

**LABOR MANAGEMENT**

By Jason Karszes and Julie Berry

This month's The Manager from PRO-DAIRY focuses on the impact of people on the performance of a dairy.

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# People Drive Operations Management and Business Success

As dairy farming continues to change, the role of all people who work on and for, or who interact with a farm, is increasingly important. How well people understand their roles, responsibilities, and importance to the success of the business, along with their ability to communicate, continuously improve, and work as part of a team, all play a key role in the success of the people and the business.

The Operations Conference presented by PRO-DAIRY and the Northeast Dairy Producers Association in January focused on topics to improve labor efficiency and labor effectiveness. Articles in this month's The Manager continue to reinforce the tools and techniques covered at this conference to provide the best opportunity for people and businesses to succeed.

This issue includes an overview and analysis of immigration policy by Cornell's Tom Maloney, Farm Bureau's Julie Suarez and Northeast Dairy Producer Association's Tonya Van Slyke. Strategies to retain employees are presented by Tom Maloney, Charles Contreras of People First and emeritus professor Bernie Erven. Mary Kraft's presentation at the conference received favorable reviews, and she provides an overview of the growth of their farm and strategies employed. James Carrabba of the New York Center for Agricultural Medicine and Health shows how farm safety relates to farm productivity. And, Cornell's Lee Telega outlines a CAFO inspection and how to be prepared.

People impact the performance of the dairy farm in two main areas: labor efficiency and labor effectiveness. Labor efficiency is a measure of the amount of work that is performed by the people on the farm. The two primary measures are cows per worker and milk sold per worker. Many factors

impact labor efficiency and this continues to be a focus for the dairy industry. Capital investment in facilities, equipment and technology are primary ways that labor efficiency is improved, along with training of personnel.

While labor efficiency has been tracked for years and shows positive correlation to increases in profits, labor effectiveness is the second area where people have a large impact on business success. Labor effectiveness is how well work is done each day to generate the highest output with the lowest inputs.

People impact every income and expense on farms. How well people perform operations every day impacts what revenue is generated and what expenses are incurred. Examples of labor effectiveness or ineffectiveness is how many gates need to be repaired because they were hit by equipment or, how many times cows need to be sorted because gates were not closed properly. Labor effectiveness is not currently measured, but as pressure on farm earnings increases, the impact of people on expenses and revenues as part of operations management is becoming a focus of progressive dairy managers. To improve labor effectiveness, energy is focused on having the right people doing the right jobs, while improving communications, training and feedback.

**FYI**

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