

# ***Building Capacity of the Australian Sugar Industry***

**Discussion Paper**

**Prepared for**

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## **Executive Summary**

Australia's primary industries are facing a time of unprecedented change, not only in terms of its scale but also its nature.

Where change has previously been associated with production-based issues such as farming systems and technology, the last two decades has seen change associated with external forces such as public scrutiny, internationalization of the marketplace and competition for resources.

Leadership has traditionally been about engaging within industry. It now needs to be about facilitating industry's engagement with external stakeholders. Such leadership requires a broader range of skills than has previously been the case.

Where corporations have experienced similar pressures, they have responded with integrated development programs aimed at development of a learning culture within their organizations rather than relying on training individual leaders.

The Leading Industries experience with a variety of primary industries is that cultural change can be achieved by investing in building the capacity of people within the industry, enabling them to engage with the decision-making process.

Capacity building in this context is involves strategic development, leadership and mentoring.

An integrated investment in capacity building in the sugar industry is recommended, supported by a Leadership Council acting as champion for the cultural change required.

## **Introduction**

This document is presented by *Leading Industries*, which has worked on leadership development and innovation programs for major primary industries across Australia including seafood, citrus and dairy.

Australian primary industries are experiencing unprecedented change with significant economic and social impacts. As a result of growing global competition and price pressures in the marketplace, these industries have recognised the need for organisational review and the implementation of strategies to increase the depth and breadth of leadership capacity.

An independent assessment of the sugar industry in 2002 noted in part: *“The industry’s best chance to survive and flourish is largely up to itself; on its willingness to change the way it organises itself ... on learning to cooperate and take up good ideas, of which there are many; on its willingness to support the best, most energetic and most able talent to lead for the good of each mill area or region.”*<sup>1</sup>

Leading Industries develops programs that build sustainability and profitability for industries by investing in the most important asset of all – people.

The Leading Industries programs strengthen participants’ skills, knowledge, confidence and contacts, resulting in their heightened performance at an individual, enterprise and industry level.

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<sup>1</sup> Hildebrand, C. *Independent Assessment of the Sugar Industry, Canberra, 2002.*

The proven formula has resulted in key primary industries being positioned to operate at a higher level.

Leading Industries is pleased to present its experience and expertise to assist the Australian Sugar Industry to better position itself for the future.

## 1. **Background**

Change has been constant throughout the history of Australia's primary industries. Predominantly, the focus of change has been on increased production through improvements in machinery, the creation of new plant varieties or adjustments in farming practices. Mostly, these changes have been initiated and implemented by individual farmers or industry bodies.

However, over the past two decades external influences have entered the change agenda. For example, global marketplace pressure is forcing Australian primary industries to look at the way they have traditionally operated. Governments are changing the way they support industry sectors. New environmental and labour market pressures are impacting on primary production in ways we have never experienced before.

Other industries, for example mining, are experiencing boom times to meet the demand for resources from countries such as China and India. As a result, many young people are being lured away from agriculture to mining and associated industries. Apart from the economic outfall, there are many social consequences of these changes with the exodus of young people from farming areas in search of more diverse skills and work, and the loss of services and infrastructure that for generations supported farming economies.

Change is also being brought about by the growing urbanisation of rural Australia, particularly in coastal areas, and the impact this has on issues such as power and water supply, as well as land values.

Put simply, the enormous new challenges to primary industries are about dealing with increased public scrutiny, competition for resources (funds, land, water and labour) and competition in the marketplace.

In the past, industry leaders have for the most part come from production, extension or scientific backgrounds, enabling them to deal with the predominantly production / industry-based issues.

Leaders in the 21<sup>st</sup> century still require technical or scientific skills, but the challenges faced by industry demand that they also have a big picture perspective, greater expertise in working with people and a commitment to team leadership that encourages and promotes representation and participation in decision-making.

There is a paradigm shift right through primary industries driven by the need to engage outside of historical bases. This will not only increase productivity and profitability, but it will also position industry sectors to deal with external forces.

Several structural elements of the sugar industry – particularly within the production sector – appear to result in it being insulated from the outside. “The single desk isolates producers from the market”<sup>2</sup> – and, therefore, from having to deal with any external change. This means producers in general focus only on farming issues.

Rules surrounding the harvesting system protect and insulate growers from external impacts, and from negotiating creative solutions with mills. The system also works to insulate different sectors of the industry from each other, creating

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<sup>2</sup> Hildebrand, C. *Independent Assessment of the Sugar Industry*, Canberra, 2002.

sub-industries of production, milling and marketing, and setting them up to be protagonists.

Furthermore, the industry predominantly operates in one State resulting in further isolation from innovation, leadership models and strategies being applied with success in other primary industries throughout Australia.

There is no doubt that the change is happening because of external forces. Success will come to those who apply human capacity to this change by embracing a new vision and new styles of leadership.

The key questions for the Australian sugar industry are:

1. How do we change the culture of the industry from task-orientated, technical and inward-looking to an outward-looking, big-picture focus?
2. How do we set meaningful goals and then measure progress towards those goals?
3. What tools are important, and how can they be used?
4. How do we support the process?

## 1.1 Australian Primary Industries

“In rural Australia, 25 per cent of employment comes from the agriculture sector.”<sup>3</sup> This relatively low percentage is due to increased mechanisation, growing numbers of corporate enterprises, and larger properties.

Demographic trends within farming areas have changed dramatically over recent decades with the number of farmers exiting the industry being significantly higher than the number entering for most commodities. For example, “in the dairy industry the number of registered farmers has decreased by 50 per cent in the past twenty years.”<sup>4</sup> “The decrease in the number of producers in the Sugar Industry is only evident in the past ten years with a decrease of 558 producers or 9% between 1998 and 2006.”<sup>5</sup>

“The number of young women entering agriculture has decreased by 80 per cent during the past 25 years, while for young men the decline has been 40 per cent. This decline is associated with the pursuit of further education and off-farm career opportunities.”<sup>6</sup>

In a report commissioned by the Federal Department of Agriculture, Fisheries and Forestry in 2001, it was found that “29 per cent of employees within the agriculture sector were aged between 18 and 35 years. More specifically, in the ‘other crops’ sector, which included sugar, the percentage of 18 to 35 year old employees was 33 per cent, and within Queensland it was 30 per cent.”<sup>7</sup>

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<sup>3</sup> Australian Government Department of Transport and Regional Services, *About Australia's Regions*, Canberra, May 2004.

<sup>4</sup> Dairy Australia, *Australian Dairy Industry in Focus 2005*, Melbourne, 2005.

<sup>5</sup> Canegrowers Ltd. 2006.

<sup>6</sup> Barr, N., Karunaratne, K., Wilkinson, R. *Australian Farmers: past, present and future*, Canberra, Land and Water Australia, June 2005.

<sup>7</sup> Agriculture Fisheries and Forestry Australia, *Young People as Clients Strategy*, Canberra, April 2001.

The report found that “36 per cent of young people employed in agriculture were very interested in training and education by industry, particularly in the areas of business management, financial management, technical training, leadership development, marketing and promotions, negotiation and conflict management, lobbying and public speaking.”<sup>8</sup>

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<sup>8</sup> Agriculture Fisheries and Forestry Australia, *Young People as Clients Strategy*, Canberra, April 2001.

## 1.2 Australian Sugar Industry

Demographic data in relation to the sugar industry is difficult to access because definitive research has never been commissioned. If a strategic investment is to be made into what is arguably the most critical resource of the industry – people – detailed and accurate data on demographics of the workforce and related trends is essential.

“The sugar industry in Australia spans almost 150 years with the number of growers increasing from approximately 1,347 in the late 1800s<sup>9</sup> to a more recent figure of “5,920 growers in owner-operated cane enterprises. It is estimated that a further 2,000 people are employed in this sector of the industry. The majority of growers – 5,400 – are located in Queensland, with 500 in northern New South Wales and a further 20 in Western Australia. Family partnerships and sole proprietors account for approximately 85 per cent of Queensland sugar cane businesses.”<sup>10</sup>

The Hildebrand Report highlighted the need for further investment in people stating in part: “The Assessment became aware of muzzled talent from the regions: men and women with ideas, but lacking experience and sometimes stilled by what they described as older conservative miller-corporate or hierarchical farmer-corporate bodies.”<sup>11</sup>

The report also stated that: “The industry’s future is in the hands of young farmers. They need encouragement ... new entrants also need encouragement.”<sup>12</sup> The report identified the need for “significant improvement in business management skills in the regions to realise individual mill area potential.

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<sup>9</sup> Australian Government Department of Agriculture, Fisheries and Forestry, *Sugar Industry Oversight Group: Strategic Vision*, Canberra, 2004

<sup>10</sup> Canegrowers Ltd. 2006.

<sup>11</sup> Hildebrand, C. *Independent Assessment of the Sugar Industry*, Canberra, 2002.

<sup>12</sup> Ibid

This was seen to be due to a production rather than profit approach and being “separated from the marketplace by Queensland Sugar Ltd.”<sup>13</sup>

The Hildebrand Report further stated: “The milling sector is made up of 12 companies operating 28 mills. In 2005, farmer co-operative companies predominantly owned by growers controlled 13 mills producing 40 per cent of Australia’s raw sugar.”<sup>14</sup>

“An estimated 59 per cent of the 2005 crush was produced in far north Queensland between the Burdekin region and Mossman. The other major producer of sugar is the Mackay region.”<sup>15</sup>

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<sup>13</sup> Hildebrand, C. *Independent Assessment of the Sugar Industry*, Canberra, 2002.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

## **2. How to build capacity/cultural change**

### **2.1 A brief history of capacity building**

Capacity building programs have their roots in both geographic and issue based communities and tend to take one of three approaches to social change – development, planning and action.

The development approach is designed around long term, whole-of-community considerations with a focus on the development of both individuals and the community as a whole. The planning approach relies on definitive research data on the needs and aspirations of stakeholders and on making this information available to the community to assist in informed decision-making. The action approach empowers stakeholders to bring about change, particularly for the disadvantaged.

In the 1970s and 1980s, Land Grant Universities throughout rural America started to focus on local economic development at a community or regional level. These projects combined a strong research base with community engagement. At that time, the issue of uptake of research findings was also examined and a model known as the ‘diffusion of innovation’ was developed for use in the agriculture extension sector. “This model suggests that there are five stages in the process of change, and that individuals are at varying levels of readiness to change.”<sup>16</sup>

At one extreme, there are those who are eager to make change and will respond instantly and positively to a new opportunity. At the other end of the spectrum are those who will only adopt a behaviour when it is completely entrenched. Those in the ‘high readiness’ category are more active information seekers, have

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<sup>16</sup> Rogers, E. *Diffusion of Innovation*, New York, Free Press, 1983.

a favourable attitude to change and are more 'worldly' in their personal and social outlooks. Mass media coverage or a general invitation will be likely to trigger these people to response and action.

On the other hand, the U.S. model showed those in the 'low readiness' groups respond more to local media and interpersonal influence, so that local organisations and networks need to be mobilised.

People who are resistant to change are likely to be socially or economically disadvantaged and, as they often have less social contacts, they are more difficult to reach. They do, however, respond to personal contact.

Young farmer organisations exist in many forms and throughout many countries. They have in the past played a significant role in developing the confidence, life skills and knowledge of young people across a range of commodities. However, in recent decades, they have attracted less support meaning many young people in the agriculture sector no longer have access to developing skills in meeting procedure and public speaking, or in forming professional networks outside their community or family.

In the late 1980s and 1990s, leadership programs emerged in rural areas of the United States and Australia bringing together people across commodities. These programs provided useful opportunities for networking and gaining information. However, it was shown that their value was diminished when participants had not developed a whole-of-industry perspective of their own commodity.

Programs were also developed acknowledging the potential of women to become involved in industry beyond the farm gate and at that time, young people were listed as an agenda item at meetings of many industry companies and organisations, but there was little action.

Capacity building programs are now on the agenda of most primary industries in Australia. In the main, they reflect the philosophy of the Australian Rural Leadership Program, which focuses on development of national networks among key members of Australian primary industries.

Dairy Australia has commissioned a strategic plan for building leadership capacity in its industry. The Fisheries Research and Development Corporation has similarly commissioned a report on investing in people development in the Seafood Industry.

It is true that capacity building programs that focus on investing in the potential of people continue to be considered by some as tokenistic. Yet, there is growing evidence that equipping people with knowledge and skills – and a whole-of-industry perspective – enables them to form alliances across sectors and helps them to grasp emerging opportunities. In hindsight, it is believed that the most effective programs are those that integrate development, planning and action when addressing social and economic issues and opportunities.

## 2.2 People Development in a Corporate Context

It is generally accepted that primary industries and rural communities follow about 10 years behind trends in the corporate world. Whilst this gap is closing as the information age takes hold, it is still worthwhile to assess the corporate world to get a picture of what primary industries will be doing in the coming years.

From the 'greed is good' outlook of the 1980s where people development was characterised by vision and mission statements to the more conservative trends of the 1990s, the corporate world is now moving into the building of a 'people culture'.

This has now been refined to investing in people not just as employees but includes investing in the well-being of individuals so that they can function to their potential in life – with work being just one element of this equation.

The new focus is also on:

- development of leadership;
- provision of mentoring; and
- structural (or community) development.

At the corporate level, leadership theory has moved from the original 'born leader' – or 'hero leader' model – to one of 'team leadership'. This is where leadership is provided by a team and everyone is acknowledged as having a contribution to make (Refer Appendix i for further discussion).

Similarly, mentoring has moved from paternalistic 'patron' or 'coaching' relationships to one of a 'learning partnership'.(Refer Appendix ii for further exploration).

### **3. A New Model**

For the past 15 years, Leading Industries has been developing and delivering leadership and capacity building programs to Australia's primary industries.

It was found that traditional forms of leadership training were focused on individuals without providing them with a context, or creating pathways to ensure their integration into industry. Additionally, few of the programs focused on skills development, instead providing networking opportunities and programs dominated by the provision of information with little interactive or experiential learning.

Extensive consultation on industry structures and leadership, as well as training needs, has been undertaken with a range of agricultural industry groups throughout Australia, including seafood, dairy, grains, citrus and sugar, as well as with the communities in which they work.

Consultation was based around focus groups of eight to fifteen people, with young industry members consulted separately from those currently in leadership positions. The outcomes of the consultation process were consistent across all industries and States.

Those in existing leadership positions felt that young members of industry were either not ready for leadership roles, or had no interest in taking on such roles. Generally, they had a pessimistic outlook on the industry and its prospects for the future. Many of the industry leaders held the view that the ultimate responsibility for outcomes was with them.

On the other hand, young industry members were much more positive and optimistic about the industry, and they were enthusiastic about making a contribution. However, they consistently reported that they felt disempowered by current leadership regimes. Furthermore, they saw no prospects or opportunities for becoming involved in their industry as current leaders had a vested interest in retaining their positions with no commitment to succession planning.

An integrated leadership development program was subsequently designed and implemented for a range of primary industries and rural communities to give younger members the skills to take up leadership opportunities within their industry.

The program took a tiered approach to leadership development. The components were:

1. Development of **awareness** among individual members of the industry of the structure, formal decision making processes and issues being addressed.
2. Training of individuals to enable their effective **participation** in these structures and processes.
3. Investment in individuals who were committed to a team approach and able to **represent** the industry at the local, state or national level.
4. Establishment of a culture of continual improvement by linking existing leaders with industry members through a **mentoring** program, and
5. **Organisational review** and **development** within the formal structures and processes to ensure training program graduates were supported and resourced.

Fundamental to each level of the program was a commitment to experiential learning by the individuals involved. The selection process was integral to the success of the program, as it linked training participants and industry decision-

making bodies from the outset. Individuals were required to gain the support of industry in the form of nomination, sponsorship and commitment from a mentor, together with opportunities to observe and participate in industry decision-making processes.

Furthermore, each training program required participants to undertake an industry-related project over the duration of the program. Firstly, these projects give participants the mandate to become actively involved in the industry. Secondly, it enables them to put their newly acquired skills and knowledge into practice. Thirdly, it provides an opportunity for participants to contribute to their industry.

The training programs focus on enhanced awareness, participation and representation. They offer participants the opportunity to focus on the learning opportunity, develop lasting relationships with peers, meet with senior industry stakeholders at formal dinners to discuss issues of significance, actively expand their network, and learn the art of strategically preparing for an event in order to access information and gain insights into the 'big picture'.

Personal support is provided to all participants – both during the residential sessions, and between sessions while they are undertaking their project. Contact with mentors also provides an important source of information in regard to investigating how the mentoring process is developing from both perspectives, and to offer support to deal with any issues that may arise.

## 4. Findings

### 4.1 The implications of the emerging culture

Forty percent of the 733 participants who have participated in Leading Industries programs to date were found to have a preference for the task approach to their work. The task style is characterised by a practical, organised and rule-based approach with the completion of the task being the ultimate goal. Often, this does not lead to the most creative or strategic approach, and the impact on people is unlikely to be considered. Other research undertaken by Human Synergistics in New Zealand and Australia has also found that “the predominant culture in agriculture is high in achievement, which leads to task excellence, but with a low emphasis on people development”.<sup>17</sup>

The Leading Industries research also found that 23 per cent of participants had a preference for a strategic operating style. This is characterised by systems, lateral thinking and continuous improvement as these people value opportunities to explore ideas and plan projects with other like-minded stakeholders, but are not necessarily effective at implementing the projects. People with this style make a valuable contribution to ‘big picture’ thinking and decision making.

A further 20 per cent of participants were found to have a people style, with a focus on ensuring others were included and consulted in any activities being undertaken. With only one fifth of industry stakeholders having this style the potential for team leadership, collaborative decision making and a whole of industry approach is diminished.

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<sup>17</sup> McCarthy, S. *Transforming Leadership and Culture: The State of the Nations. New Zealand: Human Synergistics, 2005*

The final 17 per cent of participants were those with a preference for the *spontaneous* style that spawns creative ideas, fun and problem solving, particularly in times of crisis. The low percentage of participants within the *spontaneous* style is a concern, and it is thought that much of the creativity within these people may have been suppressed to gain acceptance in their culture.

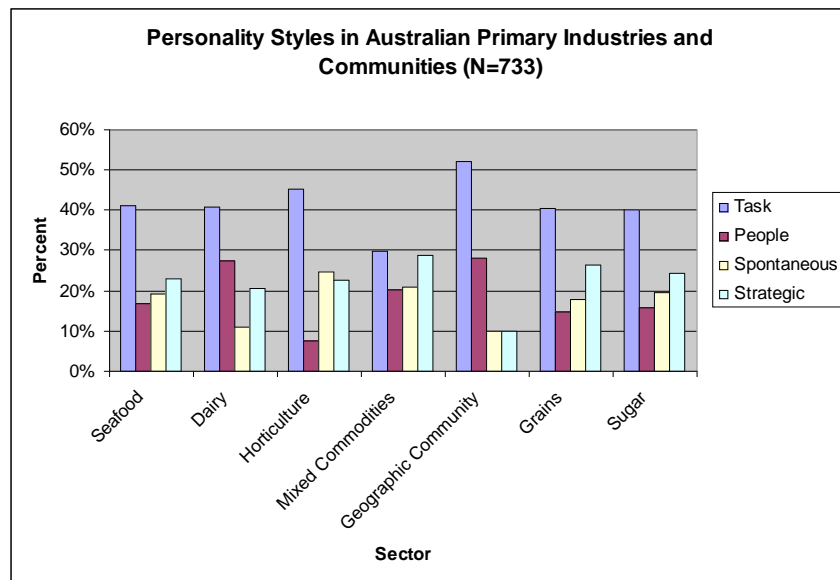
Cultures are very pervasive and can be a source of pressure to conform. Conversely, a culture may have a liberating effect. A balance of all four styles will enhance the potential for investing in people and taking a strategic approach to long term industry development.

The Leading Industries programs affirm the value of all personal styles, and empower individuals to explore their style and potential as they move into the future.

The following table highlights the findings of the predominant personality styles within specific agricultural commodity groups and rural communities.

**Figure 1**

Personality Styles by Sector



These findings are important as they provide useful insights into both the individual styles of stakeholders and the overall industry culture. When those with a *task* style are in the majority or take a dominant role, they tend to discourage the involvement of others.

Primary industries and their associated communities need to be supported as they mature and acknowledge the value of all people and the contributions they have to offer.

#### 4.2 Leadership – skills, knowledge, confidence networks and the big picture

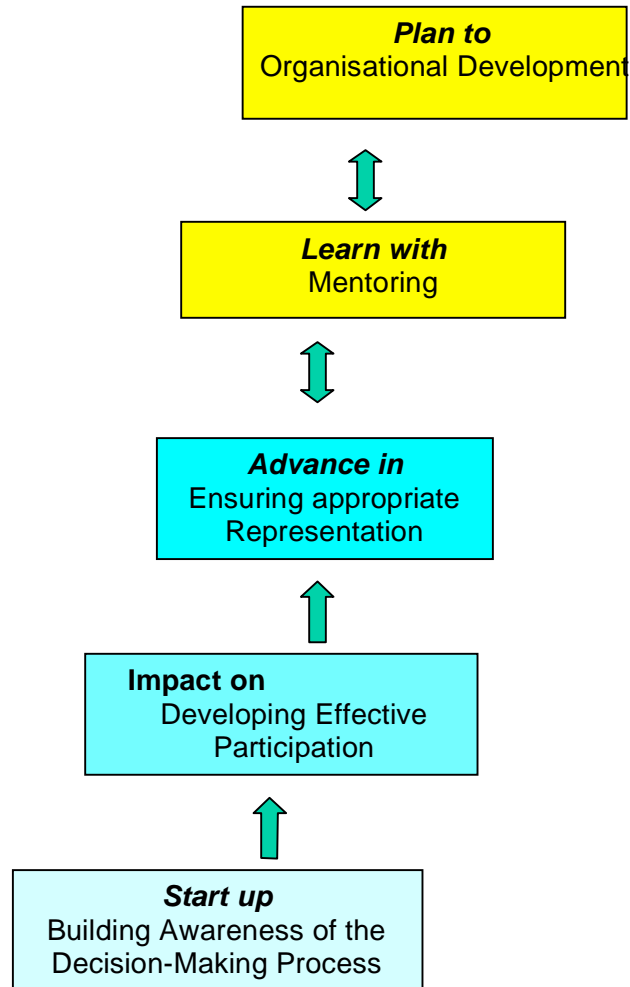
Our experience with primary industries has identified the need to promote leadership that enhances the whole system and not just a form that replaces other individuals. Industries need to increase both the depth and breadth of their leadership capacity to deal with the future with a collaborative approach to achieve a shared vision.

Hence, the Leading Industries model was developed from a sound understanding that industries require leadership rather than leaders. This is best brought about by involving all members of the industry in a leadership process.

*Team leadership encourages inclusiveness while achieving goals in a whole-of-industry context. Team leaders actively invest in their self-awareness and development – and that of others – in order to operate at their full potential and achieve planned goals.*

*A team leadership model ensures that everyone has the opportunity to learn from those currently taking a leadership role through a mentoring process and that they are supported by industry structures and processes.*

**Figure 2.** Team Leadership Capacity Building Model for Industry



### 4.3 Mentoring

Many of our programs were developed from a realisation within industries that they were losing their existing leaders and that no real effort had been made to invest in the next generation. It was further realised that developing skills in new leaders would rely to a large extent on personally gaining experience and insights from existing leaders.

Thus, the Learning Partnerships element was developed and reflects our firm belief that mentoring will only work if the:

- participants choose their mentor;
- relationship is formalized;
- relationship has a purpose;
- mentor is supported to enable them to share their experience and knowledge, and
- pair are encouraged to view the relationship as a two-way learning process, valuing the contribution that both individuals make to the industry.

### 4.4 Commodity Specific Programs:

One of the outcomes of the work to date has been a realisation that many of the industry members who participate in the programs (the next generation of leaders) do not have a broad understanding of their own industry. In most instances, their knowledge is limited to their particular region, sector or State with very few exhibiting an understanding that covers both the geographic diversity of their industry, and the whole of the value-chain.

#### 4.5 Positioning for industry involvement:

Graduates of the Leading Industries programs gain clarity on the area of industry to which they can make the most effective contribution. For some this means refocusing on their current role in production, extension or processing for example with a commitment to best practice, innovation and leadership. For others they commence the process of strategically planning to gain a position on an industry organization, in order to participate in decision making which will result in a more sustainable, profitable and progressive industry.

## 5. Recommendations

The following recommendations are therefore made based on:

- an assessment of the current environment facing the sugar industry;
- an investigation of approaches to capacity building, and
- reflection on 15 years of practical application of these approaches.

### 5.1 There needs to be a Change Agent

Cultural change will only occur if it is supported structurally and given priority within the industry.

It is recommended that a Leadership Council is established comprising not only key people from within the sugar industry, but also representatives from the next generation of leaders and individuals from outside the sugar industry who can provide a “big picture” outlook on the key issues, as well as ethical and futuristic perspectives.

**Outcome:** Accountable body which has the mandate and resources to take a long term strategic approach to people development.

### 5.2 The Change Agent needs to understand the sugar industry, including demographics, culture, skill sets, the level of engagement between sectors and have broader industry perspectives.

The ‘people development’ program must be matched to the industry. Therefore, it is recommended that an investment be made in research to gain a clear understanding of the demographics of the industry. Ideally, this data should be

collected and analysed as part of the census process identifying the age, gender, income, sector and region of industry stakeholders.

**Outcome:** Accurate planning data.

### **5.3 The Change Agent needs to identify and model the required culture, establishing performance indicators and measures to provide clear goals.**

It is recommended that tools be evaluated and the most appropriate chosen in order to measure success of capacity building, including some to measure trends in the culture of the industry for example, human synergistics, personality styles and key demographic data such as level of engagement in non-industry organisations.

Similarly, there are a number of tools that can measure the skills, knowledge, networks and big-picture perspective of individuals. The most commonly used measures are the competencies associated with the Industry Training Package.

It is recommended that competencies associated with leadership be reviewed and developed with a focus on leadership and innovation. 'Packages' of competencies can then provide a measurement for customised training opportunities and pathways for industry members.

**Outcome:** Measurement of progress made in people development.

### **5.4 The Change Agent needs to make industry aware of its culture and the need for change**

It is recommended that a broad-scale information and communication program be implemented to engage with industry at an individual as well as organisational

level. This will demonstrate the importance the industry is now placing on people development and capacity building. Initiatives such as the Generation Next Forum should be supported and embedded into the culture of the industry. Similarly, people development needs to be recognised and given prominence in industry workshops and conferences.

**Outcome:** Increased awareness and engagement of stakeholders in the industry's future development.

### **5.5 The Change Agent needs to support programs that provide industry members with an ability to be part of the new culture.**

It is recommended that support be provided to develop leadership at five levels:

- investing in developing the 'awareness' of industry members in the decision-making process;
- ensuring an ability to 'participate' in the process;
- developing members who are able to 'represent' the industry;
- providing for passing of positions and knowledge between leaders from generation to generation; and
- ensuring organisations provide structural support for the process.

**Outcome:** Training and development programs developed, delivered and assessed against the packages of competencies identified, resulting in a critical mass of change agents within the industry.

## **5.6 The process needs to be locked in.**

It is recommended that people development, as outlined above, become an integral component of all research programs with real industry opportunities for learning and experience, and the results should be communicated effectively.

For example: Market investigations should be conducted in a broader learning framework so that participants are strategically exposed to, and understand the “big picture” context within which they are operating and outside influences.

Research becomes a collaborative process between researchers, producers, millers and extension.

**Outcome:** People development becomes a part of the culture of the sugar industry.

## **6. Strategies**

6.1 Develop three sub-programs within the people development program:

6.1.1 Individual development

6.1.2 Regional development

6.1.3 Industry development

### **6.1.1 Individual development**

Aim to have 20% of industry stakeholders participating in a capacity building program mapped against competencies in five years. This will ensure stakeholders have the necessary skills, knowledge and perspectives to address industry challenges and capitalize on opportunities.

### **6.1.2 Regional development**

Aim to build the capacity of industry at a regional level by forming industry networks in order that regional issues can be addressed and then effectively represented at a sector, state and whole of industry level.

Develop a data base of available positions so that each regional network is aware of opportunities for increased involvement, including related organisations associated with water, the environment, local government and regional development.

Promote cross sectoral involvement in best practice by research projects taking a participatory action research approach to projects. This will ensure that connections are made between sectors and with external

stakeholders. Thus perspectives will be shared and understood, alliances developed and joint ventures progressed.

### **6.1.3 Industry development**

Facilitate industry organizations to develop strategic plans which incorporate succession plans to ensure a youthful and dynamic approach to organizational development.

This will ensure that industry organisations are engaged with external stakeholders in order to capitalize on the opportunities which are emerging and that they are structured to ensure the next generation of leaders can gain experience through associate membership programs and mentoring.

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## Appendix ii – Leadership: The Theoretical Context

Leadership has been the subject of debate and research for centuries. Plato in 387 B.C. believed that “until philosophers are kings or the kings and princes of this world have the spirit and power of philosophy, and political greatness and wisdom meet in one ... cities will never have rest from their evils”<sup>18</sup>

Aristotle, from the same era, stated: “All citizens alike should take their turn of governing and being governed.”<sup>19</sup>

A similar perspective came from Lao-tzu, an ancient Chinese sage from the 6<sup>th</sup> Century BC, who stated: “The wise leader ... keeps egocentricity in check and by doing so becomes even more effective. Enlightened leadership is service.”<sup>20</sup>

Confucius and Buddha, other enlightened leaders of this era, agreed on service and compassion – what we do, not what we believe – as the essential human goals.

Importantly, none of these perspectives focus on power, control, or the impact of the leader on the followers. Rather, leadership according to these philosophers of ancient times focused on the need for leaders to be open to learning, to have an understanding of the people they are working with, and of service being their goal.

In contemporary Western society, much of the leadership research during the first half of the 20th century centred on the qualities of the leader, in terms of behaviour or traits, and the subsequent impact the leader had on their followers.

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<sup>18</sup> Wren, J.T. *The Leader's Companion: Insights on Leadership Through the Ages*, New York, 1995.

<sup>19</sup> Ibid.

<sup>20</sup> Heider, J. *The Tao of Leadership*, Hampshire, Gower Publishing, 1993.

The theory of leadership evolved into a more complex model in the latter part of the 20th century arguing that the leadership requirements would vary according to the situation or context. “Leadership involves a job to do and people to do it with, and hence, successful goal accomplishment depends upon the degree of people support and control of the task. Leaders do whatever the circumstances require.”<sup>21</sup>

These approaches emphasise the importance of the leader and simply aim to define the necessary qualities required to impact on both the followers and the context in which they are operating. There is limited acknowledgment of the need to create a sustainable system which seeks to develop all involved, as well as serving the collective good, as the emphasis is so strongly placed on the individual leader.

### *Trait Leadership*

Early in the twentieth century, the trait theory of leadership emerged. This theory focused on one person who was believed to have the vision and the capacity to meet the needs of those who were prepared to follow. It is in this context that the debate around leaders being born rather than made often arises. According to Kirkpatrick and Locke: “The core traits necessary in a leader are drive, desire to lead, honesty and integrity, self-confidence, cognitive ability and knowledge of the business.”<sup>22</sup>

There was a resurgence of interest in this approach in the latter part of the 20th century with proponents of this theory believing that leaders are unique individuals undertaking roles in which others would fail.

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<sup>21</sup> Wren, J.T. *The Leader's Companion: Insights on Leadership Through the Ages*, New York, 1995.

<sup>22</sup> *Ibid.*

### *Behavioral Leadership*

The behaviour theory of leadership focuses primarily on two specific dimensions – effectiveness of the leader in terms of the task, and the leader's relationship with others involved in the task. Hersey and Blanchard identified in their findings that: “The task and relationships were the two most important dimensions of leadership.”<sup>23</sup>

### *Hero Leadership*

The predominant model of leadership in rural Australia tends to mirror the traditional “hero leader” theory. McCrae-McMahon observes that even though “leadership sometimes begins with no agenda of personal power over others, it changes as the leader becomes corrupted by the seduction of power.”<sup>24</sup>

The other potential manifestation of the “hero leader” approach is the creation of dependency of followers on the leader. Followers in this situation may be less inclined to invest in their development of self-awareness, skills and knowledge, as they believe the leader will direct them. The cultural context then tends to be one of blame rather than responsibility, and of control rather than inclusiveness.

### *Contingency or situational leadership*

The contingency or situational theory of leadership suggests that there is no one style or method of leadership for every situation, as each situation is different. Hence, the leader simply needs to respond to the challenges that emerge. Integral to this theory is the relationship between leader and follower “ ... where

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<sup>23</sup> Wren, J.T. *The Leader's Companion: Insights on Leadership Through the Ages*, New York, 1995.

<sup>24</sup> McCrae-McMahon, D. *Daring Leadership for the 21<sup>st</sup> Century*, Sydney, ABC Books, 2001.

the leader's behavior must change appropriately in order to maintain the performance of the followers."<sup>25</sup>

The preparedness of the followers also appears to be a significant factor in this theory and "it is defined as the ability and willingness of followers to perform a particular task. Ability is a function of the knowledge and/or skills that can be gained from education, training, and/or experience. Willingness is a combination of commitment, confidence and motivation" according to Hersey and Blanchard.<sup>26</sup>

### *Team Leadership*

Team leadership is characterised by behavior that encourages and promotes inclusiveness, diversity and opportunities for others to develop and contribute. Team leaders actively invest in others, encouraging them to fulfil their potential in order to achieve shared goals.

Unlike all other leadership models, team leadership requires all involved to be self aware, that is, to act in the knowledge of their personal style, strengths and weaknesses, rather than taking the more passive approach of waiting to be directed by a leader or dominating others.

Those participating in a team leadership approach know, or are open to feedback, as to when they have the skills and expertise required. Alternatively, they are aware of situations when they need to support another person to take a leadership role because they are better equipped.

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<sup>25</sup> Wren, J.T. *The Leader's Companion: Insights on Leadership Through the Ages*, New York, 1995.

<sup>26</sup> *Ibid.*

Team leadership needs to embrace the concept that everyone has a contribution to make, and a belief that being inclusive of diversity is in the best interests of those being served.

## Appendix iii – Mentoring: The Theoretical

### *Traditional Model*

The mentoring process is an example of an attempt to reintroduce learning into the workplace and community. But, unfortunately, many contemporary models reinforce the notion that at a certain point learning is complete, and people are then in a position to pass their learning on to others without further reflection or study.

This approach “ ... is heavily based on the power of the mentor ... in which the mentor acts on behalf of the protégée.”<sup>27</sup> Some of the limitations of this approach are that it is more career-focused than developmentally focused. In other words, it promotes one-way learning and encourages cloning.

“The term mentor originated in Greek mythology when Mentor, a wise teacher, was asked by his friend Odysseus to watch over his precious son, Telemachus, as he embarked on a lengthy voyage. Mentor gave love, guidance, protection and blessing to the young child until his father returned.” (Al Huang and Lynch 1995, xi).

This model is what most mentoring relationships are based on with a senior, more experienced person investing in and assisting a younger, less experienced person. There are many examples to reinforce the value of this model as one step in the learning process. However, there is little acknowledgment that the person being mentored also has a contribution to make to the learning relationship. And yet, if the relationship lacks reciprocity, not only does it risk diminishing the possible outcomes in terms of learning for both participants, it

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<sup>27</sup> Clutterbuck, D. *Quiet Transformation: The Growing Power of Mentoring*, Mt Eliza Business Review, Australia (Summer/Autumn 2000-2001).

also reinforces the myths that young people do not have a contribution to make, and that learning concludes with formal study.

The traditional mentoring model appears to have been perpetuated over centuries in many guises, but in so doing it reinforces the patriarchal system where “power over” is the predominant paradigm applied. This approach diminishes the potential of a true learning relationship, which is based on trust, respect and the formation of a relationship that enables learning and development.

The corporate world uses mentoring as a strategic tool for succession planning, but in some situations this process focuses on maintaining the status quo and ensuring the designated successor is imbued with the cultural norms of the organisation. One of the problems with this model is that it lacks transparency – that is, the corporate goals are not necessarily separated out from the mentoring process, or the person being mentored.

It is essential that the purpose of the relationship be established and clarified by all parties prior to entering into a mentoring agreement. In the traditional mentoring model, there appears to be little if any reciprocity in a learning context, although there may be rewards for grooming a successor to a position. It therefore appears to be more aligned to traditional methods of formal education where one position or teaching is shared with the student.

### **A New Mentoring Model - Learning Partnerships**

Learning partnerships centre on reciprocal relationships and life-long learning. They are a further element of the model that will facilitate the development of a learning culture. It is anticipated that each person will have multiple learning partners during their life as they develop and follow their own personal journey.

Traditional mentoring relationships have provided some useful insights, although learning partnerships relate more closely to the ancient Chinese approach to mentoring as described by Ai Huang. The Tao mentoring process “is a two-way circular dance . . . the mentor goes beyond the common notion of master to become a special kind of leader; one who can both guide and be guided.”<sup>28</sup>

Learning partnerships by their very nature require reciprocity within the relationship. O’Brien states: “the great mentoring relationships are reciprocal.”<sup>29</sup> A learning partnership is a relationship whereby both participants are facilitated to reach their potential as the synergy enables each to learn and perform at a higher level than would otherwise be possible. This, in turn, impacts on the broader context or community.

O’Brien reinforces this point when he states: “I believe if you have 20 per cent of the people engaged in mentoring relationships, it will raise the thought and quality of conversation among the other eighty per cent, simply because that twenty per cent will begin to help create a culture of thinking about more significant things.”<sup>30</sup>

Learning partnerships share some of the characteristics and values with the contemporary European models of mentoring, which “emphasise development, aim to increase self reliance and encourage learning by both parties.”<sup>31</sup>

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<sup>28</sup> Ai Huang, C. and Lynch, J. *Mentoring: The Tao of Giving and Receiving Wisdom*, New York, Harper San Francisco, 1995.

<sup>29</sup> Senge, P. *The Dance of Change: The Challenges of Sustaining Momentum in Learning Organisations*, London, Nicholas Brealey Publishing, 2001.

<sup>30</sup> Ibid.

<sup>31</sup> Clutterbuck, D. *Quiet Transformation: The Growing Power of Mentoring*, *Mt Eliza Business Review*, Australia (Summer/Autumn 2000-2001).

With this possibility, there should never be a time when we have completed our learning or consider ourselves to be a teacher without continuing our role as student.

In fact, the value of having a learning partner who is younger also needs to be considered as this provides access to new ideas, perspectives and insights. The option of multiple learning partners then emerges to ensure people gain access to both the wisdom and experience of elders and the creativity and curiosity of thought of those who are younger.

Fox states that “ ... we are never too old to learn and never too young to learn – which is one reason why the old and the young should mix on a regular basis. Diversity of all kinds is helpful to set an environment for curiosity, questioning, and therefore for learning.”<sup>32</sup>

A learning partnership is defined as an enriching, reciprocal relationship built on a foundation of inquiry, trust, mutual respect and the giving and receiving of feedback, while each person strives to reach their potential.

Throughout this project, the values underpinning the learning partnerships will be documented, with the following values being considered as integral to maximising the outcomes.

*Values underpinning learning partnerships*

- Commitment
- Respect
- Trust
- Learning
- Generosity
- Confidentiality

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<sup>32</sup> Fox, M. *Creativity: Where the Divine and the Human Meet*, New York, Jeremy P. Tarcher, 2002.

- Honesty
- Risk taking

To build a learning partnership based on the associated values takes time and commitment from the partners. They need to work together on a regular basis sharing their challenges, achievements, reflections and questions in relation to life and work.

It has been found that unless there is a structure, process and commitment, the partnership is unlikely to result in the optimum level of learning.