

Labour management checklist – a series of questions and answers

Findings from the “Sustainable dairy farm systems for profit” project

M5 Project Information Series - Studies on Mutdapilly Research Station and subtropical dairy farms 2001 to 2005

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Overview

At farmer discussion groups and at workshops with companion farmers in the M5 Farming systems project, a number of issues regarding labour management were raised.

These issues have been summarised and collated as a series of questions and answers which may be of interest for anyone currently employing or deciding how best to go about employing farm labour.

What are the steps to consider when seeking a new employee?

- Develop a position description – what will be the roles and responsibilities of the new employee.
- Decide on your recruitment strategy – word of mouth, newspaper advertisement, using an employment agency.
- Before interviewing potential employees, developing a checklist of questions will assist you to make the right decision. Try to avoid questions that require a yes-no answer, e.g. do not ask do you know how to treat a cow for mastitis or to manage ryegrass, ask the person to describe the steps in treating a cow for mastitis. Ask in-depth questions covering all aspects of management that the potential employee may encounter on your farm.
- Interview the applicants and select the candidate who best fits the position description, do not make a hasty decision – reflect on the interview and be sure to check references.
- Put the new employee on for a 12-week probationary period.

- Use the probationary period to induct and train new staff – especially in farm safety.
- Be patient – there is a lot for the new employee to learn.

How do you as an employer maximise work performance?

- Be approachable and understanding.
- Be firm when necessary.
- Be committed to training and learning.
- Be able to provide opportunities for the future.
- Be a good listener.
- Ensure that personal discussions are kept confidential.
- Be clear about what is required by the employee.

What should you put time and effort into to retain staff?

- Ensuring basic workplace practices are understood, the workplace is as clean and safe as possible with amenities of a reasonable standard.
- By providing opportunities for learning.
- Giving performance appraisal and feedback.
- Building in incentives and recognition.
- Developing staff career opportunities.
- Celebrating achievements.

From: Farm Recruitment Magazine, March 2003



How do farmers source and manage staff?

- Try to employ people you know something about.
- Treat employees like family or friends; however, they still need to know you are the boss.
- Pay them fairly.
- Provide permanent employees bonuses or incentives for good work.
- Always employ someone local who has a mortgage.
- Remember that everyone does things differently. A farmer may recommend a way to undertake a task to an employee; however, that employee will probably do things a little differently depending on his former training and experience. You may need to be sympathetic to accepting changed work practices when required.
- Do not give all the bad jobs to employees, do these jobs in pairs or share the task.
- Ask for employees opinion and input, get their involvement and ownership. This is also relevant for family members working on farm.
- Treat family members as employees and develop formal arrangements.

M5 companion farmers thought word of mouth was a popular method of sourcing labour. Farmers also tend to employ people who live in the area. Some companion farmers had used employment agencies, but had not found great success with this method.

Should you use position descriptions?

- Farmers have found that position descriptions can be beneficial as it allows staff to know what their roles are, and they help the employer think about what the role is. This can be a good starting point.
- The position descriptions should also detail the wages and the increases to wages over time.

How do you manage wages and holidays?

- Check with the Department of Employment and Industrial Relations (Queensland) to clarify your obligations.
- These are part of the agreement, and are specified in the position description.
- Work on 4 weeks a year holidays, employees are often amenable to splitting their holidays over two periods.
- Some farmers employ their staff as contractors so they are exempt of workers compensation.

The employees need to have their own ABN number and may need to supply some equipment for this to occur.

- You need to pay more than the minimum wage for permanent employees; however, you can also provide other benefits such as a house.
- Pay casuals \$20/hr + bonuses.

What regulations do you need to be aware of?

- Farmers need to be aware of issues such as how to employ, (check with Department of Employment and Industrial Relations), work place health and safety (WPH&S) obligations and wrongful dismissals.
- Work place health and safety will be a major issue facing the dairy industry in the future. With WPH&S regulations it is easier to give employees one role e.g. milking.
- You also need to consider the cost of superannuation, tax, holidays etc. Your accountant can provide advice on these issues, and fringe benefits that may arise by providing accommodation.
- When you hire a new employee, you need to show them what to do and write it down as part of the WPH&S regulations.

Is there good labour available?

- Farmers' expectations can be too high in terms of commitment and workload. Sometimes you are lucky and you know the person you employ is a good worker. However, largely it depends on how you treat the employee as to the workload they will accept and their commitment to the job.
- How about employing a couple? Think of them as equivalent to 1½ full time people not 2.

How do you manage employees to work for 40 hours a week?

- In NSW, it is 38 hours.
- Dairy work is not really like any other job. If you employ a milker, they work morning and night and have the middle of the day off. You need to manage their hours well and take into consideration travel time.

Do you get employees to bring in their own equipment i.e. motorbikes?

- A farmer did try this after some experiences of the bike not being looked after. He offered the employee a bike after 2 years; however, he

found it made no difference. Alternatively, you could try some other kind of incentive.

- It would be a good idea to talk with your accountant or solicitor about these types of arrangements, there could be tax or legal implications.

How do you manage conflict?

A survey of M5 companion farmers asked how they deal with problems/conflicts:

- When dealing with conflict 54% said that they talked through the issues while working, usually in the dairy.
- Other responses included:
 - Each labour unit has areas of responsibility e.g. calf rearing.
 - Try to discuss issues and reach a mutual decision.
 - Work through them with help from a private consultant.

Will expansion dilute labour costs?

- Do not expect an expansion to dilute the costs of labour. In one example, a farmer before expansion had a fairly low cost of labour. When he expanded, he thought the cost would decrease as it became diluted, but instead it increased.

What is a benchmark for cows/labour unit?

- The number of cows per labour unit would depend on the farming system and how much feed was homegrown. QDAS data shows that the average farm milks 70-80 cows per labour unit.
- Labour saving devices in the dairy are usually a good investment, e.g. inline cleaning, flood washing and cup removers.
- When looking at labour efficiencies such as L/LU it is necessary to allow for the effects of using contractors for some farm operations. Contracting for heifers to be reared, hay to be baled or buying prepared meals rather than home milling will affect labour productivity.

How do you manage existing employees?

- It can be beneficial to critically review the farm management structure. This might prompt a

review of employees role within the business and an opportunity for creation of job descriptions, for instance develop staff as a herd manager, a feed manager etc.

- It is also essential to have regular discussions with employees.

Computerised herd management offers opportunities

- Electronic ID and other technologies may become more common in the future.
- Training staff in the use of these technologies, such as electronic ID and dairy feed out systems would improve production efficiencies.
- An issue facing employers will be the use of computerised systems, are the staff willing to learn and use the system.

One of the M5 companion farmers has had the same staff for 4 years, and previously had a casual for 9 years. He attributes his success with staff to paying above the award wage and working with the attitude of working with his staff rather than his staff working for him. Through using a good rate of pay and his positive attitude toward his staff, he has not found it necessary to use job descriptions. With reliable staff, he does not find it hard to get away from the farm with adequate planning.

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Whole farm management and modelling

The *Sustainable Dairy Farm Systems for Profit* project at Mutdapilly Research Station and on associated commercial farms investigated the potential impact of intensification of five subtropical dairy farming systems on business productivity, on the social well being of farming families and on the farm environment.

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