



## Bridging the Salary Gap

A recent tour through Victoria and New South Wales got me up to date with issues and opportunities in the Australian scene. This included a very enjoyable Australian Dairy Conference in Shepparton which confirmed a very positive outlook and much to look forward to for progressive operators.

My work both sides of the Tasman have included a number of situations where farms are dealing with the realities of an under-supplied staff market. In particular, they have highlighted the challenges of balancing tensions between needs for skills and productivity in the business with understandable expectations for quality people to receive competitive reward.

This has resulted in modest upward pressure on wages which needs to be offset by arrangements that protect sustainability to manage inevitable variations in production and prices. Without this there is risk of importing unrealistic cost structures.

Key to any salary negotiation is to fully explore what's in it for the business to offer greater reward.

With a fluid labour market and competition for staff the value of continuity should be rewarded. There even needs to be strategies to counter head hunting which, sad to say, will be an option those who lack integrity and imagination will resort to,

All of this must be done in an environment that never settles for second best. There is always a way that businesses prepared to take a creative approach can get the right people on board.

### ***Think "Win/Win"***

Naturally, staff who commit themselves to our Industry or your business deserve to be well rewarded. But this must be managed in a way that is more than a "Father Christmas" response. It's tempting to throw money at staff shortages and submit to wage demands justified because of what others are paying. That's not a good enough reason to incur a permanent increase in costs. It's essential to first identify benefits that will flow from more aggressive reward packages.

When confronted by demands for higher salaries the first thought must be about what's in it for the business. Employers and employees must find ways to work smarter, make better use of time, delegate, find better systems, use more technology or eliminate activities that don't add value.

### ***Value Continuity***

All industries internationally are experiencing staff pressures. It becomes increasingly clear that continuity and staff retention is a real advantage. If you can retain know how, experience with farm systems set-up and continue relationships already working well there is a significant cost saving.

Time wasted on induction is avoided while capacity for the business to build on proven knowledge and experience is enhanced. I have been busy developing packages that reward continuity and signal appreciation of loyalty justified by savings in recruitment costs that can be passed on to those who stay in the business.

### ***Watch for Head Hunters***

Expect top staff to get regular approaches from neighbours and enterprises so short on integrity and imagination that they resort to solving their problem by creating one for you.

The better your team - the greater the risk. Avoid this by promoting the highest standards of communication and an open relationship so staff confide in you about such approaches. This will ensure a mature decision how each party's interests can be best served.

Perhaps it's the right thing for your staff to make a change. Maybe they can help you find a replacement or the two businesses can share the recruitment cost.

There is no greater compliment than to have your staff tell you they turned down an approach.

Quality staff will only be involved in quality businesses. I still see a large variation between what is possible and what is being practised. If you are lagging in this area expect business to get very tough. I see too many situations where the limiting factor for staff management is the man in the mirror not yet prepared to change!

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