on health, especially in increasing the risk of heart disease.



FAIR REMUNERATION

The dairy industry is characterised by high employee turnover. For instance, over 40 percent of dairy farm assistants turn over within a single year. Farms with fewer employees have a lower rate of turnover perhaps in part reflecting the greater variety and autonomy of the employees.

Farmers who have invested in people report reduced recruitment, training and absenteeism costs which off-set and justify their initial commitments.



EFFECTIVE TEAM CULTURE

DairyNZ's People Benchmark Survey 2013 indicates about two-thirds of farm businesses hold team meetings, with 44% doing this on a regular basis. Meetings tend to increase in busy times. While encouraging, this feedback also suggests a significant gap remains.

Almost three-quarters of dairy farmers involve their team in decision-making some of the time. But over 60 percent do not hold formal staff reviews, and only 14 percent hold annual appraisals. Those with family members hold more regular meetings and reviews.

Most farmers offer an orientation programme for new permanent or longer term employees, however most orientations run for only a few days or less.



WELLNESS, WELLBEING, HEALTH AND SAFETY

Being healthy and full of energy is critical to wellbeing. People with high wellbeing can think clearly and solve problems, are able to relax, feel optimistic about the future and feel connected to other people. By contrast, low wellbeing is associated with negative outcomes.

High rates of stress and fatigue are of concern to the dairy industry. Suicide is a major cause of death on dairy farms and statistics suggest rural suicides outnumber accidental deaths.



REWARDING CAREERS

Mentoring is a strong feature of the dairy industry, linked to strong community activities and support.

Sixty percent of employers are active in training employees, either for upward progression or to equip them with a wider set of skills and knowledge to perform better in their existing job role. However, almost 40 percent of dairy farmers report that they rarely or never engage their employees in formal training.

PARTNERS AND FRIENDS

LEADING PARTNERS

DairyNZ and Federated Farmers, the leading partners, have developed the *Sustainable Dairying: Workplace Action Plan* to lead and support farmers to make changes to their workplaces. These changes will assist the industry's strategy of making dairy farming work for everyone.

To do this successfully requires support from supporting partners and friends.



SUPPORTING PARTNERS

Supporting partners confirm the intentions of the *Workplace Action Plan*. Where possible, they will contribute to its implementation, in coordination with the leading partners.

Organisations who have committed to being supporting partners include:



FRIENDS

Friends endorse the outcomes of the *Workplace Action Plan*. They undertake to pursue its direction to the best of their ability and resources.

All farming businesses are invited to become Friends.

Friends can show their support in several steps:

1. By signing up on-line to publically signal to others that they support the five pillars of good employment practice
2. By getting specific goals to improve their workplace practices and connecting to on-line resources to help achieve these
3. By completing the GoodPractice HR Assessment Tool to quantify where their farming business is and the opportunities that exist to improve the workplace.

FOR PRACTICAL EXAMPLES OF
GOOD PEOPLE MANAGEMENT
PRACTICES ON FARM VISIT
DAIRYNZ.CO.NZ/WAP

