

Farmers growing farmers: The role of employment practices in reproducing dairy farming in Australia

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Abstract

As farm sizes become larger, as the farm ownership profile ages and land ownership becomes more concentrated in many developed nations, there is increased reliance on employed labour on both family- and corporate-owned farms. The relative attractiveness of farms as workplaces then becomes of increased focus for retaining people in farming and for the sustainability of farming. How do employers create attractive workplaces and how does this influence the production and reproduction of farming systems? This paper reports on a study of farm workplace practice and employee experiences of work in the Australian dairy industry. Case study farms were selected to understand the lived experience of employers and their employees in undertaking their farm work and how (if at all) employees progressed careers in farming. Employer strategies in farm employment emerged as an extension of their farming worldview, which engaged like-minded employees in rewarding work or in considering farming as a business proposition. Drawing on interpretive theories of work organisation, farm employment relations can therefore be considered to be a platform for the reproduction of dairyfarming outside the established norms of inter-generational transfer. The perpetual interpretive action that makes up farm employment relations is thus a negotiation for the sustainability of farming and also a trigger for modifications in farming systems. There has been limited focus by farming systems researchers on the role of farm employment relations in the negotiation of sustainabilities and the future of farming. A renewed focus toward the human and social dimensions of work organisation in farming systems is suggested.

1. Introduction

In part, sustainability in farming relies on people willing to work or invest in farming land or in farming operations. There are different pathways for people to enter and exit farming and an increasingly diverse range of options for entrants, retirees and investors. Globally, the way these transitions occur are changing. Increasing land prices, agricultural investment markets, new generations' motivation to farm, migration trends, growing urbanisation and expanding scale of farming are influencing the pathways and possibilities for people to enter, stay, exit or invest in farming. In particular, the confluence of the ageing farmer population in most developed countries, less interest of family members in farm ownership and management and the increase in scale of farms has increased the need to understand how people outside the farm family are being attracted and retained and how this is impacting on the sustainability of farming more broadly.

The role of waged-labour in corporate and family farming has attracted interest from rural sociologists over many decades. In the late 1970s and 1980s, rural sociologists in the US and UK predicted that the concentration and specialisation of the labour process on farms would increase the magnitude of the agriculture labour force, despite the displacement effects of agriculture mechanisation (Friedland, 1984), that technological change had been more effective in displacing family

labour than it had been in displacing hired workers (Perry, 1982) and that comparatively stronger and more intimate personal relationships or the 'personalistic ties' between farm employers and employees differentiated rural from urban-industrial labour markets (Newby, 1977, 1978; Bartlett, 1986).

The focus for research at this time and into the 1990s however was strongly oriented toward neo-Marxist analysis highlighting the potential for, and the reality of, workforce exploitation (Newby and Buttel, 1980) and the 'farm labour problem' in which the changes to the social relations of production brought about by paying wages out of profits result in increasing uncertainty and stress for farm employers (Gasson and Errington, 1993; Errington and Gasson, 1994). More recently, attention has focused on the integration of migrant workers in agricultural production (Fiendis, 2002) and the significant image problems agriculture faces in attracting a farming workforce brought about because of:

1. Poor working conditions (Searle, 2001; Tipples et al., 2004; and Bolwerk, 2002);
2. Lack of career development and promotion opportunities (Bitsch et al., 2006);
3. Neglect in occupational health and safety (Bitsch and Olynk, 2004, 2008); or
4. The availability of alternative employment.

Although the importance of the employment relationship in farm management and workforce development has been highlighted in previous studies (Nettle et al., 2005, 2006, 2011), in general, research to date has overlooked three important dimensions of wage-labour relations as they pertain to the sustainability of farming:

1. While the interests of labour and capital are not coincident, the assumption that they are irreconcilably and diametrically opposed fails to explain how the interests of employees and employers can be tightly intertwined at the level of the enterprise (Grint, 1998);
2. The importance of personalistic ties of employers and employees in farming is often emphasised but does not explain why this may be present in some situations and not others; and
3. Focusing on individual farm practices alone is problematic for considering sustainability in farming because many smaller farms are unable to sustain internal labour markets (i.e. develop or provide careers). The networks or relationships between farmers that supports farm workers develop careers must also be understood.

Better theories and empirical research are required to understand the process by which farm employees are attracted and retained in their employment, how they develop their careers and the role of the employer in this process. The implications for stakeholders involved in supporting farm transitions can then be better determined.

Interpretive theories of work organisation, like Action theory (Argyris and Schon, 1987) that consider the meaningfulness of action and interaction between actors in work provide a useful framework for addressing these questions because they consider:

- the labour process as part of home and life spheres not subversive of them;
- the mixture of human and technological elements in farming and that it is the interpretive actions of farming actors that determine how the elements are deployed; and
- work itself is socially constructed and reconstructed, so that it requires ongoing interpretive action by agents for its reproduction. In attempting to explain the world of work the

emphasis should be on 'what those involved in the world of work take it to be'. (After: Grint, 1998).

The following section provides a background to the Australian dairy industry to provide a context for the research outlined in this paper.

2. The Australian dairy industry

The Australian dairy industry is the third largest agricultural industry in Australia, generates (Aus) \$3bn in pre-farm gate income and ranks third in world dairy trade (Dairy Australia, 2011). Currently there are 7400 dairy farms around Australia, clustered in 8 regions (2011). The state of Victoria, Australia's principal dairying state, accounts for nearly 60 % of Australia's total dairy production. There has been a 40 % decline in national farm numbers since 2000. National milk production is forecast to be 9.5bL in 2012 indicating a recovery in milk production after significant rainfall in 2011–2012 compared with the previous 10 years of below average rainfall. The average herd size on Australian dairy farms is 298 cows (median size is 240 cows) with 74 % of Australia's dairy farms milking over 150 cows and 10 % of dairy herds are larger than 550 cows. (Dairy Australia, 2010, 2011, 2012).

2.1 Dairy farm workplace changes and succession issues

There is low corporatisation of dairy farming in Australia with an estimated 2 % of farms owned by corporations. Sharefarming makes up 15 % of business models, in which sharefarmers contribute varying levels of capital and labour to the farm business and receive a share of the income in return. The predominant form of labour organisation is family farming with an increasing reliance on a non-family workforce. Currently, 66 % of farms have paid employees, whereas in 2003, this figure was 33 %. Approximately 20,000 people in total work on Australian dairy farms (2011) and since 2007 there has been a 17 % increase. There are an estimated 12,000 paid employees on farms of which 42 % are under 30 years of age whilst 47 % of owner managers are over the age of 50 (Dairy Australia, 2011).

The age distribution of dairy farmers has changed over the last 25 years and succession planning in dairy farming remains an important issue for the sector (Figure 1). In a 2006 survey of Australian dairy farmers, 46 % were planning to pass the farm on to family and 38 % were intending to sell. Leasing and sharefarming made up 10 % of intentions. In the state of Victoria, the number of young people entering into agriculture on farm in Victoria fell by two-thirds between 1976 and 2006 (Barr, 2011). In contrast, there was no decline in the number of people entering over the age of 55. The low recruitment of younger persons to agriculture (in general) may be a reflection of major adjustment decisions being delayed to the inter-generational transfer period (Barr 2000). For the dairy industry to sustain and grow, farm businesses and the farming way of life must be attractive to the next generation. The implications of an ageing population of farm owners are uncertain. As changes in farm ownership happen at a single point in time, it would be helpful to know how many of these farm businesses have new management and ownership coming through the ranks.

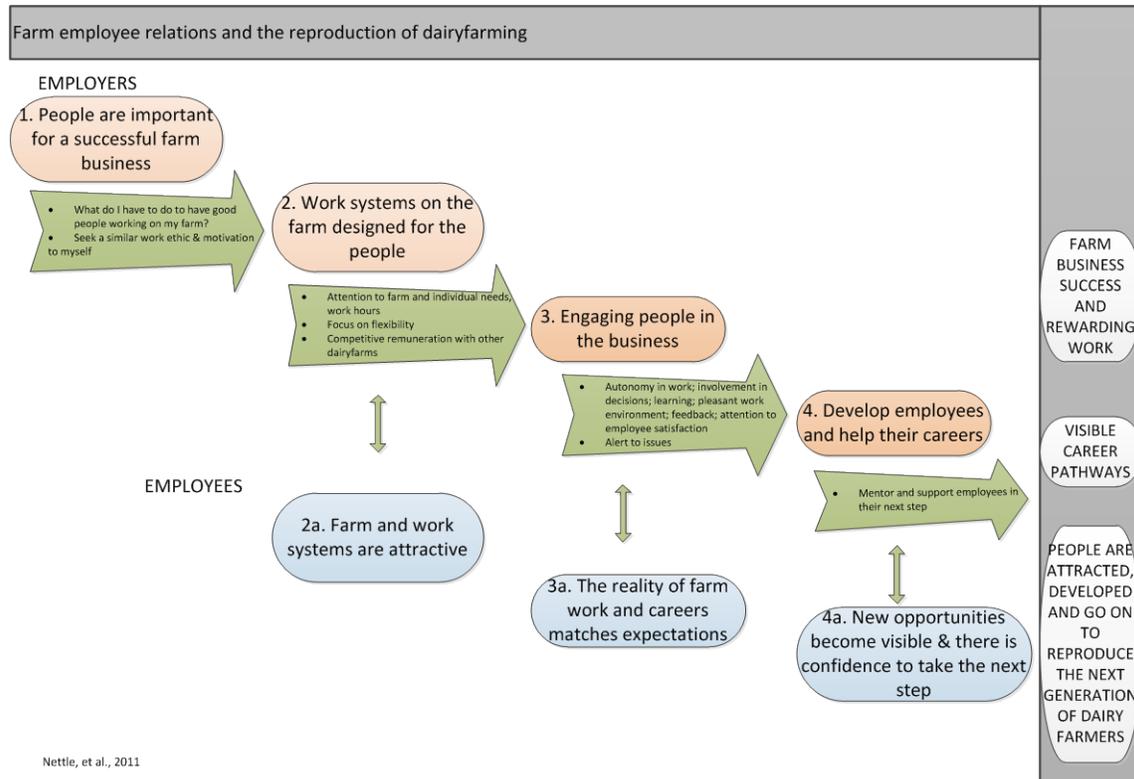


Figure 1 The age distribution of dairy farmers changed from 1981 to 2006 Source: (Barr, 2011)
Population: ABS census 1981 to 2006

In an Australian study to identify groups of dairy farmers with similar world-views or 'styles' of farming (Waters, et al., 2008), less than half of the randomly surveyed dairyfarm population were strongly motivated to farm because of an interest in bringing another generation into farming. Twenty-seven per cent of this group was actively growing their farm business with the intent of intergenerational transfer. However, a further 38 % of farms were both growing their farming operations and had motivations for farming that did not include intergenerational transfer. This group, often relying on waged labour, should provide an interesting insight into the process by which farming is sustained outside family succession norms.

Further, issues of farm workforce capacity have recently attracted attention from the political sphere with a number of enquiries into agricultural workforce issues at a state and national level (Parliament of Victoria, 2012). A number of agricultural industry groups have suggested that temporary and/or permanent migrants from overseas could be used to address farm workforce shortages.

The challenges in the Australian dairy industry regarding the future of farming and the farming workforce resonate globally and have significant policy implications. For this reason it is important to understand better the process by which people are attracted retained and develop into the farming workforce and farm ownership.

3. Research questions

To sustain a workforce interested in working or investing in dairying and developing careers requires an understanding of the processes involved in these transitions. The research questions pursued in this study were:

1. How do employers with a reputation for retaining and developing their employees create attractive workplaces?
2. How do employees experience efforts to retain them on-farm or help their career?
3. What are the implications of farm employment relations for the production and reproduction of farming systems?

4. Method

A case study method was chosen to understand how employers attracted and retained employees, how employees valued and experienced these practices, and whether and how careers in dairying were supported. In order to choose cases that would progress the research questions best, case study farms were chosen based on their reputation for retaining and developing staff. In each of the three Victorian dairy regions, two or three key informants (farm advisers, industry leaders and farmers) were asked to identify farmers in their region who had low staff turnover and promoted career development of their staff. Farms that were identified by more than one informant were selected and farmers contacted to participate in the research. The final sample comprised 9 farm businesses across the State of Victoria. In order to gain an understanding of employment relations across a range of employee types, the sample included 1 farm leasing arrangement and 1 sharefarming arrangement. All farmers contacted agreed to participate in the research and provided the introduction to their employees.

Semi-structured interviews were conducted with employers/farm owners and two of their employees with different roles and levels of responsibility (e.g. assistant farm hand and herd manager). Interviews with farm employers (mostly husband and wife teams) explored the farm context and farming goals, the farm working conditions offered, the reasons for farm employment practices, and views on their future in farming. Employee interviews focused on experiences in employment and perceptions of a dairy career. Interviews took place between March and July 2011. In total, 29 people were interviewed including 14 employees, 1 sharefarming couple and 1 leasee. The age of employees varied from 19 to 65. The unit of analysis for the case study method is the farm business.

An across-case analysis identified common themes of employer practice and pathways and patterns in employees entering, and developing in the dairy industry. The results of this analysis are reported in the next section.

5. Results

5.1 Pathways and aspirations of dairy employees on case study farms

Of the 14 employees, 1 sharefarming couple and 1 leasee, 8 employees were working in dairying because it offered good work at their particular stage in life but they were not interested in pursuing dairying as a career or seeking farm ownership. Six employees, along with the sharefarmer and leasee, were seeking dairy farm or business ownership pathways (land and/or animals and machinery). Those interviewed had entered dairy farming through some experience of farming (e.g. a family connection or from relief milking), through achieving a dairy-related qualification or by being offered a position by the farmer with whom they were currently employed. One em-

employee had moved from an assistant farm hand to gaining a share in the same business over a 13-year period. All employees on case study farms spoke of their enjoyment of their job and appreciation for the conditions employers provided. Although employees had different roles on farms (assistant farm hands, senior farm hands to farm managers), they were consistently supportive of the workplace, pay, conditions and training and career opportunities offered, and this was impacting on their job satisfaction and commitment to stay with their current employer.

5.2 Employee not seeking long-term dairy careers still valued their jobs

Not all employees interviewed were seeking long-term dairy careers or advancement, however, they still valued their job and the conditions that employers provided:

"[I've] got a variation in work, always doing something different. I'm not stuck on a line watching cans go past. So there's not as much repetition as the other jobs. I get to work outside which I love. I get to work with animals which I love and ...the dogs can come to work..." [Kate, farm hand, case study 8]

Employees on case study farms reported being valued in the farming operations of their employers and benefited from the employment systems, practices and values of their employers. This was in turn leading in most circumstances to job satisfaction, engagement in work and commitment to their employer. The average tenure of employees of greater than 5 years reflected this. The ability of case study employers to foster employee engagement in dairy farm work is significant for understanding how dairy farming is maintained or continually produced without a pattern of high turnover and continual effort in attracting or finding new sources of potential employees.

5.3 Employees described an emerging realisation that more was possible for them in dairy farming

Opportunities for employees to develop in their career or move to farm ownership occurred through time and were heavily influenced by employers practices and employer-employee conversations about 'next-steps'. One employee spoke of an *emerging* realisation that they might be able to run a farm:

"He [the employer] needed someone that was going to be committed to the job. They offered me a little bit better money than what the actual award wage was at the time and I thought, ...this is okay. Then I started to recognise they would just let me do my own thing and they never complained about it. ...Then I started to realise that... I could do this for myself. I'd run the property as if it were my own farm." [Scott, production manager, case study 6]

Another spoke of considering buying into dairy farming because of employer encouragement:

"He wants us all to move on as well; encourages us to do our own thing. He said, 'I'd love to keep you all here for 10 years, but I want to see you get somewhere in life as well.' That's where I am at the moment; just talking about different things." [Mark, senior farm hand, case study 2]

"[my employer] sits us down once a year and pretty much gives us the rundown; what we want and – I want to have a talk to him in the next couple of weeks about what I want and where I'm going and things like that...That's the way you've got to start out in [dairy]... I'm 25 – getting your boss to givefive heifer calves a year or 10 heifer calves a year – you're working for something. ...It's important having employers that really want to see you achieve something I suppose ... some people will never give you that opportunity." [Sam, senior farm hand, case study 2]

The possibilities employees saw for a farming future and the confidence to consider a farming career emerged out of the employment relationship and was strongly influenced by the employer. This type of interaction tends to reflect features of inter-generational transfer in which important values and aspirations of farming may be passed on through familial interaction over many years. This appears significant in understanding the processes by which dairy farming is reproduced in the absence of generational arrangements. Why did employers manage employment in this way?

5.4 Employers' employment practices were a reflection of their farming worldviews and important values

The farm systems and practices that attracted and retained employees on case study farms were produced from important values and 'worldviews' about what farming should be (Checkland, 1999; Waters, et al., 2010). For some farmers this included values of human development, supporting others in life opportunities, equality and a love of farming:

"...it makes my life easier if they stay, but at the end of the day it's not really what we're about. Whether they're here 3 years or 13, it doesn't matter, as long as they're on the upward slope, as long as they're learning, as long as they're enjoying being here, and basically heading towards a better life for them and their family..." [Bob, case study 2]

"...we obviously like to keep a good person here as long as you can. But I think – we don't sort of look at it that way. We try and make the workplace as happy and as enjoyable – and somewhere they actually want to come..." [Craig and Claire, case study 5]

"...you've got people for a limited time if they've got capability. Unless you can offer them something – growth, which we've been able to do up to now...they need a sense of belonging, a sense of ownership, a sense of building something. They need to enjoy it. So you've got to try and create that atmosphere. You've got to let them in on what's going on." [Leigh and Sally, case study 3]

"You've got to actually really understand you've got some legal obligations and regulatory obligations but you've also got some moral obligations almost to look after them." [Chris, case study 1]

Employers believed having empathy with the position of employees and demonstrating consistent human values was important:

"I just think we tend to treat people like we'd want to be treated ourselves. We understand it's not their business. It's really hard to understand that no-one's as interested or as driven about its success as we are..." [Leigh and Sally, case study 3]

"I've looked at the award rates and I've thought, gee I couldn't live on that. ...I've also been an employee myself so I know what it's like... You've got to put yourself in their position." [Steve and Kim, case study 8]

All case study employers had established employment systems that provided higher than average pay in comparison to pay rates of farm employees in similar roles on other farms, flexible working hours, some form of autonomy in work irrespective of role or job status, rewards and benefits other than pay, and creating an enjoyable working environment and opportunities to attend training. No employment system was the same, however, and all employers had different approaches for enacting these systems. Training and development of employees was a feature:

"I like to see them go off to courses. I like to see them continually grow in what they know. You know, if they want to go to calf rearing, or feeding pastures for profit." [Bob, case study 2]

“Both [employees] have been off and done the ...milk quality production course, for a day which they said was fabulous. They brought stuff back that we’ve now implemented... so we actually altered the way we milked in the shed and they took pride in having done that course and that we implemented the cleaning routine.” [Steve and Kim, case study 8]

Some farmers spent the time to use routine decisions on the farm as part of their training:

“In terms of grazing management, ... I try as often as I can for [Frank] and I to do the farm walk together; estimate the pasture and decide this is what we’re doing for the next week.” [Chris, case study 1]

“One level I would like to get him to is that he actually understands the implications of when he does make a decision that doesn’t go well ...I think sometimes managers need to understand little stuff-ups are the size of their weekly wage...So they’re actually managing a multi-million dollar operation.... I think if someone was telling me that, that would make me feel pretty important, that I’m making decisions that are that sort of value..”. [Chris, case study 1]

5.5 Employers were a significant source of career development for their employees

Employers saw their role as encouraging their employees to think about their future:

“...we’re actually looking at further ways of not paying them the cash, but other ways of setting it up. By their request, basically...it might be cow ownership, it might be buying into the business, it might be all sorts of different ways, but we’re exploring at the moment ways that we can do that. I’m into them fairly regularly about asset and wealth creation. I’m trying to get them to think about that.” [Bob, case study 2]

“...if you’d have asked [my employee] 10 years ago what he thought he’d own by the time he was 30, he’d say a car. I think he’s got a lot further than what he ever expected to get when he was 15. I take pride in what he’s achieved.’ [Harry and Barbara, case study 6]

“Certainly you like to see that with the young guys that you have, that they actually step up. That they build on whatever you happen to show them or training they’ve had while they’ve been with you. ...part of my definition of success as a farmer is that in five years time this person will have moved several tiers in their understanding of just what farm management entails.” [Leigh and Sally, case study 3]

“My first apprentice now milks 1200 cows.” [Bob, case study 2]

In some cases employers were looking for potential successors to their farm and were looking for employees to move into business ownership on their farm.

6. Discussion

The study outlined in the paper sought to improve knowledge of how employers create attractive workplaces and how this influences the production and reproduction of farming systems. This question was considered important for stakeholders in understanding how to support the sustainability of farming, given ageing farm ownership and less interest in family members taking over farming businesses. The study has revealed the complex nature of attraction and retention processes on the case study farms and the inter-dependencies between employers, employees, and

notions of career development and farming futures. Three key processes are suggested as operating in employment relations to produce and reproduce dairy farming.

1. Employers' human development values establish the foundation for employment strategies that engage dairy employees in the pursuit of the employers' goals for the farm.
2. The employment situation becomes attractive to employees holding similar values and aspirations to the employer and employees identify opportunities in dairy farming for themselves, thereby opening up the potential for the reproduction of dairy farming if these opportunities are pursued.

Together, these mutual processes constitute the means by which dairy farming continues or is being produced.

3. Finally, the moving on of an employee to progress their career, often facilitated by farmer to farmer networks, represents a reproduction of dairy farming, in the absence of or in addition to, family succession arrangements.

This study, conducted in the context of dairy farming, may not fully explain how other sectors maintain and reproduce farming systems. However, some processes could be considered common in all farming systems.

Figure 1 presents a diagram of the key elements of the process that link employee relations with key elements for the sustainability of farming (i.e. profitable farm businesses, engaged employees, career pathways into farm business ownership).

7. Conclusion

It has been argued that farm employment relations are central to the reproduction of farming systems, particularly given the trend toward greater wage-labour in farming and ageing farm ownership. Whereas farm employment relations are often promoted as important for business success in a human resource management context, this study demonstrates that farm employment relations fulfill two other important processes related to the sustainability of farming that require more attention from researchers: a) the perpetual interpretive action required between farm employers and employees, given their tightly intertwined interests, represents a platform for producing and reproducing dairy farming; and b) the farm workplace is a site for constructing meaningful work and improved livelihoods in regional places. Networks of farmers create career pathways and these informal coalitions produce and reproduce new pathways for people to enter, develop and persist in farming. For this reason, the employment relationship in farming deserves further attention in farming systems studies concerned with sustainability of farming. In particular, understanding variations in farmers' motivations in reproducing farmers requires more attention. Through recognising the process by which 'farmers grow farmers' via their role as employers, stakeholders interested in the sustainability of farming could focus more on supporting effective employment relations.

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