

Sam the Dairy Man.

Swellendam: - Sam was desperate. He had just taken over the family dairy in a town in KwaZulu-Natal. It was one of the few remaining independent dairies in the district in the aftermath of that volatile period when labour unions were vying for membership. Despite being fluent in Zulu, he simply did not have the means and experience to deal with the demands of a fledgling union that threatened to send the business down the tubes.

I, on the other hand, had just started my employee communications company when Sam called. At the time I too had little more than a passionate mission to enhance economic awareness in the workplace and promote the concept of fortune sharing based on wealth creation in companies. There was no instrumentation, no training programmes and no established process on how to do this.

By then I had learned that the fees for employee communications consulting could only be a fraction of those charged by my elite colleagues in Public Relations. But Sam balked at paying even that, so after a bit of haggling and an assurance that he would pay my travel costs, I found myself boarding a twice weekly flight on a fully booked six-seat Cessna "something". As I made my way to my seat, there was a distinct whispering by some of the passengers. Although never comfortable with recognition, I had become used to this puerile habit of a celebrity conscious public. But it was a bit of a let down when I turned and saw that the attention was aimed at fellow passenger and former tennis star Kevin Curren who had done so well at Wimbledon some time before.

Light aircraft are made for little people. Their seats are made for midgets. The seatbelts are made for Lilliputians. I tried in vain to disguise my inability to fasten the belt by hiding the ends in a non-existent lap. The response from the pilot who did the checking was to brandish an extension in full view of all the passengers. My cover was truly blown.

Sam had arranged a two day interaction with his staff. I spent the first morning going through his figures and what I intended to share with them. The only discomfort he had was in revealing his own earnings from both the profit that he and some family members were getting from the dairy, and the salary that he paid himself and another manager. On the strength of a number of employee interactions I had had by then, I could assure him that the pay differential was rather modest.

Something else that I had long before settled in my own mind was the myth that workers by nature are full blown communists who vehemently subscribe to the concept of "from each according to means and to each according to needs." It simply is not true.

Most workers fully subscribe to the concept of differentiated pay and have a fair understanding of the impact on wages of supply and demand for skills and qualifications. Inexplicable multiples of thousands are a different issue. But I also assured him that I would spend some time on this in my talk with them. As far as the profit was concerned, his dividend, when split with the family, was also very modest. My regular approach of comparing the dividend with what his family could be earning in interest if they sold the business and invested the money in a bank would more than satisfy the most belligerent that he was not profiting from their toil.

Sam had a healthy 2:1 dividend cover and the presentation of retained earnings as a commitment to the future of the business is one that is simply not emphasised enough in communicating profits to staff.

Satisfied that I would not unleash more labour unrest, we discussed logistics. Sam had nothing – no flipcharts, no coloured marking pens and no venue! On top of that he informed me that none of his staff had a working knowledge of English. All were Zulu speaking. I knew a few words of Xhosa and a smattering of the polecat Fanagolo. It was not a good idea to use Sam in the interaction and the only translator we could use was a combative shop-steward. It was risky, but we decided to give it a go as long as Sam sat in and monitored the translation. The venue, we decided, would be Sam's massive cold storage warehouse. My "teaching aids" would be bottles of milk, slices of cheese and bricks of butter.

We had barely progressed beyond a few opening remarks when fidgeting and murmurs among the group of about twenty started getting to me. I feared some or other rebellion, but soon my own built-in duvet failed, and I realised that we were all starting to get frostbite. We had to switch off the freezer compressors.

Guided by the [dairy's value-added statement](#), I used a number of bottles of milk to reflect income from customers and removed most as "outside costs" to supplies from farmers and others. The milk left represented wealth creation. This I poured into glasses for employees, tax, retained income and then the owners' dividend. It [followed the pattern](#) I had become used to. More than half went to employees, about a quarter to tax, 20% to savings and less than 5% to Sam and his family. The second day, I used a block of cheese and repeated the exercise.

We then went back to the slice that represented wealth creation and had one of the most productive discussions about how this slice could be increased. Most of the suggestions came from the staff themselves. Then something happened that caught both Sam and I flatfooted! The translator and previously belligerent shop steward asked Sam whether he would share any of the extra wealth if the staff helped him in creating more!

There was little hesitation on Sam's part and I left them with a handshake on the agreement of a principle and a promise to discuss the detail of how it would be done.

Secured again by an extended seatbelt, I endured the flight back with warm thoughts of Sam the dairy man, his dedication to his customers, his community and his group of openhearted employees.

Months later I received a letter from Sam confirming the difference the interaction had made; the implementation of a modest gain sharing programme, a structured regular communications effort, and a rather hefty bill he faced for the loss of stock in a warm warehouse.

But there was a nagging disquiet that in the not too distant future, the dairy would be swallowed up by a "corporate", the battle lines between "labour and capital" would be redrawn and a humble group of dedicated workers would join the ranks of an agitated and angry mob with inflated expectations.