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A Survey Of Compensation And Benefits Packages Among Nevada Cattle Ranch Employees

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Ranchers generally have a lot of flexibility and choices in developing and implementing compensation, benefit, and incentive packages for their workers. However, due to current labor regulations, labor market conditions, and local norms, many probably feel otherwise. The choices made will have a direct affect on employee recruitment, retention, satisfaction, and performance. Therefore, the end result also has a direct affect on ranch profitability (Kay and Edwards, 1994).

According to Billikopf (1994) the three essential ingredients of effective labor administration are a concern for productivity and people, an understanding of human resource management, and purposeful action. Worker productivity and employee needs should be as much of a concern to producers as the productivity and needs of any other assets utilized by the ranch; because in the long run, labor management must benefit both the employee and employer equally.

Purpose of the Study

Nevada Cooperative Extension Educators and Specialists frequently receive requests for ranch labor information. Many of these requests concern ranch labor employee salaries, wages, and benefits. The problem is that there is very little published data in this area. For example, the United States Department of Agriculture (USDA) through the National Agricultural Statistics Service (NASS) only publishes agricultural worker estimates and hourly wages for Intermountain Region 11 that combines Nevada, Utah, and Colorado. The Nevada Department of Employment, Training, and Rehabilitation publishes information, but it includes only those operations covered by unemployment insurance. Therefore, a survey was conducted to gather data concerning compensation and benefits that are currently

being provided to Nevada ranch employees.

Research Procedure

The survey instrument consisted of 13 questions. The questions covered such topics as the number of full-time and part-time employees, geographic area of the ranch, and the number of head of cattle. The respondents were also asked to list by position (i.e. manager, cowboy, irrigator, etc.) the salary or wage, benefits provided, and the approximate dollar value of the benefits provided. The survey was mailed to all people that receive the University of Nevada-Reno Livestock News and was also distributed at the January 1999 Cattlemen's Update programs held in various sites throughout Nevada. A total of 69 useable responses were completed. Twenty-nine responses were through the Livestock News mailing, 39 were from attendees of Cattlemen's Update programs, and I was received through the Extension Coffeeshop Chatroom. Approximately 1,100 surveys were distributed.

The information gathered was analyzed using Microsoft Access 97 Database software. Frequency counts and percentages were used to develop a profile of a "typical" respondent to the survey. Queries and sorting techniques were used to compile the data by position. While this survey elicited a low response rate (6.3 percent), it should be noted that this study was not designed for statistical analysis. In addition, many of the people receiving the Livestock News are not ranchers or in management positions. Due to the low response rate, none of the results may be generalized to the larger population of Nevada ranchers. The results are only applicable to those 69 ranches that responded to the survey.

Survey Results

The research findings are explained in three separate sections. The first section includes salary and benefit information by position, the second contains demographic items on employment and ranch characteristics, and the third section reports responses to two open-ended questions concerning (1) employment problems and (2) what Nevada Cooperative Extension might do to help with the identified problems.

Section 1: Salaries and Benefits by Position:

The first section of the survey elicited information about salaries, benefits, and the associated costs of the benefits that they provided to their workers. The positions covered included manager, cowboss, cowboy, mechanic, irrigator, laborer, and cook. Table I lists the average salary and the minimum and maximum salary that was reported by the respondents to this survey. The salaries for the positions ranged from a high of \$2,040 for a ranch manager down to \$842 for a cook. Table 2 shows the percentage of employees receiving certain benefits (i.e. housing, utilities, health insurance, vehicle, meat, retirement, vacation, and other).

Position	Average Salary	Minimum Salary	Maximum Salary	Average Cost of Benefits
Manager (N=32)	\$2,040	\$900	\$5,000	\$660
Cowboss (N=16)	\$1486	\$1000	\$2350	\$585
Cowboy (N=31)	\$1159	\$700	\$1800	\$509
Mechanic (N=13)	\$1472	\$916	\$2500	\$450
Irrigator (N=32)	\$1074	\$750	\$1300	\$427
Laborer (N=22)	\$1074	\$500	\$2500	\$374
Cook (N=4)	\$842	\$750	\$916	\$500

Position	Housing	Utilities	Health	Vehicle	Meat	Retirement	Vacation	Other
Manager (N=32)	81	75	47	63	63	13	50	3
Cowboss (N=16)	100	94	44	50	63	13	50	19
Cowboy (N=31)	90	84	42	23	65	16	48	16
Mechanic (N=13)	62	54	47	23	46	0	31	15
Irrigator (N=32)	89	73	36	41	50	9	32	9
Laborer (N=22)	73	57	24	30	57	3	24	11
Cook (N=4)	100	75	50	0	75	0	25	0

Section 2: Employment and Ranch Characteristics

The second part of the survey elicited information concerning employment and ranch characteristics. As can be seen from Table 3, forty-nine ranches (82%) reported having between 1 and 4 full-time employees and fifty ranches (83%) reported having between 1 and 4 part-time employees. Only eleven ranches (16%) have more than four full-time employees and ten ranches (17%) have more than four part-time employees. Respondents were asked if their part-time employees worked more or less than 150 days during the year. Thirteen ranches (24%) employ workers more than 150 days during the year and 42 ranches (76%) employ part-time workers 149 days or less.

Although not shown in a table, twenty-six ranches (38%) have relatives working for them and 42 ranches (62%) do not employ relatives. Respondents were not asked who the relatives were, only that they employed some relatives.

Number of Employees	1-4	5-9	10-19	20-49
Full-Time	49	7	3	1
Part-Time	50	8	0	2

The overall performance rating for employees was an 8 (1 being poor and 10 being excellent). The turnover rate for employees varied among the different positions. Table 4 shows the respective turnover rates.

Position	Rate	Position	Rate
Manager	7 years	Mechanic	4 years
Cowboss	6 years	Irrigator	5 years
Cowboy	3 years	Laborer and Cook	2 years

Sixty-seven of the sixty-nine respondents reported their geographic region. Thirty-five (52%) ranches were in the northeast region (Elko, Eureka, Lander, and White Pine), thirty (45%) were in the northwest (Carson City, Churchill, Douglas, Humboldt, Pershing, Storey, and Washoe), and two (3%) were from the southern region (Clark, Esmeralda, Lincoln, Mineral, and Nye). Respondents were also asked to list the number of head of cattle 1 year and older that they had. Table 5 shows the number of ranches and their corresponding number of cattle. Eighteen ranches (27%) had more than 1000 head of cattle. Twenty-two ranches (33%) had 300 head or less and twenty-eight ranches (41%) had between 301 and 1000 head.

<100	101 - 300	301 - 600	601 - 1000	1001 - 2000	2001+
8 (12%)	14 (21%)	19 (28%)	9 (13%)	10 (15%)	8 (12%)

Section 3: Open-Ended Questions

For additional input into this survey, respondents were asked two open-ended questions. The first question asked respondents to list the major limitations that they face concerning agricultural labor management while the second asked them to suggest what Nevada Cooperative Extension might do to help overcome these limitations. A total of 50 ranches responded to the first question. The responses have been categorized into five areas. These areas are as follows:

- competitive wages and salaries,
- language and communication problems,
- recruitment and retention,
- education, motivation, and problem solving skills, and
- labor and immigration laws.

Thirty-two ranches responded to question two concerning what Nevada Cooperative Extension might do to help them overcome the labor management problems identified in the first question. Approximately 13 of the responses listed items that UNCE is unable to respond to (i.e. NAFTA, the Department of Labor, and acting as an employment agency). However, the vast majority of the remaining responses centered on providing education and information about labor management topics. The topics included training of Hispanic workers, sample job descriptions, wage and salary data, recruitment, retention and evaluation of employees, insurance, labor and immigration information. UNCE intends on addressing these identified needs in the near future.

Summary

The purpose of this survey was to gather data concerning compensation and benefits that are currently being provided to Nevada ranch employees. While the low return rate precludes making any generalizations to the overall ranching community in Nevada, the results are useful in describing the compensation and benefit packages provided by the individual ranches that responded to the survey. The survey has also provided UNCE with excellent information relative to educational programming. This type of information is needed by UNCE in its efforts to provide more relevant educational programs for Nevada cattle ranchers.

References:

- Billikopf, G.E. (1994). *Labor Management in Ag: Cultivating Personnel Productivity*. University of California Cooperative Extension, Modesto, California.
- Kay, R.D. and Edwards, W.M. (1994). *Farm Management*. McGraw-Hill, Inc. New York, New York.

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