



Cattle Producer's Handbook

Miscellaneous Section

1070

Understanding the Basics of Managing Ranch Labor

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Hired and family labor costs on western ranches can be as high as \$80 per cow per year, depending on ranch size and often accounts for around 30 percent of the cow costs in any given year. In most ranching operations labor costs are exceeded only by annual feed costs.

Labor on ranches varies widely across and within regions depending on many factors: range, herd size, overall management, winter feeding, other enterprises within the ranch, family size, plus numerous others. However, most ranches at some point will have employees in addition to the base ranch owner or manager.

Labor efficiency varies with ranch size and herd production efficiency. Increased production per herd boosts efficiency because the cost of labor is spread over more pounds of beef sold.

Facilities will influence ranch labor requirements because updated equipment, facility designs, and total ranch layout can reduce labor input. Even with the best operation and the most up-to-date equipment, virtually every ranch operator must manage some labor. Good employees make a difference. In this publication, we'll discuss how to attract good employees to your ranch, keep them, and motivate them to help you make money.

Designing the Workplace for the Job

Working conditions affect both worker efficiency and satisfaction. Design the job and surroundings with the worker in mind. Provide good buildings, equipment, and tools when possible. Older facilities may require remodeling. Remember that as a ranch owner/manager you may be content to work in situations unsatisfactory for employees.

Eliminate work hazards and dangerous work locations—it's your responsibility to do so. You'll increase job satisfaction and prevent the accidents that lead to

down time and higher premiums for worker compensation insurance. Reduce repetitive, "back-breaking" tasks. Make the job as easy as practical.

Let employees know your goals. Give them goals or tasks to work toward that will assist in achieving long-term goals. Most people enjoy working toward challenging, achievable goals. Goals can come from integrated resource management (IRM) records (see 104). For example, if your calving season is 120 days, involve employees in working toward a 90-day season.

When possible, schedule workloads appropriate to individual workers. Many employees won't be satisfied with too little time for personal needs, while others prefer longer hours for more money. Beware of too long of work schedules that can lead to injuries or worker "burn out." Many workers also appreciate a change in jobs (e.g., repairing equipment as opposed to fixing fence, even temporarily).

Finding Employees

Once you have decided on the job to be done and you have provided the best working conditions possible, it's time to find that employee with the right abilities and temperament for your job.

Many ranch managers advertise for employees in local newspapers or regional publications. It may be an advantage to look further. You can "advertise" in the "grapevine" by telling field representatives, suppliers, sales people, and extension advisors about your job opening.

Consider informing people in the community or members of church organizations, also your current employees or family members. They may have friends or relatives in the job market. Consider teenagers. Some after-school or weekend work may help out. Let local

technical schools or colleges know your needs, especially in the spring when courses are almost finished. Finally, use your state employment service. If their people understand your requirements for hiring, they can screen out ineligible prospects.

Schedule an interview at your ranch with each of the best candidates. Ask them to bring a list of qualifications, including work experiences, and references. During the interview, it will help you to select the best candidate if you ask them questions to reveal their knowledge of tasks they'll be responsible for on your farm. Examples of appropriate questions are: "How can you tell if a calf is sick?" or "Can you operate a 8020 Baler?" The questions you choose can relate to items you think most important in a specific job or in reaching a goal that has been set.

After the interview, check with the references they supplied. Within 10 days, respond to each candidate: either offer the job or decline employment. This allows a candidate time to give notice to his or her current employer or to continue looking for a job. It may help to design a working test to find out if applicants can really do the job, unless you prefer to train employees "from scratch." Pay them for work on the job, over a short trial period, before you add them to your regular crew. You'll know much more about them after this brief test.

Starting the New Employee

How do you get new employees off to a good start? They need to understand what you expect and what they can expect from you. When employees arrive for work on the first day, spend some time reviewing items you discussed during the interview.

- Values of pay, housing, food, insurance, and time off.
- Overall responsibility or chain of command on the ranch.
- Days and hours of work expected, and other work rules.
- Specific duties and how you like them done (see "Training").
- How you deal with inadequate job performance or breaking work rules.
- The need for reasonable notice if they move to another job.
- The importance of completing W-4 forms for tax withholding, I-9 reports for the Immigration and Naturalization Service, and any other forms required.

Training

Thoroughly show or describe even common tasks to your new employees. This is the only way they can know precisely how you want the job done. If possible, work with (or have a current employee work with) the new people for a short time. This way new employees can learn where the tools are, the "quirks" of operating your equipment, and even how to troubleshoot small problems that may arise. As a bonus, you learn early what

tasks and responsibilities the new people can handle. Follow up with a review session in several weeks to reinforce your ideas and to answer questions. Always be specific in criticism or praise. Explaining how you work cattle in a corral, and why, will develop a better employee than simply saying, "You didn't work cattle the way I wanted."

Training is a continuous process, even for experienced workers. It requires more patience than other aspects of labor management. Take some time for training. It can eventually save time and money.

Compensation

Paying employees for their work includes more than writing periodic checks. Besides time-based wages or salary, compensation usually includes benefits, incentive payments, and working conditions. A noncompetitive compensation package may cause you to lose a valued employee. Ask yourself, "Is the total compensation comparable to other jobs this person qualifies for? Is it fair to my other employees?"

Wages

Ranchers commonly pay employees a monthly salary. While an hourly wage is more equitable to the worker, it requires more management. Try to establish a clear understanding with employees about estimated working hours, daily, weekly, or monthly. Flexibility is important. Occasionally, the employee must work extra hours and, at other times, may take extra time off.

Incentive plans generally add to worker pay if some defined results are achieved. These plans encourage employees to work in your interest. Some important criteria for successful incentive payments are:

- The basis for incentive payment should be largely under the workers' control.
- Incentives should be simple and thoroughly understood by the employees.
- Incentives should be easily computed and promptly paid.
- Incentives shouldn't get in the way of your management.
- Incentives can be paid regularly, like each month, but they should be an addition to regular wages or salary.
- Don't change the rules once a payment plan is started without discussing the changes with your employees.

Employees respond best to incentive plans when the bonus they can earn adds significantly to their regular salary. If the bonus is at least 10 percent of their regular salary, it should motivate well.

Some "incentives" are not tied to performance, such as the Christmas bonus, starting medical insurance after 6 months, or increasing vacation time with years of service. These motivate employees to stay on the job, rather than do a better job.

A non-cash bonus can be very effective, too. Pay for some special training or send good employees on weekends with their spouses to resort motels. Pay for the babysitters. Other employees see this reward, and the bonus employees come back ready to work. Non-cash bonuses can include:

- Allow employee to run a certain number of their own cows with the herd for little or no cost.
- Provide a heifer or steer to an employee for personal use, as the employee wants. This allows an employee to have his/her own animal within the ranch herd.
- Allow the employee and family to use ranch equipment to participate in local adult and youth events such as 4-H projects, rodeos, or gymcana's.
- Allow time to hunt and trap on ranch property.
- Permit use of ranch equipment for recreation purposes.
- Offer use of a ranch as a host site for family reunions or other social events.

Creativity between the owner and the employee will result in numerous non-cash incentives.

Benefits

Many ranches offer housing for employees, on or off the base property. Living on the ranch makes good employees available for an emergency, but frequent, unscheduled calls to work will wear down most workers. Utilities are usually covered when the employee lives on the ranch. Can you account for them easily in your overall bill?

Meat and use of ranch horses are often included as part of the benefit package. More managers are including medical, accident, and even life insurance coverage for their ranch employees. Some farms are offering pension plans that provide income to supplement Social Security after retirement. Vacation and sick leave usually round out the benefit package. All these benefits have some value to the employee. Many employees don't realize the total value of the benefits that are provided. Place a fair value on each benefit and tell employees at their first pay period and at least once a year thereafter what those values are.

Relating to Your Employees

Hiring, training, and evaluating employees can become an effective routine. However, motivating and keeping employees satisfied depends on good labor relations. There's no standard "recipe" for relating to employees. The following suggestions should help get the most from your employees.

Treat employees fairly. Be consistent with compensation and farm policies that affect your workers. Employees appreciate a predictable, even-tempered boss.

Try to fit the employee to the job. Some people can't shoe horses; some can't operate expensive equipment. A poor irrigator may do an excellent job feeding cows or maintaining equipment.

Employees want to belong to the operation. They can be team members. Use their names. Listen to their ideas—you don't have to implement every suggestion, but they want to know you hear them. Invite employees to lunch occasionally or take them to educational meetings. They need to know about changes you're considering. They'll appreciate credit for good performance and "smooth sailing." As much as possible, ask them to do something, don't demand it. Make assignments specific and clear without ordering them done.

Performance appraisals can help you relate to all your employees. Sit down with each person regularly, away from the phone and in a place that is comfortable to them such as their work setting, and have an informal chat about how the job is going. Ask each employee to briefly describe his or her strengths and weaknesses. This gives you a chance to praise them for good work and offer advice on their faults, without having to criticize. If you do this routinely, you can suggest improvements, even to seasoned employees, with a positive, encouraging manner.

When possible, offer praise for good work publicly, in front of family, other employees, and other ranchers. Employees generally don't feel they're recognized for good work as often as managers report giving recognition. It pays to give frequent recognition as long as it's sincere and specific. Always criticize problems privately. Be optimistic. Employees tend to join a bandwagon and abandon a sinking ship. A reasonable investment in ranch appearance and general working conditions is worthwhile.

Offer advancement and jobs with end points when possible. Recognition for good performance, training in livestock skills, and a pay raise occasionally will help the employee feel progress in the job even if you can't offer a promotion to head cow boss, head mechanic, or herd manager. Let other employees know if you promote someone and why that employee was chosen.

If you're considering a promotion, ask yourself, "Does this employee want more, or simply different, responsibilities?" To many employees, a different job on the same farm increases their job satisfaction. Tell employees the skills required for promotion to new positions.

Finally, and most importantly, put yourself in the worker's place. Working conditions, wages, and hours satisfactory to you may not satisfy the employee. What is it like to work for you? What would you want changed if you were doing the job daily? Remember to recognize the family unit and the employee's role in that unit. If you work with employees in their jobs, you may notice improvements to help employees perform better. Watch for things that could make the job more satisfying.

Dealing with Problem Employees

Why don't some employees work out? Some lack the skills or experience to do a job. Others don't fit the job they were hired to do. They work hard, but never get the

job done. Some employees are incompatible with others or the boss. Each person has his or her own likes and dislikes, and sometimes these don't match with yours.

Occasionally, the employee doesn't have the attributes for performing demanding physical work. Some people work better with their heads than with their hands.

When you're disappointed with an employee, first ask, "Do I control this employee's poor performance?" Can you move him or her to another job? Can you assign work away from other employees? Is there another job that requires mental skill instead of physical skill? Are they unable to do the job, or unwilling. If unable will additional training help? If unwilling how do you motivate them?

Whatever the reason the result is an unacceptable performance. Fix the problem or release the employee before the unhappiness spreads to others in the work force.

Sometimes, changes will solve labor inefficiencies. Poor employee work habits don't change easily. Many times, these habits will spread to other, dependable employees. Poor habits reduce labor efficiency—it's best to deal with them quickly.

Above All, Consider the Person

This has been a brief summary of labor management principles for finding, keeping, and getting the most from your ranch employees. Money isn't everything to most employees. Think of their view of the job. Treat them as you would like to be treated. Let them know where they stand and where your team is headed. Each employee is important to your livelihood.



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