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Prioritizing Resource Use on Cattle Operations
Part 1: People and Time

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From long-term strategic decisions to daily operational decisions, every on-farm choice is really about use of resources and the associated tradeoffs involved. By examining these resource interactions, informed decisions can be made about best uses. This approach can help to view each decision in terms of its expected uses of resources and resulting contributions to resource bases and operational goals. This article focuses on two important resource categories: people and time resources.

Human Capital

Arguably the most important resource category on a cattle operation is human capital – a fancy term for the people involved in the operation. People contribute expertise, skills, ideas, and effort to raising cattle. Having access to great financial and physical resources can certainly provide advantages to an operation, but poor management of those resources by the people making and implementing the decisions will erode these other resources with little to show for it. Think about the “cheap hire” that is not properly skilled or motivated in farm equipment use and causes repair bills that outweigh the fruits of the worker’s labor. Having a tractor with handy features can be good, but putting the right operator on the tractor is just as important.

In practice, this means that it is worthwhile to invest in the people of the operation. Relevant continuing education and training opportunities are one way to do this. This is true for top level management all the way through to entry level day laborers. Make sure that people are prepared for what they do on the cattle operation. For managers, this may involve not only keeping up with current technologies and best management practices, but also being exposed to additional technologies and trends that may be further developed or adapted to play a future role in the operation. This allows managers to make better long-term plans that help the operation to achieve and sustain a competitive edge. With the advent of online resources that make scheduling and distance constraints a non-factor, people running cattle operations have fewer excuses to forgo continuous learning about new technologies and cattle operation management.

Being willing to compensate people according to their talent levels and performance results is another aspect of human capital management that should not be overlooked. The adage, “You get what you pay for,” is reality in many on-farm situations. Investing monetarily in good employees can facilitate the acquisition of a more talented workforce, help reduce turnover and downtime, and reduce the risk of having to deal with problem workers. Of course, good screening during the selection process is critical to making this work as intended. Compensation rates should consider the expected return on investment of each prospective worker. Ask the question, “Will paying the

employee this much more result in increased profits over time that more than make up for the extra pay?” Compensation typically includes more than just wages or salary. Benefits such as living quarters, insurance, work vehicle access, on-the-job training, etc. can be included in negotiations with prospective talent to attract valuable employees to the operation. Non-monetary compensation can also include job satisfaction, job security, a sense of being appreciated, and other personal values.

Time

Time is a resource that once spent cannot be replaced. It can be easily wasted in the course of running a cattle operation if efficient yet effective processes, task prioritization, and overall good time management practices are not implemented. Time is something that can be measured for accountability purposes and efficiency evaluation, making it something that lends itself to the effects of management.

Time and money are intertwined. Interest on borrowed or invested funds accrues over time. Price levels change over time meaning that what one dollar can buy today is likely to not be the same as what one dollar can buy in the future. Also, people working on the operation are getting paid for their time contributions to the operation, whether by the hour or year. Make sure that the time that people put into the operation justifies the payment for that time. Proper training and motivation of people can help to improve productivity per unit of time.

If workers skimp on their responsibilities or do not perform to their potential due to poor time management, then managers should address time resource use. Managers can introduce time management techniques and oversight to improve time use among cattle operation workers. Examples of this include reducing workplace distractions and time wasters, keeping priority order to-do lists, and setting and enforcing practical deadlines. Keep time logs to identify tasks or projects that could benefit from time management improvement. Then examine these processes to determine what changes might be needed to improve time efficiency. When tasks are better performed by a team than individually, try to accommodate this and vice-versa to make best use of everyone's time involved.

Time management decisions should also include ways to maintain a healthy work and life balance that will benefit workers and lead to better contributions by these people to the operation over the long run. Avoid extreme situations that can bring about worker burn out or risk key tasks not getting done in a timely and quality manner. Schedule labor and assign tasks so that one worker does not carry an impractical work load while others are allowed excessive downtime.

Resource Interactions

Regardless of resource classification, good management is needed to put these resources to best use on cattle operations. To do this, anticipate how other resources will be affected by use of a particular resource in a certain way for a specified purpose. Small changes in resource use can have a ripple effect on other resources involved in

the operation. For example, spending extra time to perform preventative maintenance on machinery may take time and money on the front end but could save time, money, and people on the back end by reducing the risk of equipment failures or injuries.

Cattle operation owners and managers should determine priorities for the various resource bases in the context of the ultimate goals for the operation. Is the overriding goal to expand physical resources (assets) and financial resources? Is the driving reason behind operating so that a certain lifestyle or enjoyment from cattle production be achieved? What is more important, leisure time or money? In other words, what is the ideal resource balance and what operational decisions will work to achieve it?

Next month's article will continue this topic with a look at prioritizing the use of physical and financial resources on cattle operations. For more information about beef cattle production, contact an office of the Mississippi State University Extension Service or visit msucares.com/livestock/beef.