

LESSONS FROM LARGE SCALE OPERATIONS

John Compton
Amuri Dairying Ltd

Introduction

I joined the Army in April 1977 and served overseas for two years from 1978 - 1980. Upon returning home in May 1980 I passed selection and spent the next 5 years serving as a badged member with the 1st NZSAS Squadron.

Leaving the Army in late 1985 I married Christine and we bought a small farm a couple of km's from my parent's farm in Southland and went into partnership with them. My wife and I then purchased a dairy unit on our own account in 1990. We leased the farm in 2005 to travel and look for other opportunities. We subsequently sold the farm in May 2009.

I started part time work at Amuri Dairying in April 2005 assisting the managers and staff on the two dairy units and support block. At that time the farms milked 2800 cows. In May 2009 further properties were purchased and cow numbers grew to 4,700 cows. Today we milk 5,000 cows at peak.

My role changed to Operations Manager at about this time. At that time I changed my way of way of thinking from a mindset of *high performing cows* to that of *high performing people*.

I constantly call upon experience and learning's - not only with the NZSAS but also from practical experience and industry training. In particular this has meant understanding TRUST and how high performing teams are built and maintained as this under pins the results achieved in a large scale operation.

Farm overview

Amuri Dairying Ltd is a family owned business in Culverden, North Canterbury. The shareholders are Andrew and Anne-Mary Benton who have farmed in North Canterbury since 2000.

The business comprises 3 dairy units milking 5,000 cows on 1180 ha to produce 2,360,000 kg milk solids. BSCC ranges from 95,000 to 125,000

Pahau Pastures is the 475 ha support block. This grazes all the heifer replacements. Grazing over winter consists of 2,500 cows on fodder beet and 400 R1 heifers on grass. Pahau also sells 2,500 tons of grass and maize silage to the dairy units.

Staffing

Thirty Two full time staff equivalent's are employed by Amuri Dairying Ltd. A further 8 casuals are

Employed over calving.

Specialist roles

There are several specialist roles on the farms which are carried out by 1 - 2 people in each role.

- Tractor Driving such as feeding out, regrassing and filling pivot ruts.
- Minda Records are the responsibility of one person as all the stock records are on one participant code.
- One person manages irrigation Maintenance with help from the respective farms.

Winter management

Over the winter the teams on each unit are responsible for:

- ADL West - Help the Run off manager to feed and shift 2500 cows and 400 R1 Heifers as well as feed 800 R2 Heifers on both the ADL Farms
- ADL East - Winter milk a herd of 600 cows for July. Train 800 R2 Heifers to walk onto the rotary platform.
- Nukiwai - Winter milk a herd of 600 cows over June. These cows then go to ADL East. They also manage 1200 dry cows on crop on the neighbor's property and train 400 R2 Heifers to walk onto the rotary platform.

Calving

Heifer calving starts on the 15 July with the MA cows starting on the 1 August. All of the 4800 spring calving cows calve at ADL West, which is a 50 bail rotary shed. There are 3 teams of people at ADL for 4 - 6 weeks. They return back to their original farms as cows calve.

Notes:

Lessons learnt

Key lessons that have impacted our structure and strategies include:

- Be adaptable and look for creative solutions. For example we pool our resources onto one farm over calving and have been doing this for 4 seasons. So far the results have been spectacular. With a herd of 4600 spring calvers we only get 3–5 cows being missed at calving and 1-3 cows calving in the colostrum mob.
- Employment is like a "tour of duty" where everyone is trying to get to an agreed point. In other words - there is a clear mission.
- We can't stop people leaving but we can ensure they benefit from working for us through our policy of promoting within as an incentive to continue to learn and develop.
- Don't underestimate the resources required to implement a culture change in a work place. The more staff and the more work locations the longer it takes.
- Culture change is like a flywheel. It requires a lot of energy to get momentum but when it is embedded it becomes self-sustaining.
- Seek professional advice if needed and allow sufficient time to implement change.

There are some striking parallels with high performing teams (such as NZSAS) and what the senior management team is implementing at Amuri Dairying Ltd. It is a continuous journey with three key steps:

Step (1) Leading Change

Recruiting

While recruiting is inevitable in any work place, this must be managed and planned for. We strive to internally promote our staff so pay particular attention to the 2nd and 3rd in charge. As long as they have the character and core skills to succeed we are able to support them. Internal promotion reduces risk for both parties as we both know each other.

On dairy farms the national turnover of staff in their 1st 12 months of employment is 38%. Ours was above that and we have now reduced it to 15%. I will now explain how we have achieved that.

Staff turnover causes uncertainty in any team. This is a consequence of the four stages of building a team:

- Forming - getting people to know their role and where they fit in the team.
- Storming - challenging each other and the team rules and processes.
- Norming - everybody knows their job and is doing their job
- Performing - discretionary effort that results in exceptional results.

It is understood less than 5% of teams make it to the performing stage due to turn over. As soon as a new person joins the team you go back to forming again.

The true costs of turnover are far more than the direct costs of recruitment because of the knowledge those leaving take with them and the effort required for forming of a whole new team when replacements join.

Reference checking

Our policy is to conduct three reference checks. We do at least two prior to interview and a third with the current employer and after a successful interview. (The number of employers who do not do reference checks never ceases to amaze me!).

If the reference checks align with the interview and their personality profile then a lot of the risk is reduced for both parties.

Lesson learnt:

Reference check the referee to confirm their integrity and identify any underlying motives.

Personality

Personality style is a very important component when considering a potential new employee. It's vital to establish whether an applicant's personality will fit with the existing team dynamics.

We are now using personality profiling on all senior staff. In isolation this does not provide the complete answer. When profile results are combined with effective interviews and reference checks these are most helpful in making the right selection.

CV's

CV's full of spelling mistakes, bad grammar or that don't make sense are automatic declines. A sound CV is a good reference point for the interview as they help build the picture of an applicant's personality and goals.

Notes:

Interview

This is a structured process with set key questions to determine both character and competencies. We score the applicants against a range of attributes to gain an aggregated score. These scores are then compared to make a final selection.

Step (2) Trust

In my view trust is the major ingredient that under pins any social or work culture.

When searching for a definition of Trust on Wikipedia I came up with the following:

“Trust is integral to the idea of social influence. It is easier to influence or persuade someone who is trusting. However a perception of honesty, competence and similar values is essential for this to occur. Once trust is lost by obvious violation of one of these three determinants, it is very hard to regain”.

“People work together and achieve success through trust that relies on each individual’s contribution. Where trust is absent projects can fail -especially if this lack of trust has not been identified and addressed”.

Lesson learnt:

When people ask me why is it so hard to trust people, I ask, why is it so hard to keep a promise.

Character

The concept of character is what each person offers with a variety of attributes. These include the existence (or lack) of virtues such as empathy, courage, honesty, and loyalty along with positive behaviors or habits.

Integrity results from a combination of:

Honesty:

- Telling the truth and leaving the right impression.
- Humility. Commitment to recognising principles and putting them ahead of yourself.
- Courage. Doing the right thing even when it’s hard.
- Intent
- Motive: This is your reason for doing something. The most important motive to develop trust is genuinely is to care about people, your purpose, your values and what you do.
- Agenda: The agenda that inspires the greatest trust is seeking mutual benefit (win/win)

- Behaviour. This is the result of motive and agenda. The behaviour that best creates credibility and inspires trust is acting in the best interests of others in line with shared goals and values.
- Resilience – persistence to see a task through. This in my opinion is very important.

Competence

Competencies are the skills and abilities people need to succeed in their jobs. They include all the related knowledge, skills, abilities, and attributes required to do a job.

Competence combines:

Capabilities:

- Talents. Using your unique gifts.
- Attitudes. Your beliefs and your approach to thinking & life in general.
- Skills. What you can do with passion & excellence.
- Knowledge. All the things that you know.
- Style. How you operate with regards to your job and to others

Results:

- This is the way in which we are finally judged.
- Results matter to your credibility and to your ability to create and maintain trust.
- They give you clout and classify you as an achiever and as a performer.

Our Values - The Amuri 5

These are the foundations of how we strive for a high TRUST environment, how it is built and how to maintain it.

Lesson Learnt:

All the results we achieve, or perceive to achieve, we create as a result of how we think. By nagging, you will change behaviors with out changing the thinking. If you want to change the results then you need to change the thinking.

Notes:

The following five pillars are extracts from what we at Amuri Dairying have chosen as team values and preferred behaviors after a consultation process with all staff during a two day workshop.

1. Be approachable & talk straight

- Listen First
 - Be open & honest.
 - Be approachable.
 - Show respect
 - Listen first, listen carefully and accept constructive feedback.
- Create transparency.
 - Be open and upfront.
- Demonstrate Respect.
 - Praise in public and criticise in private.

2. Know your job & do your job.

- Clarify Expectations and Deliver Results.
 - Clarify the expectations and deliver the results.
 - Have a can do attitude.
 - Know the goal.
 - Celebrate success.

3. Look in the mirror and own your performance.

- Get better and confront reality
 - Debrief constructively.
 - Self reflection
 - Recognise everyone has a bad day.
 - Believe in yourself and believe in the team.
- Practice accountability.
 - Be accountable and delegate responsibly. Be committed and do the best you can.
- Get Better
 - Know what “better” is.
 - Be open to feedback and understand what others think. (360 degree feedback)

4. Be solution focused

- Be prepared for feedback.
- Give regular feedback on progress.

- Keep commitments.
- Be realistic and ask for help early if you are struggling.

5. *Do what you say you will*

- Right wrongs
 - Admit wrongs.
 - Exercise courage and strength of character and eat humble pie if necessary.
 - Understand. In other words walk in the other person's shoes.
 - The best way to right wrongs is to avoid them.
- Extend Trust
 - Remove fear.
 - A mistake is not failure
 - Benefit of the doubt

Lesson Learnt:

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Step (3) ICE - Induction, Competence, Excellence

This step is as important as the other two but can be overlooked so a disconnection soon develops between the employee and the company. Induction and training are areas we are continually focused on.

We promise training and aim to train all junior staff to Level 2 and Milk Quality 1 in first year. We give a commitment to on farm training wherever possible and this is reviewed at six monthly intervals

When new employees arrive to Amuri with their knowledge & skills, they do not know the farm, the people, the systems or the Amuri culture. We have adopted "ICE" as our method of tracking the induction and progress of our staff.

Notes:

The following is a way in which both formal HR processes (ICE) and coaching and communication optimise induction and development of new staff. Obviously they want to show their worth but most are hampered by their lack of knowledge of the “Amuri” way. The ICE induction process comprises:

- The First 3 months
- Competence Checking (the 3-12 month period) and
- Excellence Seeking (from one year onwards).

A “good-better-best” banding of performance will be introduced down the track to recognise and incentivise high performing staff (even if they stay in the same job because a promotion slot is not currently available). This promotes continuous improvement and links closely with staff reviews.

Phase 1: Initiation and Induction

This focuses on:

- Clarity of the business vision and values
- Clarity around competencies and how we do things here.
- Clarity around Job Description & farm operation detail.
- Open and daily communication.

Phase 2: Competence and Checking (Formal Staff Reviews)

This is the important step of confirming and realigning competencies and checking on progress for both parties. It can be likened to preparation for a “Tour of Duty - a process which is mutually beneficial with defined outcomes to be reviewed at the end of a given term such as at the next staff review.

This allows employer and employees to develop a relationship based on how they can add value to each other. It encourages the employee to invest in the company’s success and the company to invest in the employee’s market value for a win / win result.

In other words the company reduces turn over and retains an engaged employee while the employee gains further training and experience. If we fail in this process then the employee may start looking for “further opportunities”.

Present at this meeting is the staff member plus his or her direct manager and either the HR person or myself, depending on the seniority of who is being reviewed.

The review incorporates both hard and soft skills (values, attitude etc). Recently we have been placing more emphasis on the soft skills.

At the conclusion a development plan for both personal and professional goals is compiled and the next “tour of duty” begins.

Phase 3 – Excellence:

- Continue to profile the strengths and weaknesses
- Continue competencies tick off plan
- Regular coaching and catch ups-
- Formal performance reviews.

Management Techniques I find work for me

Below is a summary of some things I have learnt and are helpful.

Communication

Communication is an on-going challenge both with day to day conversations as well as at the formal meeting level. In a staff survey taken 12 months ago this was highlighted as a “work on” for everybody.

It is amazing how one misplaced word in a sentence can change its whole meaning. With 60% of our staff not having English as their first language and being a multi site operation working 7 days a week, the challenge is even greater.

Lesson Learnt:

Here is an example of an instruction which could go wrong: Go to the workshop and attach the trailer to the tractor. Then drive to the milking shed and load the rubbish onto the trailer and take it to the hole and burn it.

At ADL we currently use the following methods to pass on information to staff:

- Publish a bi-monthly newsletter.
- Monthly or weekly managers’ meetings depending on the need to pass on information
- Regular farm meetings
- Company-wide texting on important or urgent matters.

Notes:

Conversations with staff

It is very important that your message gets through to the intended person in a way that they will understand it.

Don't water the conversation down by using weak words such as sort of and maybe. Instead use strong words that create an impact and carry positive and motivating energy. Remember fewer words allow for more space for listener processing. Sometimes less is better.

Just remember that the smallest part of a message received is verbal. The largest proportion is by your tone of voice and your body language.

Spend time talking to staff. Not only about work, but also on non-work related subjects. Find out what makes them tick and take a genuine interest in their lives. Birthdays and anniversaries are important so do not forget them.

Be careful with your intent. If you are not genuine they will soon pick up on that and this will lead to mistrust.

Listening

Listening is a fundamental life skill. In relationships listening builds trust and is vitally important for effective effective communication.

The best form of listening happens when we avoid other distractions and pay close attention to the person who is speaking. We gather more information and concentrate on understanding the topic at hand.

The listener will spend some of their time thinking about a response or a question to ask. Some guide lines to make this happen are:

- Avoid distractions and turn off your phone.
- Do not jump to jumping to conclusions when they are still speaking.
- Do not speak until they are finished.
- Do not rush the speaker.
- Ask questions to clarify what you are unsure about.

Exit interviews

We have conducted exit interviews for a number of years now and have gained valuable information from them. We initially gave the exiting employee an interview form to fill in. This was done half-heartedly so we moved to a one on one conversation. The flow of information greatly improved and as a consequence we were able to be act on this information.

Conducting exit interviews is a good objective measure of your success around the retention of staff.

Management styles

Due to our differing personalities we all have a natural leadership style. In times of pressure or stress we will always move back to our natural style. Be aware of this.

Lesson Learnt

- *If you constantly use the directing style you will not only stop the growth of your staff, but also you will make yourself indispensable as nobody else will know what to do.*
- *You must choose a style depending on the circumstances.*

A key skill in the workplace is the ability to delegate effectively. If this is done correctly it offers the other person the opportunity to develop new skills.

The style we all should be striving for is "delegation" as opposed to just "allocation":

- Allocation is distributing jobs and tasks that fall under the person's normal job description.
- Delegation is empowering others to undertake jobs and tasks that fall under your job description.

Management styles should be matched to an individual's development level to ensure that competence and commitment will increase. When people are either under or over supervised there is a negative impact on their development.

As an individual moves from one development level to the next so must the management style change.

Possible barriers for not delegating may include:

- I can do it better myself
- It has to be done now
- I can do it faster than I can explain it.

Notes: