

Time to Take a Look at Ourselves?

Recent debate about the outlook for dairying and contact with the labour market through recruiting assignments has yielded an interesting mix of thoughts on how best to respond. There are implications here for two important areas.

First, despite pride in my optimistic outlook on life, I see comment about possible lower incomes in the short term as healthy. It gets farmers to think early about viability and identify options. Second, it challenges farm businesses to look more closely at people, productivity and performance.

People & Productivity

Already some jungle drums are beating about restructuring staff to reduce costs. Despite the effort that has been put into promoting the Rural Sector as a career choice, it seems there's willingness in some quarters to 'shoot them in the foot' by reversing this and turning the labour market off.

Stories of pressure on sharemilking contracts, decisions to appoint multiple junior staff and lay off more qualified and experienced people reminds me of the roller coaster ride used in earlier years to balance budgets.

Let's not miss the point here – I'm well aware of the importance of justifying labour costs. I'm equally aware the industry will only retain quality people by offering a secure and challenging long-term environment.

The priority must be to ask the team to be creative and cooperative. That way they can help overcome these challenges rather than be shown the door.

On both sides of the relationship the focus must be on increasing productivity through rigorous evaluation of roles in the business. This will depend on supervisors and staff with clear expectations of what to do, how to do it and when to do it by.

I often reflect on time management in farming. At pressure points like calving and mating, time manages itself. It's outside the seasonal peaks that wastage occurs.

I believe there is too little measurement and goal setting done for this aspect of farming. The common approach is to treat staff as a fixed cost rather than analyse what it costs to have them do their various tasks.

I'm encouraging a drive for more effectiveness which generally results in greater separation of functional and trained roles. That approach makes better use of skilled and trained people while allowing other staff to concentrate on a small number of physical roles where less training is needed. The widespread use of "milk harvesters" is just one example.

Best Practice for Best Results

The flip side of time management is optimising productivity by best practice – a fancy way of saying “work smarter not harder” I recently heard a comment from a new entrant to the Industry that “there are not that many top farmers around”. While I accept standards are continually rising, it is fair to say there are still a number of mediocre operations whose management is some distance from best practice.

These include limited analysis and evaluation of policies, lack of application of accepted techniques like feed budgeting, mediocre people management and minimal financial planning. All of these are pivotal to business performance.

There’s an ironic contrast between the level of best practice application by farmers and the training demands many make of their staff. Many employers rightly put emphasis on qualifications when selecting. Sadly, a number of applicants I interview tell me they’ve not been able to apply their training because ‘the boss doesn’t understand it’. This double standard highlights the knowledge and commitment gap limiting many businesses.

Invest inside the farm gate

Both issues mask the opportunity to invest inside the farm gate. The good news is they’re all about dealing with things you can control. Sure it’s important to manage exchange rates and monitor milk prices. But these are only areas of concern and individuals can have limited impact on them.

A great place to start is self-evaluation and staff performance reviews. Make sure opportunity right at your feet is not being trampled over in pursuit of off farm issues that you can do little to change!

Kerry Ryan is a Registered Agribusiness Consultant, Speaker and Publisher. You can contact him at www.kerryryan.co.nz.

ARTICLE FOR AUSTRALIAN DAIRY FARMER

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First, despite pride in my optimistic outlook on life, I see comment about possible lower incomes in the short term as healthy. It gets farmers to think early about viability and identify options. Second, it challenges farm businesses to look more closely at people, productivity and performance.

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I'm encouraging a drive for more effectiveness which generally results in greater separation of functional and trained roles. That approach makes better use of skilled and trained people while allowing other staff to concentrate on a small number of physical roles where less training is needed. I see some in the Australian Dairy scene as quite progressive in their approach to this.

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