

Attraction and retention research programme

Characterising reasons for leaving
employment in the food and fibre sector

November 2023



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Executive summary

Introduction

This report explores the reasons that people leave employment in the food and fibre workforce. The primary methodology used in the work reported here is employer interviews. The findings from these are triangulated with previous employee survey results and data from Stat NZ's Integrated Data Infrastructure (IDI)¹ to develop a balanced model of the reasons that people leave. This, plus qualitative insights from the employer interviews, are used to identify areas that initiatives could be developed for.

Findings

The findings of this report include:

Seasonality and planned departures do not explain first year churn. An initial hypothesis in this work was that planned departures were a major cause of new entrant churn. However, while new entrants seem more likely to have planned departures than others with more tenure, their departures are mostly still unplanned, either because they are managed out, and / or they leave of their own accord for unexpected reasons.

There is no one dominant reason why new entrants (or anyone) leave. The three combined data sources in this report identify the top reasons to be:

1. Seasonal work,
2. Family,
3. Health,
4. Hours and schedule, and
5. Type of work and activities.

Except for planned departures following seasonal work, none of these reasons individually account for more than 11% of departures. Therefore, any individual initiative can probably only address a small proportion of total turnover.

Nevertheless, underlying drivers do provide opportunities to develop initiatives. There are some underlying drivers behind some of the more important reasons that people leave. These include mental health, generational differences, as well as work nature and industry structure. This report analyses these in terms of who in the food and fibre system has influence over them, to provide recommendations on where organisations can act on these, advocate for them, or recognise them.

¹ The Integrated Data Infrastructure is a large research database with de-identified microdata about people and households in New Zealand. The data is contributed to by government agencies, Stats NZ surveys, and non-government organisations. The data is linked together between the different sources, or integrated, to form the IDI (<https://www.stats.govt.nz/integrated-data/integrated-data-infrastructure/>)

Implications for the design of future retention initiatives

While none of the opportunities identified to improve retention are entirely novel, there are different initiatives worth testing in four areas:

1. **Build employer capability in developing and supporting employees.** Targeted capability building to manage staff with, for example, mental wellbeing challenges and / or addictions, as well as Generation Z (Gen Z) employees.
2. **Mentor new entrants to the workforce.** Mentorship focused on supporting new entrants with career opportunities and goals, general work and life skills, difficult personal or employment experiences, or transitioning to vetted employers.
3. **Provide tools and resources to improve recruitment.** Tools and resources to help employers advertise roles and businesses better, and to support them to develop more robust recruitment processes.
4. **Co-ordinate seasonal labour.** Testing the opportunity to create better matches between employers looking for seasonal workers, and people already in the seasonal workforce that are open to continuing once their current seasonal work has finished.

Introduction

Context

For many years, the food and fibre sector has struggled to attract and retain people into its workforce, and to attract students to food and fibre related studies. In response to this challenge, industry organisations, government agencies and employers, have researched, trialled, and implemented a range of strategies and initiatives to address workforce shortages. These initiatives have focused on attracting people to the workforce and, to a lesser extent, retaining people in the workforce and improving productivity to reduce the workforce requirement.

Despite these efforts, businesses across the sector continue to struggle to find and keep the employees they require to operate. Workforce shortages have been exacerbated in recent years by the COVID-19 pandemic, and the closure of New Zealand's borders during this time. These challenges are not unique to the food and fibre sector – they are also shared by many other industries.

The Attraction and Retention Research Programme

Food and Fibre Centre of Vocational Excellence (Food and Fibre CoVE) have contracted Scarlatti to undertake the attraction and retention research programme. The purpose of this programme was to evaluate why workforce shortages have persisted in the food and fibre sector and to consider what novel opportunities are available to address these challenges. Activities within this work include:

1. Undertaking a situational analysis (including desk research as secondary research, and an IDI analysis and employee exit survey as primary research)
2. Evaluating performance measurements
3. Characterising reasons for leaving employment
4. Writing a final insights report

This report focuses on characterising the reasons why people leave employment within the first 12 months. Insights from earlier research² highlighted improving the retention rates of first year employees is a novel opportunity considering about 60% of the 50 – 60,000 people who enter the workforce annually, leave within 12 months. To support the design of effective retention initiatives to improve first year retention rates, we first need to characterise the reasons people leave within 12 months to identify and prioritise where retention initiatives could target.

Methodologies

Interviews

The data presented in this report on the reasons why people are leaving employment in the food and fibre sector have been collected via a series of interviews between August and November 2023 (see page 32 for the interview guide). We asked employers who met a set of criteria (e.g., worked in an industry of interest, had employees leave within the last five years, and knew details of their departure) about why they thought their ex-employees had left their employment in the past five years – employers were allowed to state several reasons as appropriate. Invariably, employers have an

² <https://foodandfibrecove.nz/wp-content/uploads/2023/06/Attraction-and-Retention-Situational-Analysis-Part-B.pdf>

incomplete and / or skewed view of their ex-employee’s motivations. However, this data source was reconciled with other data collected in earlier phases of this programme from employees and IRD data. The benefits of having a complete record of all employees passing through the sample group of employers outweighed the limitations of the data gaps and skew.

Employers were recruited for these interviews through several channels from Scarlatti’s Primary Industry Research Panel, Meta advertising on social media, and direct advertisements to industry organisation databases including Dairy Women’s Network, Fruition, and catchment groups. In total, 67 employers were interviewed, discussing 260 employees (Table 1).

Table 1: Number of employers interviewed

Industry	Employers interviewed	Employees mentioned
Dairy	45	165
Horticulture	6	23
Seafood	14	49
Other (Forestry, Arable, S&B) ³	5	6
Total	67	260

All employers were provided with an information and consent sheet on this work to give informed consent to participate. Interviews were 30 – 60 minutes and conducted over the phone or online (e.g., Zoom, MS Teams). Employers were gifted payment for their participation.

Modelling

As alluded to above, the employers interviewed are likely to have an incomplete and / or skewed view on their employees’ motivations for leaving their employment. One opportunity to address this limitation, is to reconcile this data with the data collected from the ex-employee surveys and IDI analysis in earlier stages of this research programme. Collectively, these data sources inform a master list of reasons for leaving. This model then applies variable weightings to each of the data sources. The intent is this model can roughly quantify the importance of different reasons for leaving and prioritise initiatives to address these.

Drivers analysis

To support the design of effective retention initiatives to improve first year retention rates using the prioritised list of reasons, we first need to characterise *why* the stated reasons for leaving exist. Using a drivers analysis, the systemic drivers⁴ that contribute to people leaving the food and fibre sector were analysed in terms of whether they are in the domain of the employees themselves, employers, the VET system, the industry / sector, the government, and / or historic New Zealand events.

Caveats

There are several caveats that should be considered when reading and interpreting this report:

- **Employer perspectives are one side of the employment relationship.** The qualitative themes presented in the first section of this report have been derived from employer interviews. However, employers likely have an incomplete / skewed view of why their employees left.

³ Note that in some cases, an employer had a diversified business, e.g., beef and sheep as well as dairy. In these instances, they would be counted more than once in this list.

⁴ A trend in society or industry that acts as a source of the stated reason.

Employee perspectives may tell a different story. These differing perspectives are accounted for in later stages of this report by drawing on other data sources.

- **Employers could self-select to participate and select which ex-employees to discuss in what detail.** This means that there is likely to be a self-selection bias in the results presented in this report. It is likely the employers engaging with this work will have been average to high performing. Employers also may have skipped over details or employees that may have reflected poorly on them as a people manager and employer.
- **Reasons for leaving employment and leaving the sector cannot be easily separated.** While we have recorded the destination of employees (i.e., whether they went to another job within the industry or not) it is important to note employers were asked why they left, not specifically why they left the industry or sector.
- **Reasons are not treated as being mutually exclusive.** It is important to note employees often have multiple reasons for leaving. As such, reasons for leaving within this report are not mutually exclusive. For example, some proportion of their leaving may be attributed to mental wellbeing, while another proportion may be attributed to disliking the hours.
- **Modelling is used in the report to address limitations of data sources.** While modelling is a useful tool to support decision making processes where some information and data is unavailable, it does involve representing real world phenomena using inputs informed by data, perspective and judgement. Inevitably, there will be some error in the outputs from models. This can be reduced by validating against other available data sources and experts.
- **This report focuses on opportunities to improve retention, not attraction and filtering.** As briefly mentioned earlier, insights from the first two activities⁵ highlighted that improving retention rates of first year employees is a novel opportunity. Attraction and filtering efforts, while helpful, will have significantly lower impact given the supply of people (and quality people) for food and fibre jobs is already low.

Document structure

This report is split into the following parts:

1. **Stated reasons for leaving.** This section looks at high-level themes of why people leave employment in the food and fibre sector from the perspective of employers.
2. **Prioritised reasons for leaving.** This section draws on complementary data sources to quantify a master list of reasons for leaving, and to model the top reasons employees leave the sector.
3. **Analysed drivers for leaving.** This section undertakes a qualitative analysis of drivers to evaluate the underlying trends that are contributing to making these the top reasons for leaving.
4. **Implications for the design of future retention initiatives.** This section looks at what implications the findings from the previous sections could have on the design and implementation of future retention initiatives targeting new food and fibre sector entrants.

⁵ <https://foodandfibrecove.nz/wp-content/uploads/2022/09/FFCoVE-A-and-R-Stocktake-report-19-Sep-22-final.pdf>,
<https://foodandfibrecove.nz/wp-content/uploads/2023/06/Attraction-and-Retention-Situational-Analysis-Part-B.pdf>

5. **Appendices.** This section provides supporting discussion and analysis for the above four sections as appropriate.

Stated reasons for leaving

This section summarises the high-level reasons employers mentioned their employees had left.⁶ It groups these in different ways: planned departures, departures that involved being managed out, and unplanned voluntary departures. We also investigate whether any unique trends are seen in those employees leaving the sector within 12 months of employment.

Planned departures

A hypothesis of “planned departures” was not supported by interviews

Employees who leave their industry (e.g., dairy, seafood) can be categorised as those whose departure was *planned* (e.g., those who had always planned to leave when they entered the industry – temporary or seasonal staff) or *unplanned* (e.g., those who intended to stay, but left due to unforeseen circumstances). This is worth investigating, given that hypothetically, if there were a proportionately large number of people leaving for planned reasons, then this could explain the 12-month churn we see in the IDI analysis (refer to the second interim report - Situational Analysis Part B⁷).

When employers discussed planned departees, reasons fell into three categories⁸:

- **Short-term personal** – many of these departees planned to work before travelling (often to save the required money) until the end of a study break or until retirement. Some planned to work until another job they had been waiting for opened.

“He was studying marketing, and he would come work for us in his breaks. He was really good, but I guess he was just more interested in marketing.” (Dairy employer)

“They wanted to save some quick money to then be able to go to Thailand. So, then they went to Thailand.” (Seafood employer)

- **Seasonal work** – a much smaller number planned to work only for the season, while it was convenient for them. This was seen in dairy, seafood and horticulture.

“Some people will come back to us for a few seasons actually. They do it because it suits their current situation and priorities, or sometimes they are sort of transient people, living a sort of gypsy lifestyle.” (Horticulture employer)

“We increase our workforce from 370 to over 2000 during harvest.” (Horticulture employer)

- **Short-term work visa** – within interviews, there were no examples discussed of employees who left because their short-term work visa expired.⁹ However, this is likely due to sample selection, and it is likely a more prominent reason than interviews suggest.

⁶ These high-level reasons are distinct from underlying trends in society or industry, discussed as “drivers” later in this report.

⁷ <https://foodandfibrecove.nz/wp-content/uploads/2023/06/Attraction-and-Retention-Situational-Analysis-Part-B.pdf>

⁸ Note that this commentary does not reflect how many temporary or seasonal staff are in the sector. Instead, it reflects employees who likely had temporary contracts and *left at the end of their contract*. There will be others who were on temporary contracts, but left in the middle of their contract and are therefore included in the later sections of this report. This may be common, as there appears to be examples of employees having temporary contracts that roll on in future years (e.g., on a 10-month seafood contract for the same company every year).

⁹ We define short-term work visas to include Working Holiday visas, and Recognised Seasonal Employer (RSE) Limited visas

Nevertheless, planned departees were not commonly mentioned in interviews. In part, this is due to horticulture being underrepresented in the interviews (with existing work suggesting planned departures are more common in horticulture due to the large number of seasonal staff required across the year)¹⁰. However, overall, the infrequent mention in interviews suggests that (other than seasonal work in horticulture) most departures in the initial 12 months are unplanned.

Managed out departures

Some unplanned departures occur at least in part due to being ‘managed out’

Within the large proportion of employees who had unplanned departures, there were a variety of reasons. A small number of these were situations where the employee left, in part, due to what this report calls being ‘managed out’ (66/238 employees – 28%). We use this term broadly to include when the employee’s job was terminated, when they were asked to leave or ‘managed out’, as well as where the employer and employee came to an agreement that it was better they left, or where the employee was heading towards being managed out, but was not there just yet. This was typically due to a mixture of:

- **Underperformance** – many of these employees were noted as underperforming in their role, according to the employer. Employers sometimes felt this was because the employee had oversold their abilities and experience.

“Their inattentiveness caused significant financial and property damage. They were given warnings and eventually asked to leave.” (Dairy employer)

- **Absenteeism / misconduct** – It was also common for employees who were managed out to have displayed absenteeism or committed misconduct. In the first instance, this tended to mean that employees would disengage from their work and begin taking sick days. In time, some would stop giving reasons, and eventually “disappear” without explanation. For the latter, this included violent outbreaks, poor treatment of animals, damage to housing or equipment, and health and safety breaches including failed drug tests.

“They were taking out their unhappiness on people and animals.” (Dairy employer)

“Absenteeism is a serious problem. I had one guy repeatedly not turn up, and sometimes he wouldn’t even give a reason. He actually disappeared then for a year, and then came back and asked for a job again!” (Seafood employer)

- **Business restructuring** – A small number of employees’ jobs were terminated for no fault of their own – this was when a business was closing, restructuring, being sold, or similar. For example, this was seen with seafood companies downsizing, or contract milkers moving property.

“We [contract milkers] were moving to a new farm, and they couldn’t come with us.” (Dairy employer)

¹⁰ <https://www.workforceskills.nz/sector-insights/muka-tangata/workforce/>

Unplanned voluntary departures

However, people mostly left of their own accord

The remaining unplanned departees (170/236 – 72%) left entirely of their own accord (i.e., there was no intention or action from the employer in terms of managing them out).

We have categorised the reasons they left as either “job reasons” (a reason relating to the characteristics of the job or workplace), or “life reasons” (a reason relating to the person’s personal characteristics, family, health or finances). What was found, was that **peoples’ reasons were roughly evenly split between job reasons and life reasons.**

There was a wide spread of *job* reasons for leaving

Of the 148 employees who had at least one reason for leaving related to the job, nine distinct reasons were identified. Reasons were equally distributed between these, with being interested in trying something outside of their industry / sector, team conflict and poor compensation package being slightly more common. The nine reasons are:¹¹

- Employees becoming more **interested in a different sector or industry**, even if they did not *dislike* their current job.

“He went to do his dream job of driving trucks.” (Seafood employer)

“She enjoyed the work, but she finished her degree in [another area] and wanted to do that.” (Dairy employer)

- Employees having **conflict with colleagues** other than the manager and / or employer.

“They did not get along with others on the boat.” (Seafood employer)

“They had an abrasive personality and were very straight up. It led to clashes with others and team fit issues.” (Horticulture employer)

- Employees being dissatisfied with the **compensation package** they were receiving – although sometimes these employees then found it overall was not better elsewhere.

“They got offered \$50 a week more down the road, but it is much harder work.” (Dairy employer)

“He was offered a job at another company where he was offered more pay – but, they couldn’t offer much more aside from that and he was snatched up by another company after that too.” (Seafood employer)

- Employees disliking the **type of work and / or activities** (including physical environment) involved.

“They wanted something more stable where work could be done indoors.” (Horticulture employer)

“Dairy is hard work.” (Dairy employer)

¹¹ Note that in all of these instances, these were not necessarily the sole reason(s) an employee left.

- Employees struggling with the **hours and schedule**, either with them being seasonal, unpredictable, rostered, antisocial, too long or too short.

“They needed more hours, wanted to earn more money and were young so not keen on the roster starting at 3:30am. We offered the day shift, and they said no – they were keen to get something else and wanted to try a different sector.” (Seafood employer)

“They struggled with the hours and getting up early.” (Dairy employer)
- Employees not having the **opportunity to progress** into desirable roles and / or within a desirable timeframe.

“They were offered a job at another company where they could advance faster and get better pay. There was only so much they could offer.” (Seafood employer)
- Employees struggling with the **location** of the role being too distant from an urban centre and / or their social networks.

“At first, he was with his partner, but she couldn’t manage living rurally here. He also struggled with the isolation... he was an urbanite. They moved back to town.” (Dairy employer)

“He missed his parents, he was lonely. There was nobody else his age.” (Horticulture employer)
- Employees having a **poor employment relationship** with their manager / employer.

“He was not getting good guidance from the farm manager, probably because he was struggling with his own demons.” (Dairy employer)

“They had a personality clash with the manager / owner.” (Dairy employer)
- Employees leaving due to employer policies on **health and safety and drug testing** – this was a suspected reason prior to interviews but turned out to be mentioned less frequently than anticipated.

The specific *life* reasons were more concentrated on family and the individual

There are also several employees who left due to life reasons (138/238 – 58%, had at least one life reason). The most common life reasons according to employers were family and individual, but there were also others. The four life reasons were:¹²

- Employees having **family commitments** such as needing to be physically nearer to family or a partner, or having more time and flexibility to care for dependents.

“Other family members were highly dependent on them and pressured them into looking after the family and kids.” (Seafood employer)
- Employees having **individual reasons** for leaving related to personality, life stage of visa status.

“Three days a fortnight was not enough time off for him...He was very social and felt restricted from going to social events because of the roster.” (Dairy employer)

¹² Note again that in all these instances, these were not necessarily the sole reason(s) an employee left.

- Employees struggling with **physical or mental wellbeing**, including injuries, illness, addictions and isolation¹³.

“They had mental health issues, like panic attacks, and wanted to move to be near family for support.” (Dairy employer)

“He was thinking he might retire any way and his health condition was a wakeup call.” (Horticulture employer)

“He kept getting injured and going on ACC.” (Dairy employer)

- Employees struggling with **finances**, for example not finding affordable housing, or finding it better to go on a government benefit.

“He had been sleeping on a friend’s couch... [and eventually] he left the area because of accommodation struggles.” (Seafood employer)

Deep-dive into new entrants and sector-leavers

New entrants *may* be more likely to leave due to the type of work / activities, while experienced employees may leave due to other interests

Given the churn in new entrants, it is also of interest to look at the reasons employers attribute for this group in finer detail by comparing the relative significance of job and life reasons for employees of different industry tenure.

While no differences were found between experienced employees (i.e., between those with little, moderate or significant tenure), some were seen when comparing experienced employees with new entrants. This is examined below in Figure 1.

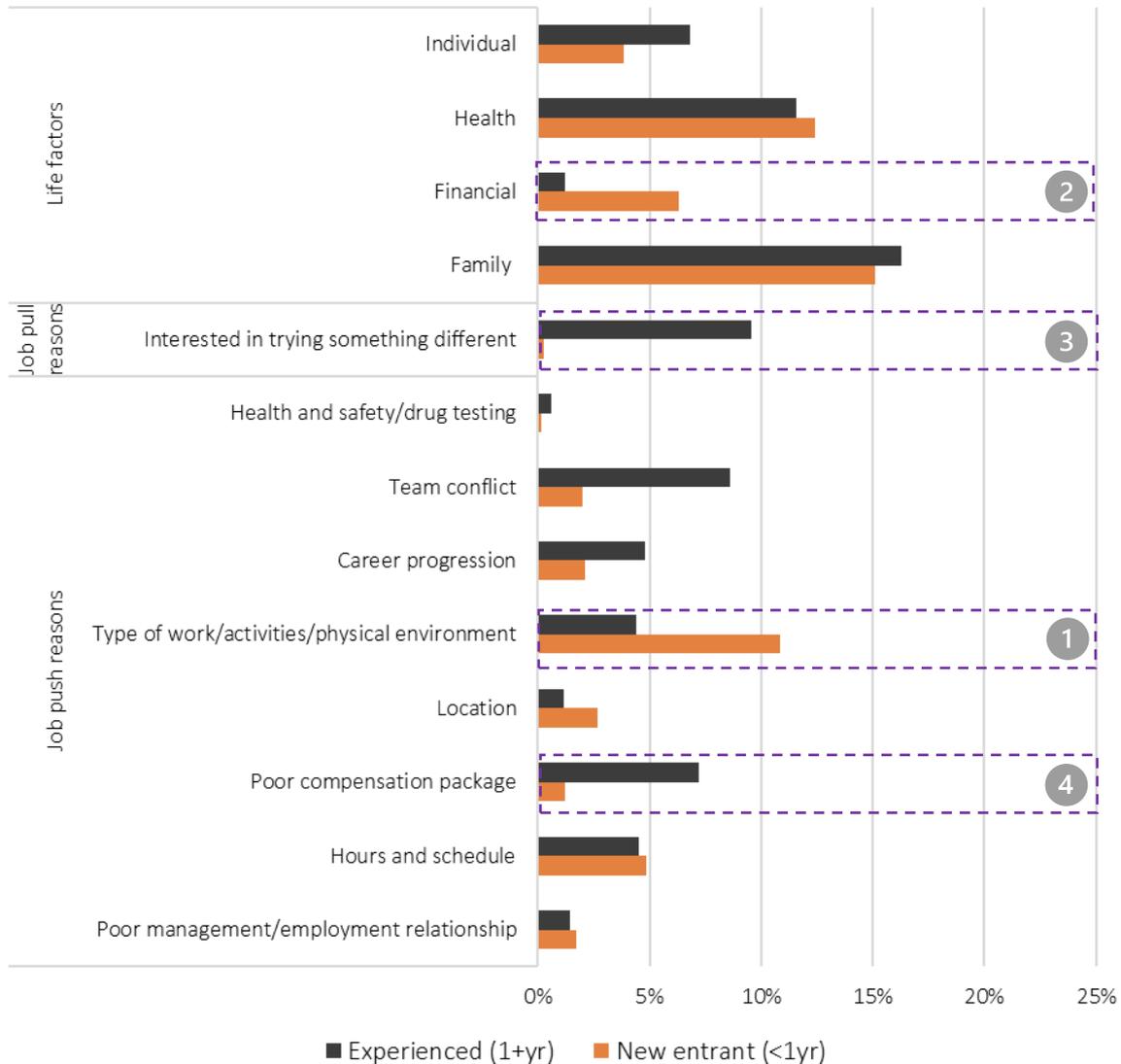
What this suggests is employers attribute ‘job push’ reasons such as type of work / activities (including physical environment) to be a more significant reason for new entrants than other departees with more industry experience. For example, new entrants may be likely to leave because they find the job too laborious, repetitive or outdoors (Figure 1, panel 1). Financial reasons (such as not being able to find affordable housing) may also be more significant (Figure 1, panel 2).

On the other hand, employers attribute having an interest in trying something different (i.e. a ‘job pull’ reason) as being more significant for experienced employees (Figure 1, panel 3). For example, wanting to change careers, or feeling the job was getting stale and needing a change. Compensation package is also given more significance (Figure 1, panel 4).

However, the small sample sizes here mean interpretation should only be undertaken with serious caution.

¹³ Note that in some cases, employers would state a perceived mental illness such as depression or anxiety. However, others have also been categorised within this group who were experiencing troubles, but may not have had a specific condition.

Figure 1: Relative significance of job or life reasons for leaving by industry tenure, as informed by employers.



Sector and industry leavers *may* be more likely to leave due to other interests or disliking the type of work / activities, while industry stayers may leave due to team conflict

According to employers, 48% of their employees who left their employment entirely of their own accord got another job in the same industry (e.g., dairy to dairy). A further 18% took a job outside of the food and fibre sector entirely, and 15% were not working (either studying, travelling, retired, or on a benefit).

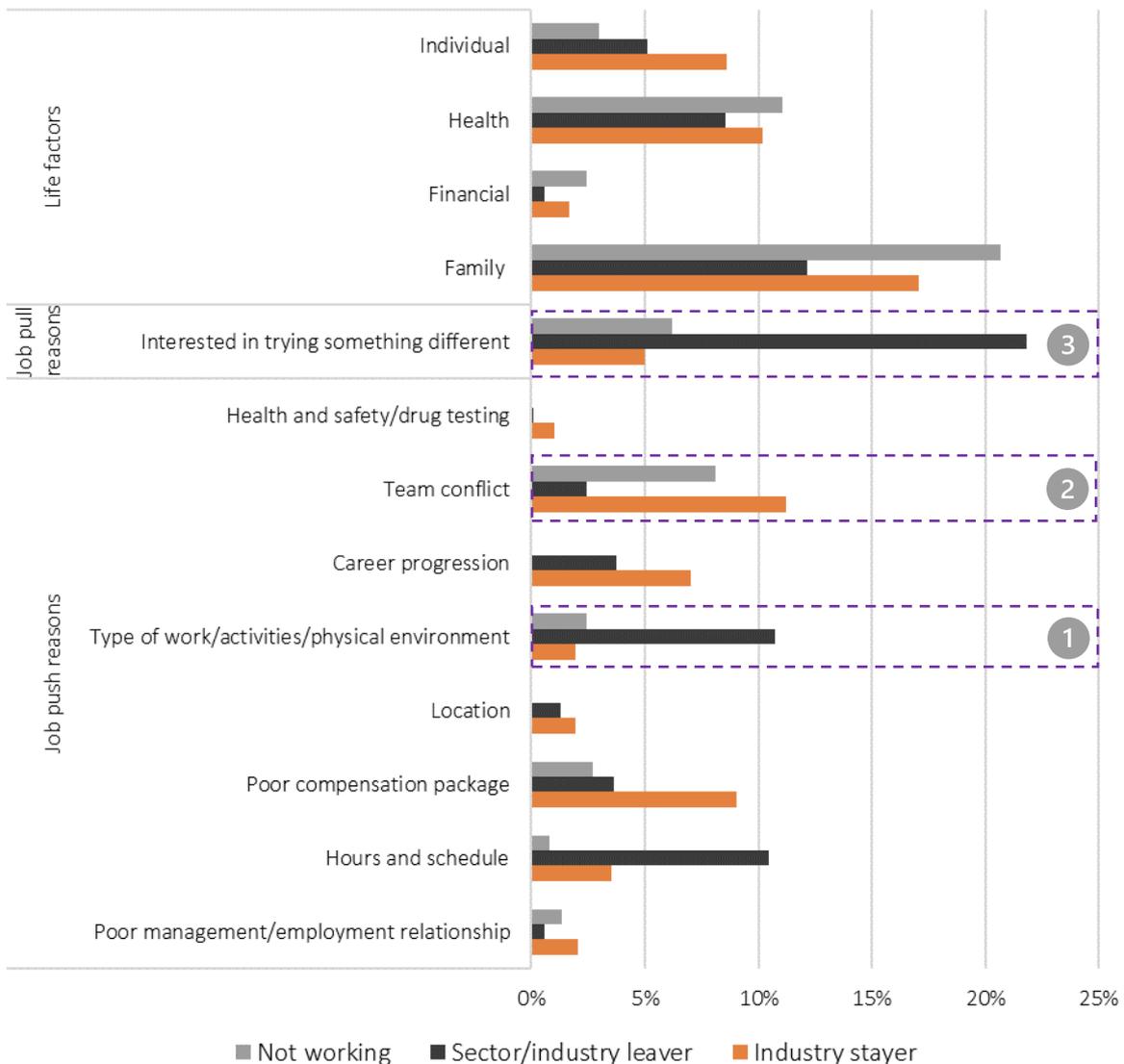
Ideally, the food and fibre sector would find ways to encourage those who plan to leave the sector entirely, to try out a different food and fibre industry that may suit them better. To do this, we would identify the reasons of those leaving the sector entirely and try to mitigate these.

What we see is that employers attribute more significance to the ‘job pull’ reasons and disliking the hours/schedule and activities involved in the role for people who left the food and fibre sector (Figure 2, panel 1). On the other hand, people who left for a job within the same industry were perceived to be leaving due to team conflict or seeking further career progression opportunities (Figure 2, panel 2).

While little can be done about someone’s interest in trying a different sector, it may be that mitigations could improve these other two reasons (type of work / activities, and hours / schedule), for those leaving the sector or industry (Figure 2, panel 3).

However, the small sample sizes again, mean that interpretation should only be undertaken with serious caution.

Figure 2: Relative significance of job or life reasons for leaving by employment outcome, as informed by employers.



Attraction and filtering

Staff leaving is also, at least in part, caused by attraction and screening challenges

As mentioned earlier, this report is focused on retention challenges, given that earlier research suggests that there is greater opportunity for retention initiatives to address workforce shortages meaningfully

than attraction initiatives¹⁴. Nevertheless, it is important to recognise the role that attracting the wrong people has on retention.

Many interviewed employers noted they had taken on “less than ideal” staff members in recent years. These employees may have, in part, been managed out, or they may have left of their own accord. During interviews some employers noted they would have been better off not having employed these employees in the first place. While supporting employers to screen out weak candidates might seem counterproductive to reducing workforce shortages, doing so could increase the chance of employing a good candidate that would not have otherwise entered the workforce.

Below we describe three aspects to employers taking on less than ideal staff:

- **A job market with few applicants, but an urgent need for staff** means employers often hire those they know are “less than ideal” or that they knew were not a good fit, out of necessity.¹⁵ Sometimes, this urgency is temporary, such as replacing a staff member who leaves during a busy season.

“A couple of years ago, I never would have employed flaky people like this. But I don’t have a choice. The last five have only stayed a few weeks each.” (Seafood employer)

“We just had to take him on. I knew he wasn’t right, but our previous employee decided to leave, and I was 8 months pregnant. We couldn’t wait for someone better.” (Dairy employer)

- **Applicants being attracted by the wrong things** meant that the applicants were not right for the job. For example, in dairy, many employers feel applicants are solely interested due to the provision of housing. Although this arguably would also attract good employees, housing appeared to attract people who were unlikely to be accepted as tenants elsewhere (for example, due to poor background checks). In other situations, applicants had not understood the reality of food and fibre work prior to accepting the job, potentially having romanticised it.

“He came and did only four days’ work. He told me, ‘I’m not here to scrub buckets’. But we all have to scrub buckets sometimes. Even me.” (Dairy employers)

“People who leave within 12 months, leave because they don’t realise what the work is like...It is not a glamorous industry.” (Horticulture employer)

“He didn’t hate dairy, but he would not have done it if it didn’t come with a house.” (Dairy employer)

“We are using videos now, to try show them what the job is like realistically.” (Seafood employer)

- **Underdeveloped recruitment processes, meaning poor applicants are not filtered out.** Some employers did *not* know in advance that candidates were not the right fit. Some noted that food and fibre employers needed help to improve recruitment processes, such as the types of questions to ask the applicant or their referees, and how to recognise “warning signs”. This was

¹⁴ <https://foodandfibrecove.nz/wp-content/uploads/2023/06/Attraction-and-Retention-Situational-Analysis-Part-B.pdf>

¹⁵ Employers noted a variety of possible drivers behind these poor applicant numbers. These included declining industries, low unemployment, poor perceptions of the food and fibre sector, a lack of good training options, the ease of going on a benefit, and an ageing workforce.

seen as particularly important in dairy, where role titles are used inconsistently (see page 39 for more detail).

"Years ago, experience was crucial [when hiring]. Then we had a bad experience with an employee who had experience. Now it is all about attitude." (Dairy employer)

"It is easy to focus on what went wrong. We flip that to "What is it that we should be providing so people want to come work for us"?" (Dairy employer)

"You have to avoid asking yes / no questions, and ask behavioural questions instead." (Dairy employer)

Prioritised reasons for leaving

This section consolidates the stated reasons into a ‘reasons for leaving employment framework’. Next, it roughly quantifies the relative significance of each of these reasons by drawing upon not only the employer interview data, but data from previous activities in this research programme – including the ex-employee survey and IDI analysis from the second interim report¹⁶.

Reasons for leaving employment framework

Throughout the previous section, we have referred to the stated reasons for leaving employment. Table 2 below consolidates these into a 4-tier framework, with consideration also of the findings from earlier activities in this research programme (the ex-employee survey and the IDI analysis). Many of the reasons contained in this framework will be well known to the industry already. Nevertheless, the framework creates a starting point to quantify the relative significance of each reason for leaving.

Table 2: Reasons for leaving employment framework

Category 1	Category 2	Category 3	Category 4 (Stated reason for leaving)					
Pre-planned departures			Seasonal work					
			Short term visa					
			Short term personal					
Unplanned departures	“Managed out”		Underperforming					
			Business restructure					
			Absenteeism/misconduct					
	Left of own accord	Job reasons (push)		Poor management/employment relationship				
				Hours and schedule				
				Poor compensation package				
				Location				
				Type of work/activities / physical environment				
				Career progression opportunities				
		Job reasons (pull)			Team conflict			
					Health and safety/drug testing			
					Interested in trying something different			
					Life reasons			Retirement
								Family
								Financial
Health								
			Individual					

Modelling the relative significance of reasons for leaving

Overview of modelling

As highlighted earlier in this report, employers will likely have an incomplete and / or skewed view on why their ex-employees left their employment. To quantify the relative significance of the reasons for leaving (Table 2) across the workforce, it is important to balance the employer perspectives with those

¹⁶ <https://foodandfibrecove.nz/wp-content/uploads/2023/06/Attraction-and-Retention-Situational-Analysis-Part-B.pdf>

of other stakeholders / data sources such as ex-employees and Statistics NZ's IDI; both which have been presented previously in the second interim report¹⁷.

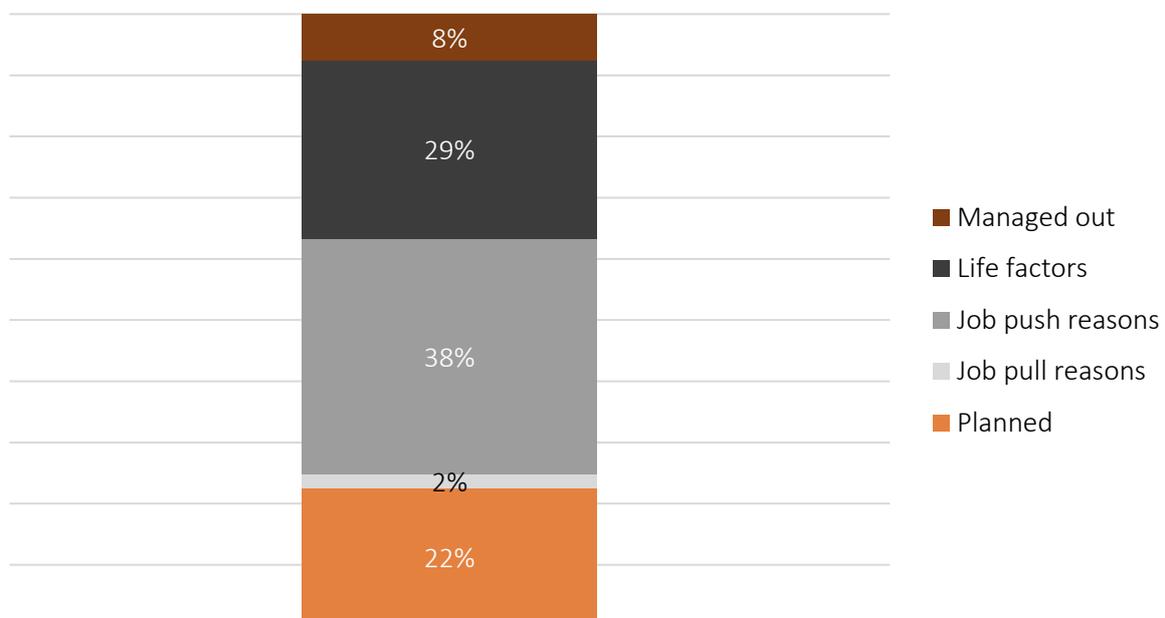
Each data source is incomplete and imperfect, but it contributes a useful perspective to consider in this analysis. For example, the ex-employee survey may provide a better perspective on the significance of the job push reasons (particularly poor management), while the employer perspective may understate the significance for this reason.

We have developed a model to triangulate these three data sources to determine the relative significance of reasons for leaving. The outputs from this model are presented in the following sections.

Relative significance of reasons – high level breakdown

The results of this model at a high-level (category 1-3 reasons) suggest the job push reasons (i.e. the aspects of a job people typically dislike) have a key role in causing people to leave employment (Figure 3).

Figure 3: Relative significance of reasons for leaving (category 1 - 3), all employees

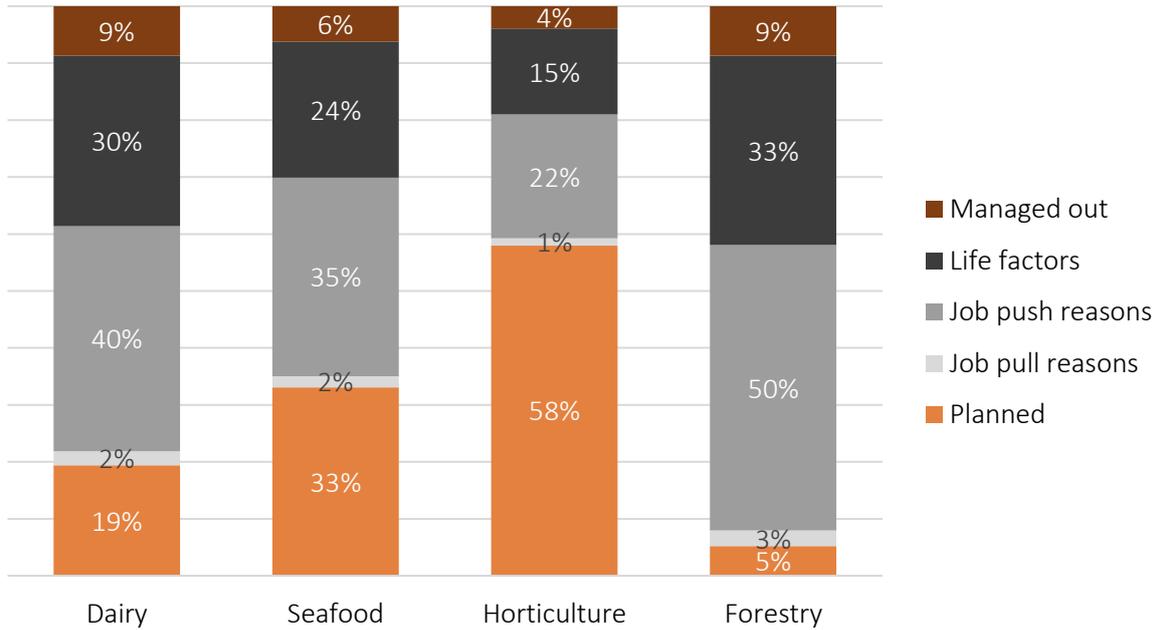


Relative significance of reasons – population segments

The model can also be used to explore relative significance of reasons by population segment. This shows that planned departures vary by industry, with horticulture experiencing a higher significance of planned departures compared to other industries (Figure 4).

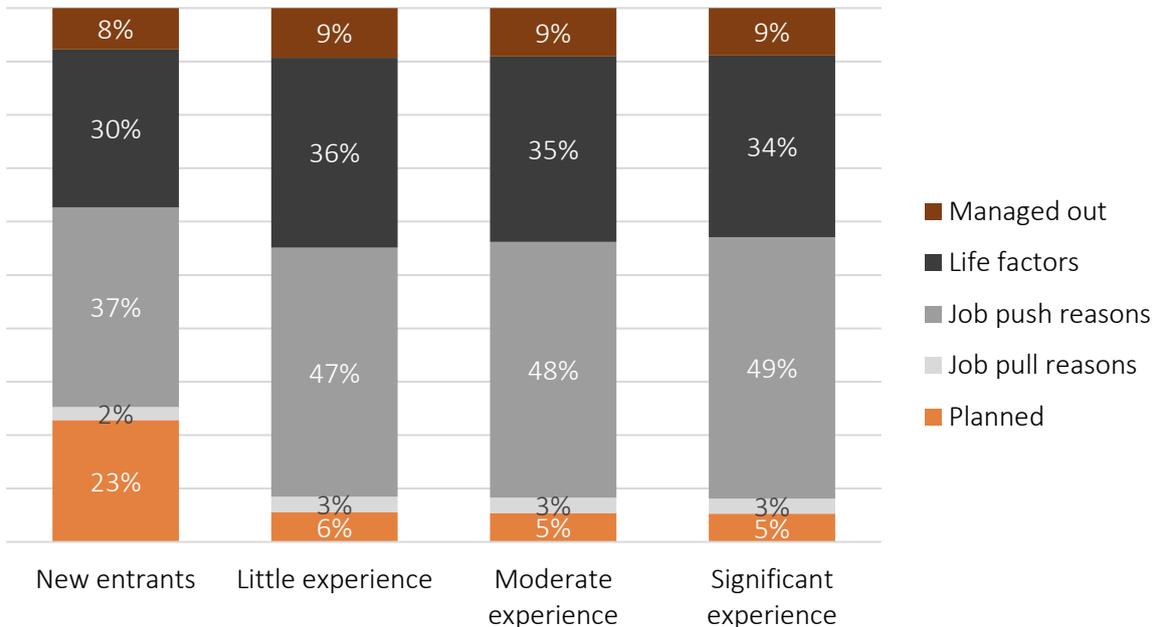
¹⁷ <https://foodandfibrecove.nz/wp-content/uploads/2023/06/Attraction-and-Retention-Situational-Analysis-Part-B.pdf>

Figure 4: Relative significance of reasons for leaving (category 1 - 3) by sector



When we consider tenure, we see that the relative significance of planned departures is higher in new entrants than other groups (Figure 5). Aside from this, little variation is seen between the relative significance of reasons for leaving between any level of tenure compared to the overall relative significance.

Figure 5: Relative significance of reasons for leaving (category 1 - 3) by tenure

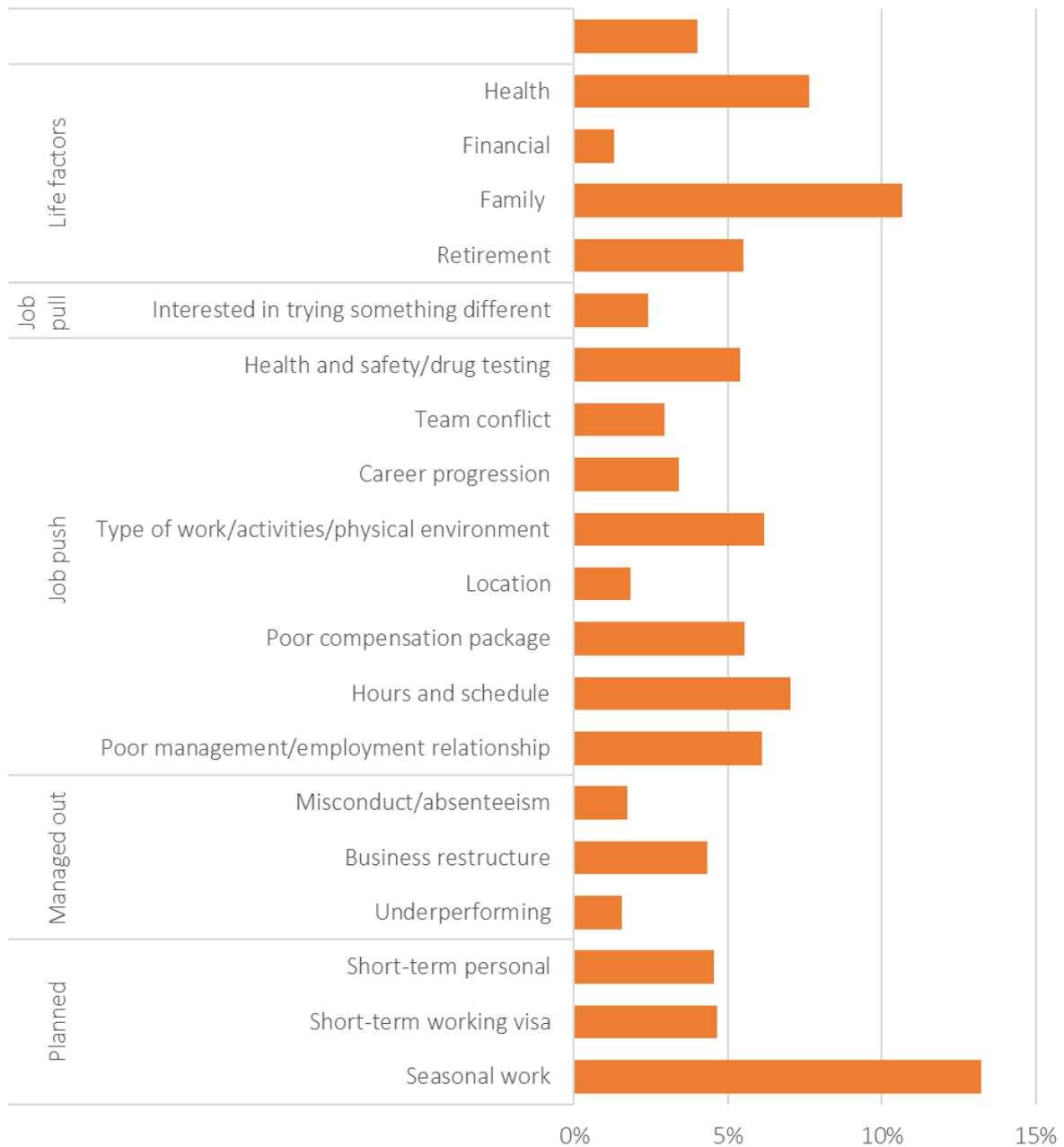


Relative significance of reasons – detailed breakdown

Figure 6 below presents a detailed breakdown (category 4) of the relative significance of reasons for leaving from Figure 3. The results suggest most people who are planned departees were leaving

because they had fulfilled a short-term seasonal role. This is also the most significant reason for people leaving the sector across the framework. Life factor reasons related to family and health are the second and third most significant respectively.

Figure 6: Relative significance of reasons for leaving employment (Category 4)



Top five reasons food and fibre employees leave employment

Our modelling, therefore, identifies the following five most significant reasons why food and fibre sector employees leave employment:

1. **Seasonal work (13.2%).** This refers to people leaving the industry following seasonal work.
2. **Family reasons (10.7%).** This includes wanting to be closer to family, wanting more time / flexibility to take care of dependents, or a change in their relationship status.

3. **Health reasons (7.6%).** This includes incurring an injury or illness, struggling with mental health/wellbeing or having challenges with drug and / or alcohol abuse.
4. **Disliking hours and schedule (7.0%).** This includes finding the hours and schedule too much, not enough, too inconsistent, or too inflexible.
5. **Disliking type of work and activities (6.2%).** This includes finding activities too repetitive or laborious, or the physical environment too unfavourable (e.g., outside, offshore, etc).

The absence of a silver bullet

What the outputs from this modelling suggest is that there is no single initiative which is expected to make a significant difference to the overall retention challenge. This is because while there are several reasons contributing to these people leaving the sector, there is no one reason that stands out above the rest.

Further, there is little evidence to suggest new entrants have distinctly different reasons for leaving - the top five reasons new entrants leave are of roughly equal significance.

Given that this quantitative approach has not identified a strong path forward, there could be value in taking a more qualitative approach to characterising the drivers behind the reasons for leaving. In the following sections, the drivers that have contributed to the top five most significant individual reasons are explored further.

Analysis of drivers

In previous sections, the high-level stated reasons employers believe their employees have left were explored and analysed quantitatively. The following section takes a more qualitative approach, by identifying the underlying 'drivers' contributing to these top five reasons and identifying how Food and Fibre CoVE can respond to them.

Overview of drivers

While an employee may leave for a reason from the framework in Table 2, there are underlying drivers within society, sector or industry that are creating these reasons and / or holding them in place. Within this work, seven drivers were identified, causing employees to leave employment. To explore these, see page 36¹⁸.

In this section, we take the five most significant reasons food and fibre sector employees leave employment from Figure 6, and identify the specific drivers that would contribute to these reasons, specifically for new entrants – based on drivers identified in interviews (see page 36). We also identify which parts of the food and fibre system have influence over these (the employee themselves, employers, the VET system, the industry / sector, the government, and historic New Zealand events).

How to interpret this framework

Table 3 introduces a framework for undertaking the analysis described above. On the left, different parts of the food and fibre system are listed who have influence over the reason for leaving *being* a reason for leaving. In the middle, drivers that are contributing to a reason for leaving are summarised. We consider drivers that are in the domain of the people and organisations identified to the left of the framework. On the right, coloured bars show which of the drivers Food and Fibre CoVE (on behalf of the VET system) can:

- **Act on** – These are drivers which a person or organisation may be able to act upon. This is determined by the size and complexity of the driver, as well as the scope and influence of the person or organisation.
- **Advocate for** – In some cases, a driver may be too large, complex, or outside of the scope and influence of the person or organisation. Nevertheless, it may be something the person or organisation can advocate for with their connections.
- **Recognise** – Finally, there may be drivers that a person or organisation may not have the ability to act on, or even advocate for. This is likely to be the case for the largest, and most complex drivers. Nevertheless, the person or organisation should recognise these in their daily work.

Note that these coloured bars *would move* if another organisation aside from Food and Fibre CoVE used this framework. A blank template has been included on page 45 that can be used for a different group of interest aside from employees, and for behaviours aside from leaving employment.

¹⁸ As explained earlier, this report does not focus on attraction or filtering challenges. Nevertheless, some drivers of these are discussed on in Appendix B: Further analyses (page 35).

Table 3: Drivers analysis framework, filled in with examples from this research and with a Food and Fibre CoVE lens

Group:	New entrants				
Drivers in the domain of:	1. Seasonal work <i>(leaving due to finishing a short-term seasonal contract)</i>	2. Family reasons <i>(away from family, change in relationship, caring for family, family dependent)</i>	3. Health reasons <i>(stress, mental health, social isolation, substance abuse)</i>	4. Hours and schedule <i>(too many / few hours, unpredictable or antisocial hours, or rosters)</i>	5. Type of work and activities <i>(too repetitive / laborious, physical environment)</i>
The employee		<ul style="list-style-type: none"> • Being disconnected from previous social life • Absence of social skills for networking & relationship building • Being of a younger age means they have different priorities (i.e., social > work) • Access to transport, being dependent on family 	<ul style="list-style-type: none"> • Prejudiced view on mental health not being a legitimate illness and not seeking help • Underplaying the significance of mental health issues • Coming from troubled life circumstances without an effective support system 	<ul style="list-style-type: none"> • Unaware of industry expectations prior to entry • Disparity in expectations / priorities of the employment relationship (esp. with older generations) 	<ul style="list-style-type: none"> • Unaware of industry expectations prior to entry
The employer			<ul style="list-style-type: none"> • Employers did not necessarily enter industry to be an employer, creating strain on employment relationship • Prejudiced view on mental health not being a legitimate illness 	<ul style="list-style-type: none"> • Disparity in expectations / priorities of the employment relationship (esp. with younger generations) • Fixed term contracts may be common in some industries, creating instability for employees 	<ul style="list-style-type: none"> • Perspective of employees as labour units

Act on

The VET system		<ul style="list-style-type: none"> • Funding systems haven't always prioritised pastoral care as part of VET provision 	<ul style="list-style-type: none"> • Funding systems haven't always prioritised pastoral care as part of VET provision • A lack of employer training on mental health 	<ul style="list-style-type: none"> • A lack of training on expectations of work, resulting in disparity in expectations 	<ul style="list-style-type: none"> • A lack of training on expectations of work, resulting in disparity in expectations
The industry	<ul style="list-style-type: none"> • Extreme peak seasonal labour requirements (esp. in horticulture. Peak timing and volume vary for different crops) • Lack of coordination between industry bodies. Operating in silos 	<ul style="list-style-type: none"> • Employer reasons 4 & 5 (see last two columns) that are inherent to the job, contribute to family issues 	<ul style="list-style-type: none"> • Location of work can require people to live in isolation. • Employer reasons 4 & 5 (see last two columns) that are inherent to the job contribute to health issues • Small production teams, particularly in pastoral farming can lead to feelings of isolation from established social networks. 	<ul style="list-style-type: none"> • New contracts start ahead of the busiest season. • Short term contracts create uncertainty and instability • New entrants start right before busy season 	
The government	<ul style="list-style-type: none"> • Immigration settings impact how long migrants stay in seasonal jobs – at times, this does not cover the entire season 				

<p>New Zealand history and wider economy/society</p>		<ul style="list-style-type: none"> • Covid-19 lockdowns affected social skills of youth • Changes in expectations from younger generations (e.g., values, work / life balance) • Transport to rural locations harder to acquire (obtaining drivers' licences) • Shortage of accommodation near place of work 	<ul style="list-style-type: none"> • Increasing awareness of mental health as a legitimate illness. • Increased digital connection resulting in heightened awareness of global affairs and other's lifestyles (e.g., social influencers) • Colonisation and intergenerational traumas 	<ul style="list-style-type: none"> • Changes in expectations from younger generations (e.g., values, work / life balance) 	<ul style="list-style-type: none"> • Changes in expectations from younger generations (e.g., values, work / life balance)
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Recognise

Implications for the design of future retention initiatives

From the analysis in Table 3, the following opportunities have been identified to improve retention rates in the food and fibre workforce. These areas have been identified based on the potential impact on new entrants, the relevance to a wide proportion of the sector's workforce, and how they align with the scope of Food and Fibre CoVE¹⁹. They include:

1. Build employer capabilities in developing and supporting employees
2. Mentor new entrants to the workforce
3. Provide tools and resources to improve recruitment
4. Coordinate seasonal labour.

None of the ideas are particularly novel. These four opportunities were identified as they build on or leverage existing initiatives to try slightly different approaches. Details of each opportunity are presented below along with an estimate of the impact each opportunity could have on the workforce shortage of 17,000 (refer to interim report #3 - Evaluating performance measurements²⁰). The modelling for each opportunity considers:

- The number of new entrants the opportunity could conceivably impact (i.e. the addressable market)
- The number of people within the addressable market engaging with or influenced by the opportunity (i.e. reach of the opportunity)
- The improvement in one year retention rates for those reached by the opportunity (i.e. efficacy of the opportunity).

Opportunity 1: Build employer capability in developing and supporting employees

There are several existing formal and non-formal training opportunities for employers in the food and fibre sector to improve their people and HR management capabilities. Historically, this is an area where employer demand, rather than the supply of good training courses or other capability-building initiatives, has been the constraint. However, findings from the employer interviews undertaken to characterise employee reasons for leaving, suggest there may be an opportunity to develop and promote courses in niche areas that employers find problematic.

There appears to be an opportunity for capability building approaches focused on (or covering):

- **Managing staff with mental wellbeing challenges and / or addictions** – Training that supports employers / managers to spot symptoms of these challenges, to understand and maintain the boundaries between personal and professional, to know how to approach such topics with employees, and what other services are available to refer employees to, would be valuable.

¹⁹ Other ideas for initiatives that came from interviews can be found on page 4747.

²⁰ <https://foodandfibrecove.nz/wp-content/uploads/2023/11/FFCoVE-A-and-R-performance-measurement-impact-model.pdf>

- **Managing Gen Z employees** – Training that supports employers / managers to understand and manage the values of Gen Z employees, to support them to develop basic work and life skills, and to manage their expectations of progression, pay and conditions, would be valuable.

Pilot initiatives with this focus could test:

- Whether aligning course content to the specific retention challenges identified by employers is effective at increasing employer engagement in HR-related training.
- Whether the training is effective at increasing employers’ ability to manage challenging employees and retain them in their businesses.

See the appendix to read more about mental wellbeing and addictions (page 36), and generational differences (page 38).

Potential reduction in workforce shortage

We estimate – with reference to evidence collected from the employer interviews undertaken to characterise reasons for leaving – that the number of new entrants to the sector who could benefit from this opportunity (i.e. those entering with HR related challenges), to be roughly 20% of new entrants (15,000). The two main determinants of the potential impact of this opportunity on reducing workforce shortages are:

1. The percentage of employees entering the workforce with HR challenges employed by employers who have engaged with the HR training as per this opportunity. As an example, we consider this number to be between 3% and 30% of the 15,000 new entrants who could conceivably benefit from this opportunity.
2. The improvement to one-year retention rates for this group of employees. As an example, we consider improvements between 3% and 25% from a nominal base retention rate of 25%.

A simple model of the above factors estimates the potential reduction in the workforce shortage from this opportunity could be up to 7%, but is more likely to be in the range 0.1% to 1% (Table 4).

While this appears to be a smaller opportunity than the one we discuss next, it would be easy to design and test new initiatives of this type, and relatively easy to find sustainable funding models for initiatives that are shown to be effective. This latter point means initiatives can be easily scaled, so the constraint becomes employer demand rather than availability of funding.

Table 4: Potential reduction in the workforce shortage by opportunity 1 to build employer capability in developing and supporting employees

		Improvement in retention rates			
		25% <i>No improvement</i>	28% <i>3% improvement</i>	35% <i>10% improvement</i>	50% <i>25% improvement</i>
New entrants employed by trained employers	3%	0%	0.1%	0.3%	0.7%
	10%	0%	0.3%	0.9%	2.2%
	30%	0%	0.8%	2.6%	6.6%

Opportunity 2: Mentor new entrants to the workforce

In many areas, the food and fibre industry is well-served with support networks. For example, there are a variety of wellbeing services available to both employees and employers in the food and fibre sector such as FirstMate, Rural Support Trust, Farmstrong and GoodYarn. And there are opportunities to engage with peers and colleagues in organised social settings (e.g. New Zealand Young Farmers).

However, this research suggests that employees, particularly new entrants to the sector with less than 12 – 18 months experience, could benefit from general support and mentorship in addition to supporting mental health challenges.

This kind of support could be delivered by a near-peer (i.e., someone a few years ahead in their food and fibre career) or a senior, more experienced mentor. In some cases, culturally appropriate mentorship programmes would likely be beneficial also.

Retention initiatives with a mentorship / pastoral care focus could relate to supporting employees with:

- **Making connections to existing organisations**, e.g., making referrals to local New Zealand Young Farmer clubs. People who are new to the industry may not have the networks, confidence or knowledge to reach out to the support networks that already exist, on their own.
- **Discussing career opportunities and goals**. Support to understand the career opportunities available to them, to set their goals (including in some cases, progression), and have a plan for how to achieve them in a realistic timeframe.
- **Building general work and life skills**. Support to develop general work skills for a successful career and life, such as financial literacy and communication skills.
- **Addressing difficult personal or employment experiences**. Support to overcome these situations, which may take the form of the mentor being available to listen, provide alternative perspectives, explain the reasonable expectations and realities of work, and / or refer them to appropriate professionals or organisations where more support is needed.
- **Transitioning to vetted employers**. Support to identify another appropriate employer, whether that be in the same industry or another part of the food and fibre sector, who is vetted in order to ensure the employee has a positive work experience.

In addition to supporting employees, providing a mentoring support network potentially also provides a ‘back-channel’ to support employers/mentors develop their people management and networking capabilities.

Pilot initiatives could test:

- Whether mentoring / pastoral care is effective at addressing one or more of the areas noted above.
- Whether mentoring / pastoral care can be provided in a sustainable way – ideally by leveraging existing networks and resources – see below.

See the appendix to read more about mental wellbeing and addictions (page 36), and generational differences (page 38).

Potential reduction in workforce shortage

We estimate the number of new entrants that could benefit from this opportunity annually to be 75,000 (i.e. all new entrants). The two main determinants of the potential impact of this opportunity on reducing the workforce shortage are:

1. The percentage of new entrants who receive mentorship. As an example, we consider this number to be between 3% and 30% of the 75,000 of new entrants who could conceivably benefit from this opportunity.
2. The improvement to the one-year retention rate of new entrants. As an example, we consider improvements between 3% and 25% from a nominal base retention rate of 25%.

A simple model with consideration to the above factors estimates the potential reduction in the workforce shortage from this opportunity could be up to 33%, but a more likely outcome is probably in the range 0.5% to 5% (Table 5).

While this appears a larger opportunity than the one to build capability discussed above, the pathway to a scalable model for full implementation is less straightforward. It would therefore be valuable to include as a part of any pilot projects, work to test the ability to attract funding e.g. from employers or levy-funded industry bodies.

Table 5: Potential reduction in the workforce shortage by opportunity 2 to mentor new entrants to the workforce

		Improvement in retention rates			
		25% <i>No improvement</i>	28% <i>3% improvement</i>	35% <i>10% improvement</i>	50% <i>25% improvement</i>
New entrants receiving mentorship	3%	0%	0.4%	1.3%	3.3%
	10%	0%	1.3%	4.4%	11.0%
	30%	0%	4.0%	13.2%	33.1%

Opportunity 3: Provide tools and resources to improve recruitment

Developing tools and resources to improve and support employers during the recruitment and onboarding process could improve the quality of employees that employers take on, and increase their likelihood to then be retained in the food and fibre sector workforce. Employers highlighted that the pool of potential employees was limited, and new entrants were leaving the sector because the realities of working in the sector did not align with their expectations.

Opportunities for retention initiatives in this space could provide:

- **Support of employers to advertise roles and businesses better.** This could help employers to show the values of their business, as well as a reality check of what's involved in the role to manage expectations. For example, this may be in the form of introductory videos shown at the time of job advertisement or during recruitment.
- **Support of employers to develop more robust recruitment processes.** Employers may benefit from support to know how to run interviews and reference checks effectively to identify the right fit for their business and for this type of work (e.g., types of questions to ask), as well as how to spot "red flags" in candidates.

Pilot initiatives could test:

- Whether new tools, resources and capabilities are effective at improving candidates’ decisions to start jobs that are right for them.
- Whether new tools, resources and capabilities are effective at improving employers’ ability to differentiate between weak candidates who they can support to become good employees and weak candidates they cannot.

See the appendix to read more about mental wellbeing and addictions (page 36); as well as work nature and industry structure (page 39).

Potential reduction in workforce shortage

We estimate the number of new entrants that could benefit from this opportunity annually to be approximately 10% of all new entrants (7,500) who may be managed out by their employer as they end up not being a good fit for the workforce. The two main determinants of the potential impact of this opportunity on reducing the workforce shortage are:

1. The percentage of the people employed by employers who have used the tools and resources to support their recruitment process. As an example, we consider this number to be between 3% and 30% of the 7,500 new entrants who could conceivably benefit from this opportunity.
2. The improvement to the one-year retention rate for this group of employees. As an example, we consider improvements between 3% and 25% from a nominal base retention rate of 25%.

A simple model with consideration to the above factors estimates that the potential reduction in the workforce shortage from this opportunity could be up to 3% but a more likely outcome is probably in the range 0.1% to 1% (Table 6).

Table 6: Potential reduction in the workforce shortage by opportunity 3 to provide tools and resources to improve recruitment

		Improvement in retention rates			
		25% <i>No improvement</i>	28% <i>3% improvement</i>	35% <i>10% improvement</i>	50% <i>25% improvement</i>
New entrants with employers using tools and resources	3%	0%	0.0%	0.1%	0.3%
	10%	0%	0.1%	0.4%	1.1%
	30%	0%	0.4%	1.3%	3.3%

Opportunity 4: Coordinate seasonal labour

A fourth opportunity for retention initiatives could be related to co-ordinating seasonal labour between different industries, employers and regions, as required. This would have particular impact for horticulture employers where they require a large number of people to meet short-term seasonal demand. The opportunity here could take the form of a service that maps seasons and connects industries and employers, and acts as a broker for employees. However, this will likely only be useful where an employee is willing to move to follow seasonal work. For example, from kiwifruit in the Bay of Plenty, to citrus in Hawke’s Bay. It is apparent people are willing to move for work (e.g., RSE workers), but there is little known to the extent different employees would be willing to move.

As with the other ideas above, this idea is not entirely novel. Indeed, it was suggested by an employer who already does this for their own seasonal staff. Potential points of difference with similar initiatives include the degree of proactivity in approaching seasonal workers and matching them to further work opportunities, and co-ordinating at a national level rather than regionally. The latter is likely to be important to provide enough year-round work given many regions are dominated by a single type of produce with tight seasonal peaks, therefore don't provide the ability to offer year-round work.

A further feasibility study is recommended prior to piloting any initiatives. This study could:

- Confirm the extent to which this work is already being undertaken elsewhere in the sector.
- Build an overall map of what work is available by sector, region and month (building from existing work that already exists in this area).
- Estimate the proportion of the seasonal workforce interested in moving to follow seasonal work.
- Identify what barriers there may be to these people moving (e.g., visas, accommodation, cost to move, family commitments).
- Assess how likely it is that these barriers can be overcome.
- Make a final recommendation on feasibility based on the above.

We have not modelled the potential impact of this opportunity on reducing the workforce shortage, as we have for the previous three, as additional information is required to make informed decisions on the addressable market, the reach and the efficacy of initiatives developed within this opportunity – we expect this would be collected within the proposed feasibility study.

See the appendix to read more about work nature and industry structure (page 39); the cost of living and housing crisis (page 41); and immigration settings (page 42).

Appendix A: Interview details

This section contains the interview guide used in interviews, as well as additional detail of the interviewees who participated.

Interview guide

Preamble

Undertake introductions and request permission to record the interview if it is being recorded. Ask the interviewee if they have seen the information and consent sheet, or if they have any questions on the research. Provide an overview of the research when required.

Interview guide

#	Questions
	Employer information
1	Tell me a bit about you (and your business partner, if relevant). <i>Prompts:</i> <ul style="list-style-type: none"> • <i>Where are you located?</i> • <i>What is your role?</i> • <i>How long have you been an employer / manager for?</i> • <i>How about the other people involved in HR?</i>
2	Tell me a bit about your business. <i>Prompts:</i> <ul style="list-style-type: none"> • <i>What industry are you in?</i> • <i>Roughly how far is your business site from the nearest city?</i> • <i>How many people work in your business?</i> • <i>Are they FTE, contractors, seasonal...?</i> • <i>Do you have any that are “planned departures”?</i> • <i>If so, what proportion are planned departures?</i>
	Employees in general
3	In general, why do you think new entrants are leaving so quickly?
	Specific employees (repeat this section for each ex-employee)
NA	We would now like to talk about 2-3 people who have left recently. We are particularly interested in employees, and in new entrants. We do not need to know their full names, but we’ll need to know their first name or their initials to have the discussion. Please choose the first person you would like to discuss.
4	What was their role?
	Before the job
5	Did they have any food and fibre sector, or specific industry experience prior to starting? If so, approx. how many years?
6	What were their intentions when they started? <i>Prompts:</i> <ul style="list-style-type: none"> • <i>Did they plan to work for the business temporarily or long-term?</i> • <i>Did they plan to work in the industry temporarily or start a career?</i>

	In the job
7	How long did they work for you?
8	How many hours on average did they work per week?
9	What was their roster? (Days on, days off)
	Reasons for leaving
10	<p>What reason did they provide for leaving?</p> <p><i>Prompts:</i></p> <ul style="list-style-type: none"> • <i>Disliked aspects of the job</i> • <i>Attracted to another opportunity</i> • <i>Something else happened outside of work</i> • <i>Never intended to stay</i> • <i>Retirement</i> • <i>Other: _____</i>
	After the job
11	Do you know what they did next?
	Retention strategies
	General retention strategies
12	<p>What types of things do you do to create a good employment environment?</p> <p><i>Prompts:</i></p> <ul style="list-style-type: none"> • <i>Salary</i> • <i>Roster</i> • <i>Training / progression opportunities</i> • <i>Team culture</i> • <i>Pastoral care</i>
	Resources and support for employers
13	Considering the challenges that you have experienced, are there any resources / support that would support you (or your employees), to improve retention?
	End
14	Is there anything you want to discuss that we haven't discussed?

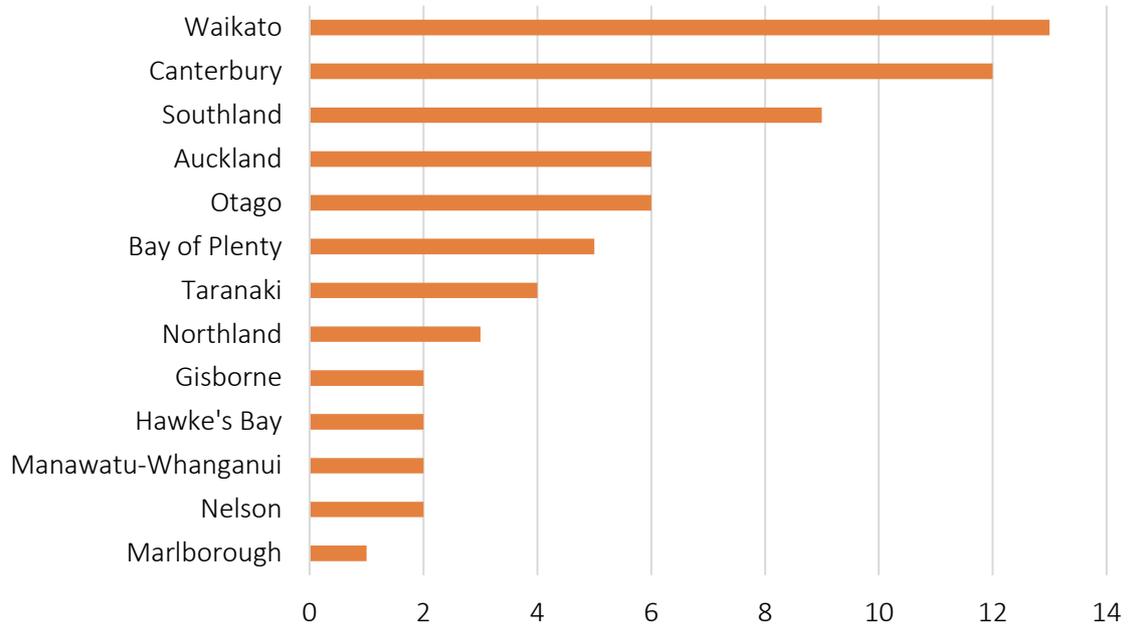
Closing

Thank the participant for their time. Explain the next steps for this research.

Interviewee demographics

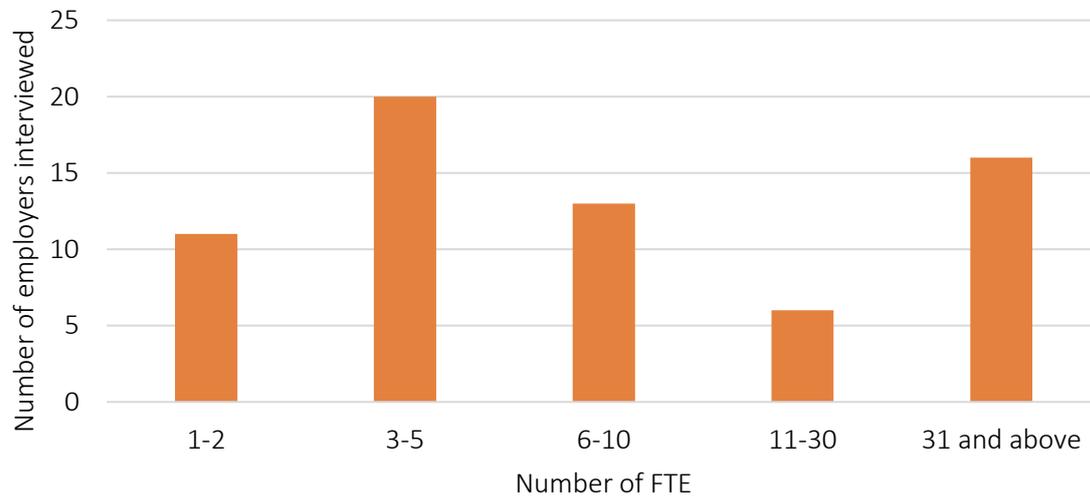
Region

Figure 7: Employer interviewees by region (n=67)



Size of business

Figure 8: Businesses by Full Time Equivalentents (n=67)



Appendix B: Further analyses

This appendix contains further pieces of analysis or detail that may be useful to readers, including on reasons, drivers, and ideas for initiatives.

Stated reason category definitions

The below table demonstrates what leaving reasons have been categorised into each stated reason for leaving for this work.

Stated reason for leaving	Description
Seasonal work	Leave because the season ended.
Short-term visa	Leave because their short-term visa ended. Short-term visa is defined here as a working holiday visa or a RSE visa.
Short-term personal	Leave because they already had plans to travel, to move to another role / job, to retire or to return to study.
Underperforming	Leave because they are not meeting the expectations of the employer or job description.
Managed out - Business restructure	Leave because business closes, is sold, or employers move property.
Managed out - Misconduct / Absenteeism	Leave because they commit misconduct or are absent.
Managed out - Poor management	Leave due to conflict between employee and employer.
Hours and schedule	Leave due to hours being too long or short, antisocial (meaning weekends, evenings, or early starts), rostered and / or unpredictable (being on-call).
Poor compensation package	Leave due to pay being too low, or higher elsewhere. Alternatively, not happy with the benefits provided.
Location	Leave because the location is too remote, too far to commute or too far from people they know.
Type of work / activities (incl. physical environment.	Leave because work is too laborious or repetitive. Alternatively, there is an unenjoyable environment such as lighting, temperature, wetness.
Job opportunities	Leave because job opportunities are limited, non-existent or too slow.
Team conflict	Leave due to conflict between employee and colleagues other than employer.
Health and safety / drug testing	Leave due to employer putting in place or enforcing healthy and safety / drug testing policies.
Interest in something else	Leave because attracted to another sector or industry that aligns better with their interests. Alternatively, because they want to work for a family member or friend.

Family	Leave because they want to be closer to or have more time with family. Alternatively, because family influenced them to leave, or because a relationship with a partner ended (sometimes due to passing).
Finances	Leave because cannot afford or find housing, or due to availability of government benefits.
Health	Leave because of injury, illness, addiction or mental wellbeing.
Individual	Leave because of personality traits like being indecisive, social or ambitious. Alternatively, because their visa status changed or was in limbo.

Detail of drivers

In this section, we provide further information regarding the drivers in this research. Although a number of drivers were discussed by employers, these have been prioritised by frequency of mention and the severity of impact. Here, we have included what we have prioritised as “major drivers” and “minor drivers”. A number of less significant drivers have been excluded.

Many of the following drivers interact with one another – for example, generational differences and industry nature impact mental health and addiction, which interacts with the availability of benefits. We have aimed to discuss this throughout.

Drivers						
Major drivers			Minor drivers			
						
Mental wellbeing and addiction	Generational differences	Work nature and industry structure	Cost of living and housing crisis	Immigration settings	Availability of benefits	Ageing workforce

Major drivers

Mental wellbeing and addictions

Overview

Mental wellbeing and addiction were important drivers in this research, with approximately 20% of employees perceived to be facing these challenges according to employers.²¹ This appeared to be a driver across the food and fibre sector, seen in the three main industries interviewed during this research. In many cases, these people left, at least in part, due to being ‘managed out’. Although a smaller proportion also left of their own accord (33% and 11% respectively).

Causes

According to employers, employees experiencing these challenges tended to be influenced by one or both of:

²¹ Note that in some cases, employers would name a specific mental illness such as depression or anxiety. However, others have also been categorised within this group who were experiencing troubles, but may not have had an official or specific condition.

- **Life pressures** – Usually, these people were facing external life pressures. For example, troubled backgrounds, a death in the family, a divorce, an abusive relationship, or gang affiliations.

“He found the job too lonely. Then he had a car accident and was mentally scarred from that. He had a lot of anxiety driving to the orchard and ended up resigning.” (Horticulture employer)

“She was from an abusive family. It had obviously led to some mental health issues. We really wanted to help her, so we kept her on. But by the time we finally asked her to leave, she had destroyed the team and farm.” (Dairy employer)

- **Job pressures** - In other instances, job aspects had a part to play. For example, team conflict or bullying, either instigated by the employee themselves, or another colleague (see page 39 for more detail on how job nature and industry structure interacts with this driver).
- **General pressures** – A number of employers noted that digital connectivity likely created additional pressures on employees. For example, some felt this resulted in inaccurate perceptions of others’ lifestyles.

Often, employers noted that the employee lacked support systems to get them through these challenging times. It was unclear to employers whether more employees were facing these troubles than in previous years, or whether employees were simply more open about them. Unfortunately, even if they were more open, there was still a sense many employees would not access help even when it was available, due to stigma around mental health.

“They seem to think, ‘no, that support service isn’t for me’. Mental health still is a taboo.” (Seafood employer)

Impact

A number of employers took on a role of providing guidance, accommodation, transport and more to their employee. However, they often felt they did not have the skillset or the time (alongside their own schedule) to manage the situation. Aside from this, some noted that at a certain point, they could not continue to take on the responsibility.

“We spent 18 months trying to support him, taking him to his court hearings, giving him housing, taking him to the doctor... But he became violent, we just couldn’t do it anymore.” (Seafood employer)

“You become a bit like a parent really, but it is hard to know where the boundary is between personal and professional.” (Dairy employer)

“I’m not sure if our age group [50s and 60s] really know the warning signs for this sort of thing.” (Dairy employer)

“People of all ages are struggling, but sometimes it is not appropriate for an employer to have that conversation [about mental health services] as some people are private.” (Horticulture employer)

In some instances, the mental health or addictions of one staff member severely impacted other colleagues’, causing them in turn to leave their job. In this sense, mental health appeared to have a compounding effect on retention.

“You want to help that person with their mental health, but at a certain point, you have to think about the greater good. We had three other employees leave as a result of his mental health impacting them.” (Dairy employer)

Generational differences²²

Overview

Generational differences were also an important driver in this research. While it is difficult to quantify this, it appeared to be a driver across all three main industries interviewed. A number of employers, including some who had been employers for long periods of time (such as over 30 years), felt these changes had occurred over the last 5-7 years. Generational differences likely led to some employees leaving, at least in part, due to being managed out, as well as employees leaving of their own accord, mainly for job reasons.

Causes

Employers felt there were differences between generations in terms of their values in life, their expectations of progression, conditions and pay, and in terms of skillset.

In terms of **values in life**, many employers felt that Gen Z employees (and Millennials to some extent) did not care about work and turning up. In some cases, employers felt there was an expectation for work to fit around their schedule. They noted younger generations appeared to care more about their friends and family than their career.

“They would rather miss a whole 6-week fishing trip, and negatively impact all their colleagues, than miss their friend’s 21st.” (Seafood employer)

“[The younger generation] are more values-based, they have to feel purpose in their work.” (Dairy employer)

On the other hand, a number of employers (albeit few) pointed out that employers’ expectations of their staff are too high, and that staff deserve better work-life balance. This view was shared by some older employers as well as some younger employers.

“Old school employers, they just don’t treat their employees well... They take advantage of them and expect to be able to work them to the bone.” (Dairy employer)

In terms of **expectations**, employers felt that younger generations had different expectations of progression and pay. In a number of cases, employers felt social media had given young people unrealistic expectations of life and work. For example, in many cases, young people expected to progress faster than what was possible in the industry, and expected much higher pay than the industry norm.²³

“He did one month with us (his first dairy experience), and then asked to be a farm manager!” (Dairy employer)

²² We note that this driver should be taken with a grain of salt, due to the methodology of interviewing employers rather than employees. Aside from this, it is important to note that just because generational differences were mentioned frequently in interviews, does not mean that there were not examples of ambitious and hardworking young people within the dataset.

²³ However, this is not to say there were not examples in the dataset of employees who were perfectly happy in their current role, and in fact did not want to progress further and take on more responsibility.

“Four months in, he was asking to be on the pay that the guys who have been with us for 15 years are on. We tried to provide training and a progression plan, but it just wasn’t fast enough for him. A pity really.” (Seafood employer)

In terms of **skills**, employers noted younger generations these days tended to lack basic life and work skills, possibly due to missing opportunities during Covid lockdowns. They felt this had resulted in them struggling to work the hours required in the job, to make decisions for themselves on farm, or to engage with colleagues. Aside from this, 1-2 employers noted some young people don’t have their driver license, which means they are overly reliant on parents to drop them to work. This is a burden for parents, and makes young people less likely to get to and stay in work.

“They just don’t seem to have any idea of what work is like. I’d leave him for half an hour to come back and find him in his cabin, or sitting with his laptop – not working.” (Dairy employer)

“He just didn’t seem to know how to make decisions for himself, it was like a lack of confidence. We tried helping him for two years. But eventually that is hard on the team when they can’t do anything without help.” (Seafood employer)

“He seemed to not have social skills, we tried to teach him how to interact with the other staff, but he only seemed to improve for a week. He was lonely.” (Dairy employer)

“Back in the day, we got our drivers licenses when we were young, and then, we wanted a cool car so that encouraged us to work and save up. But it’s too hard to get a license now.” (Dairy employer)

Impact

Overall, the impact of this driver was low quality work, absenteeism, and turnover. A number of employees left due to either underperformance, not enjoying the job or feeling lonely, or because they thought the grass would be “greener” elsewhere.

Work nature and industry structure

Overview

Work nature and industry structure was another important driver. By **work nature**, we refer to the nature of the day-to-day work (e.g., physical nature, long or antisocial hours). By **industry structure**, we refer to structural aspects of the industry (e.g., contracts, progression opportunities).

While it is again difficult to quantify, this appeared to be a driver across the food and fibre sector, although naturally in different ways. It mostly led to employees leaving of their own accord for job reasons. However, it was also a reason for planned departures, and in a few cases, it led to people leaving, at least in part, due to being managed out.

Causes

Oftentimes those who had **planned departures** left simply due to the seasonal nature of work. For example, some horticulture employers appear to increase their workforce by about 40% in the peak season. Dairy employers take on temporary staff to a lesser extent, with temporary relief milkers, calf rearers and school and university students who take on general farm work during weekends or breaks. Seafood also has seasons, but the length of contracts appears to depend on the variety of species a business works with.

For those who left of their **own accord for job reasons**, there tended to be a wider number of job and industry characteristics at play. We describe these below under stated reasons for leaving:

- **Job tasks and content** - Employers tended to note the job is hard work. For example, the work is typically physical, outdoors, seasonal, and often the hours are anti-social, or the person is on-call to some extent. In some cases, employees could not “hack it”. At times this was due to misconceptions of the industry. At other times, employers felt this was influenced by external pressures such as regulation, as they made the work harder. Others could not keep up with the work due to getting older and / or not having the stamina or strength for this kind of work.
- **Work schedule and hours** – In all industries, there were examples of hours being difficult. For example, being too long (or in some cases, too short), antisocial, rostered and / or unpredictable. Within dairy for example, although rosters such as 11am to 3pm were common, some employers felt these should not be allowed. In horticulture, there were examples of employees having early morning ‘frost alarms’ (e.g., 1 am, 2 am). In seafood, there were sometimes night shifts (at processing plants), or multi-week trips (in deep-sea fishing). Anti-social hours seemed to impact young people the most as many felt they were missing time with friends.
- **People and team** – There are a few job and industry characteristics that play into employees leaving for people and team reasons. Firstly, people are often working (and living) closely with others (e.g., in dairy and seafood). This makes work ‘inescapable’ and the boundaries between the personal and professional often mix. In other situations, employees may work alone, which can be isolating. Aside from this, some note that managers never entered the industry to be a manager, and therefore aren’t natural managers (mentioned by dairy employers).
- **Progression opportunities** - Finally, there were instances where employers did not have progression opportunities available to provide to employees, either because it did not exist (seen in dairy and horticulture), or because it was too slow (seafood). For the former two and for entry level employees, the problem is often the employer’s business is too small to have a role available. For higher level employees, there is a lack of opportunity caused by the cost of land, and the corporatisation of farms and orchards. For seafood, employers were more likely to point out that there was no seafood training school, and that this made seafood less appealing for ambitious employees who wanted to progress quickly.
- **Location** – Most food and fibre sector jobs involve living rurally or at sea. However, this job characteristic does not suit everyone. In general, it can mean being isolated from family and friends (or people their age). There were also instances where an employee’s partner preferred an urban job and lifestyle and encouraged a change.

*“The season is 10 months, so, we try keep the best ones for the next season but there is a gap.”
(Seafood employer)*

“You see them yelling with their wife, their kids running around in dirty diapers, their washing out for three days... You are around them all the time and there is no break from it.” (Dairy employer)

“The work can get monotonous.” (Horticulture employer)

For those whose jobs ended at least in part due to being **managed out**, interviews identified two characteristics of the industry structure at play:

- **Inconsistent role titles** – Within dairy, role titles (e.g., 2IC, assistant manager) are used inconsistently. As such, an employee can be hired for a particular role to then be overwhelmed and underperform.
- **Business restructuring** - Aside from this, business restructuring appears particularly common for contract milkers who have 1–3-year contracts. Each time they move farm, they are likely to leave their workers behind (who cannot necessarily move location).

Aside from the above, there is reason to believe that contracts may play a role in people’s reasons for leaving – although it was not a stated reason. Specifically, there were instances of workers who had temporary contracts that were renewed yearly (seen in seafood and dairy). A small number of employers noted this would be stressful for workers, and particularly for those with families and where accommodation was provided in the job (as it would involve uprooting children and possessions yearly). However, it is unclear how common this is. Aside from this, one or two dairy employers noted that contracts traditionally begin just before the busy season – which is a shock to unexperienced employees.

“I give all my staff permanent contracts. But I think a lot of the dairy industry doesn’t. That is terrible for families... It used to make sense, when you could work your way up to be a contract milker within 3 years (so you weren’t living like that for long), but now that it’s hard to do that, it doesn’t make sense anymore.” (Dairy employer)

“I haven’t ever heard of people giving 1-year contracts.” (Dairy employer)

Impact

Work nature and industry structure are behind a number of reasons a person may leave the sector. In some cases, it’s simply due to the seasonal nature, but in other cases, it is because the job or other work conditions are too difficult, or there are structural matters that led to being managed out. Overall, it appears likely that much of this exacerbates other drivers in this work, such as mental health and addictions.

Minor drivers

There were a number of drivers identified in interviews that were minor, but worth mentioning. These are described below.

Cost of living and housing crisis

While not mentioned often, dairy, seafood and horticulture all appeared to experience housing issues. The cost of housing is most likely to be an issue for horticulture, followed by seafood. While the quality of housing may be more of a problem for dairy. This is because horticulture requires sudden and large amounts of temporary accommodation each year. In seafood, seasons are longer, but housing can be expensive, possibly due to being in coastal areas, where houses are highly desirable and there has been a rise of Airbnb.

“They came for the season and were staying at the local holiday park as our pickers often do, but then the holiday park wanted to rent to tourists instead, because they can make more money that way. So, they had nowhere to go. They had to go home.” (Horticulture employer)

“We don’t get local workers anymore around here. People have moved away because the Coromandel is too expensive now.” (Seafood employer)

“His rent was going up, and his son who lives elsewhere offered for him to work on a boat with him and live with him.” (Seafood employer)

“We were renting a house for her, a few km away, but she didn’t like it.” (Dairy employer)

Immigration settings

Although only relevant to immigrants, there were examples of migrant workers who left due to their visa status.

In some cases, people left their job (and the sector) as soon as they had residency, in order to go into a career they preferred.

“We had 8 staff members get residency. 6/8 left immediately once they got it.” (Seafood employer)

“He was burnt out when we employed him, but he had to stay in farming to get residency. Eventually, getting residency meant he did not have pressure to keep farming.” (Dairy employer)

“He was tied to us by visa and as soon as he got residency decided he wanted to be an Uber driver.” (Dairy employer)

Others may leave for another job (but potentially the same industry) because they need a higher ‘level’ role to obtain residency.

“He wasn’t passionate about dairy, but he was motivated to move up and get a management position [elsewhere] so he could get residency.” (Dairy employer)

It may be that other migrants who are on work visas are leaving jobs because they either do not get granted a renewal, or it is too slow (leading to a limbo period without work). Alternatively, there may be instances where they have not been able to bring family members with them, and decide to leave.²⁴

“It is just cruel really, how immigration treats them sometimes.” (Dairy employer)

“He could not get his wife and kids out of the Philippines...his mental health was not good.” (Dairy employer)

A number of employers interviewed were frustrated with immigration settings. They were often unable to obtain enough migrant workers, to obtain them for enough months to cover the season, or at a salary level that was feasible long-term for the employer.

Availability of benefits

A small number of employers felt in recent years, it had become easier to go on a benefit, and this made people generally less committed to maintaining a job. Many employees also had family pressures and needed time and flexibility to look after family, also drawing them to go on the benefit.

“I have about 6 on the books who are ‘on ACC’. They have been ‘on ACC’ for 6 months! They just get a job and then immediately fake an injury and say it happened at work so they can go on a benefit. I know they have not been injured.” (Forestry employer)

²⁴ We note that there *could* also be RSE workers who would choose to stay longer if they could, but this was not explored in this research. These workers would also instead sit within “planned departures” in the categories used in this report.

“Her family were all on the benefit. She had been for a long time too, before working with us. But eventually, she couldn’t keep working. There was so much pressure from the whānau, everything she made, went to the family kete. She got sick of working so hard to not have anything for herself. It was really sad.” (Horticulture employer)

Ageing workforce

Another potential driver at play, is the ageing of the workforce. A small number of employers felt their industry was ageing (dairy and seafood employers in particular).

For dairy, one or two employers noted that as the workforce aged, so did their employment needs. For example, they were often employing young families rather than very young adults into roles. As such, these families had different priorities in terms of housing standards, and work-life balance. It is plausible they would also experience more family related reasons for leaving, such as their partner not wanting to live rurally, wanting to be closer to other family members, or experiencing difficult events such as a divorce.

On the other hand, when young people were employed, it was common there was nobody else of a similar age at the workplace, which potentially could heighten the employee’s sense of isolation.

“This problem in 10 years is going to be massive. I have no clue where we will get workers from.” (Seafood employer)

“Back in the day, you would have a bunch of 18-year-olds living in the farmhouse. So, they had each other. But now it is families.” (Dairy employer)

“We don’t get many young people coming through anymore. It’s an ageing industry.” (Seafood employer)

Mapping of reasons to drivers interaction

The below table maps the level of influence each of the seven key drivers could be expected to have on the category 2 – 3 reasons for leaving (Table 2). The level of influence has been determined by drawing on the findings and learnings from the employer interviews.

	Planned departures	Unplanned departures		
		Left due to being managed out	Left of own accord for job reasons	Left of own accord for life reasons
 Mental wellbeing and addiction	None	Strong	Moderate	Strong
 Generational differences	None	Weak	Moderate	Strong
 Work nature and industry structure	Strong	Moderate	Strong	Weak
 Cost of living and housing crisis	None	None	Moderate	Strong
 Immigration settings	None	None	None	Strong
 Availability of benefits	None	Moderate	Moderate	Strong
 Ageing workforce	None	None	Weak	Strong

Drivers analysis framework template

The below table can be used by different organisations within the food and fibre sector to undertake drivers analysis. This can be used for different groups of interest aside from employees, and for behaviours aside from leaving employment. To use this framework:

1. Select the employee group of interest
2. Identify the top five stated reasons that undesirable behaviour is occurring
3. Brainstorm the drivers that are creating or holding these reasons in place
4. Write these drivers into the appropriate rows, depending on which parts of the system have influence over them
5. Shift the green, orange and blue bars depending on the organisation you represent.

Group of interest:					
Drivers in the domain of:	[Reason one] <i>(Description)</i>				
The employee					
The employer					
The VET system					
The industry					
NGOs					
The government					
New Zealand history and wider economy					

Act on

Advocate for

Recognise

Intervention ideas matrices

Retention ideas

The following table contains initiative ideas that came from interviews, which relate specifically to improving the retention of new entrants in the first year. These have been prioritised based on:

- The likely strength of their impact on retention
- Relevancy to all of the food and fibre industry
- The ease of implementation
- Whether it sits within Food and Fibre CoVE's scope.

Note that those classified as "high priority" are big, easy wins. Those classified as "moderate priority" are typically either smaller wins, or more difficult to implement and achieve results.

Ideas for initiatives	Strength of impact on retention	Relevancy to most/all food and fibre	Ease to implement	Food and Fibre CoVE scope	Priority
Provide training to employers on supporting employees with mental health challenges as well as drug and alcohol addictions.	Strong	Yes	Easy	Pilot	High
Provide training to employers on supporting Gen Z employees.	Strong	Yes	Easy	Pilot	High
Develop a mentorship programme or workshop series for new entrants with career planning, work skills and financial literacy.	Strong	Yes	Easy	Pilot	High
Share seasonal workers between different industries and employers.	Moderate	Yes	Difficult	Pilot	Moderate
Develop a type of internship where the employee shifts between 3 industries of their choice within 1 year, to “try out” different things.	Strong	Yes	Difficult	Pilot	Moderate
Support young workers to get their driver’s license.	Weak	Yes	Easy	Pilot	Moderate
Invest in existing solutions that support employers to find temporary staff (e.g., apps).	Moderate	Yes	Moderate	Pilot	Moderate
Advocate for better training options (e.g., a fisheries school, better structured training).	Moderate	Yes	Difficult	Advocacy only	Low
Advocate to support employers who are being “squeezed in the middle” (e.g., for seafood this is due to supermarkets having monopolies, rises in minimum wage, and fishing quotas).	Weak	Yes	Difficult	Advocacy only	Low

Advocate for the government to manage benefits better to ensure only those who need them receive them.	Weak	Yes	Difficult	Advocacy only	Low
Advocate to encourage employers to move from providing 1-year contracts to permanent jobs where possible.	Weak	Unsure	Difficult	Advocacy only	Low
Advocate to prevent the pressures causing mental health challenges (fishing quotas, supermarket monopolies, regulation).	Moderate	Yes	Difficult	Advocacy only	Low
Advocate to change aspects of work conditions (e.g., rosters in dairy).	Strong	No	Difficult	Advocacy only	Low
Advocate to ensure role titles are used consistently across industries (e.g., dairy).	Moderate	No	Difficult	Advocacy only	Low
Advocate for subsidies for workers who are off work during bad weather (including caused by climate change) and lose income (e.g., horticulture).	Weak	No	Difficult	Advocacy only	Low

Non-retention ideas

The following table contains the other ideas that employers discussed in interviews, that either related to retention not specific to the first year or related to attraction or filtering challenges.

Ideas for initiatives	Attraction	Filtering	Retention
Support employers to know how to advertise their roles and businesses better (e.g., showing the business values, showing the reality of the work).	Y	Y	
Organise farm days for interested people to experience what a farm is like.	Y	Y	
Push back against the media by promoting the sector / industries realistically.	Y		
Advocate to change immigration settings to enable employers to obtain more migrant workers; to obtain them for enough months to cover the season; and to ensure the salary requirements are not unattainable for employers.	Y		Y
Support employers to have better recruitment processes (interviewing, reference checks, warning signs for drugs / alcohol).		Y	
Create consistent role titles.		Y	Y
Consider how new residents (migrants who have obtained residency) can be encouraged into other parts of the food and fibre sector that align better with their interests, earlier qualifications and experience.			Y