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DAIRY INCENTIVE PAY

4th Edition



Gregorio Billikopf

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GREGORY ENCINA BILLIKOPF, EDITOR



UNIVERSITY OF CALIFORNIA
AGRICULTURE AND NATURAL RESOURCES

DAIRY INCENTIVE PAY (4th Edition)

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UNIVERSITY OF CALIFORNIA

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Previous editions: 3rd, 1995; 2nd, 1991; 1st, 1986.

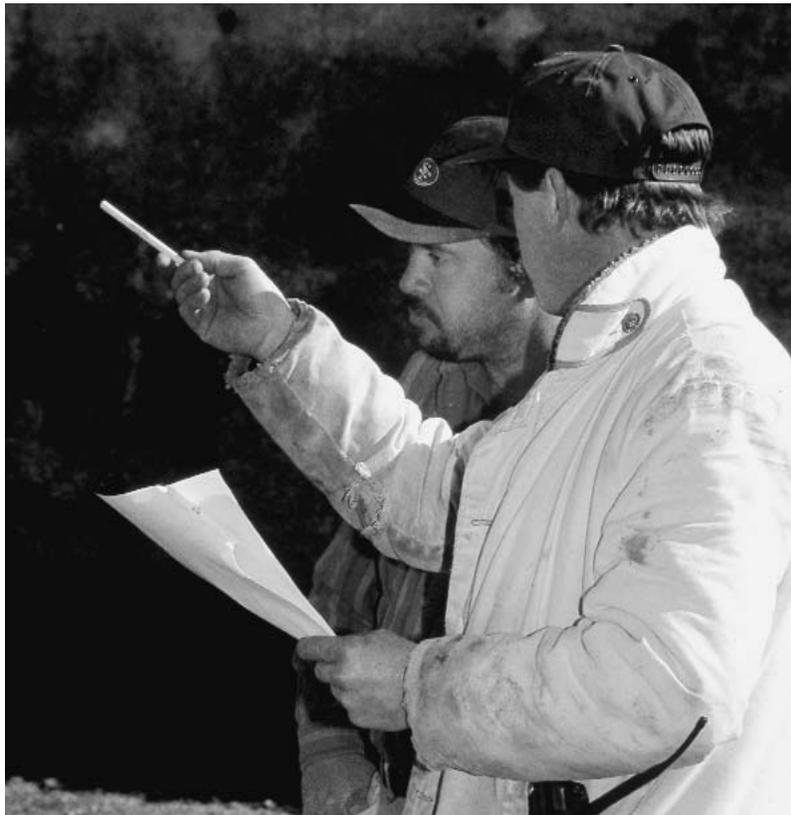
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To those who work in dairy farms



Gregorio Billikopf

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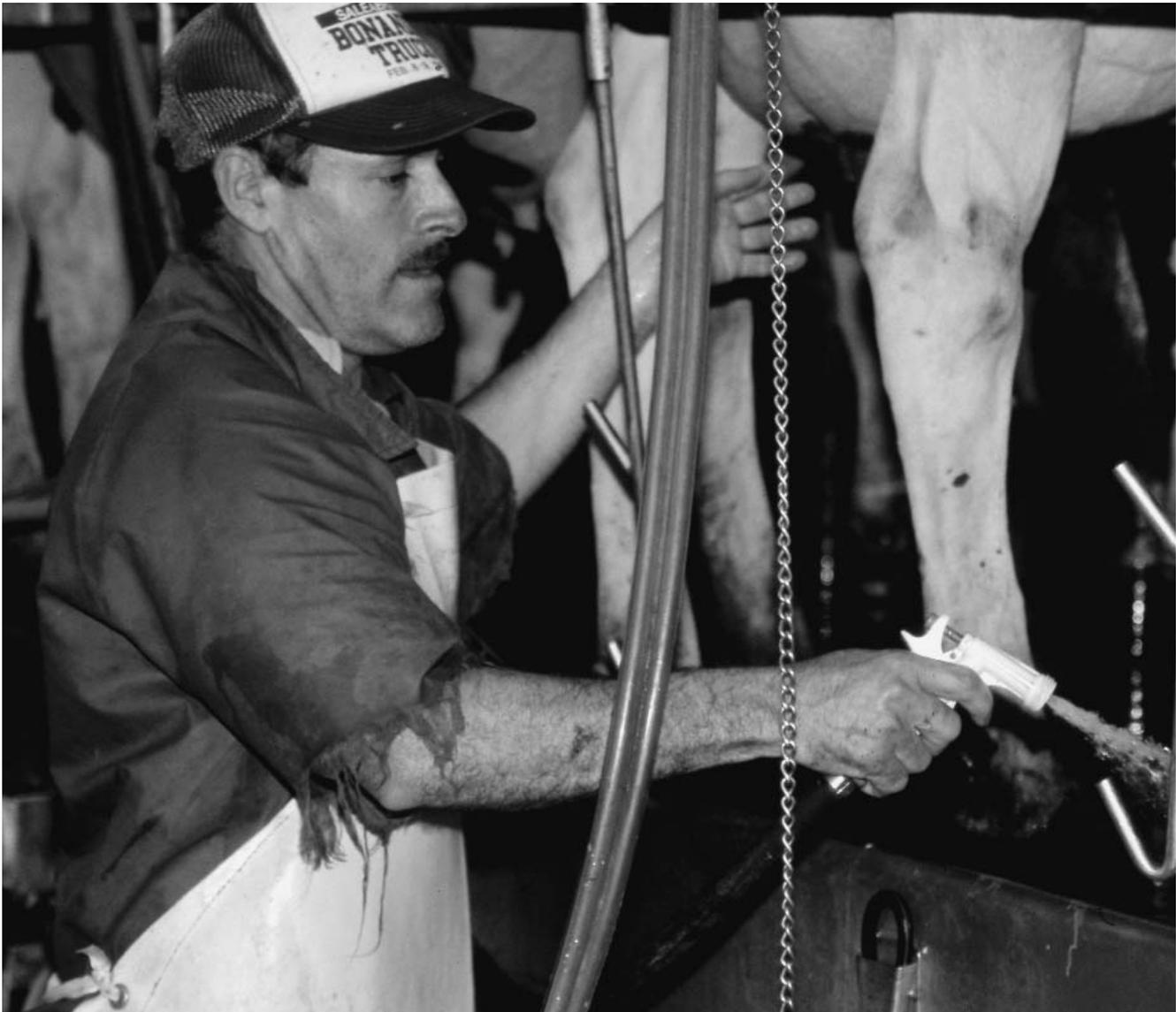
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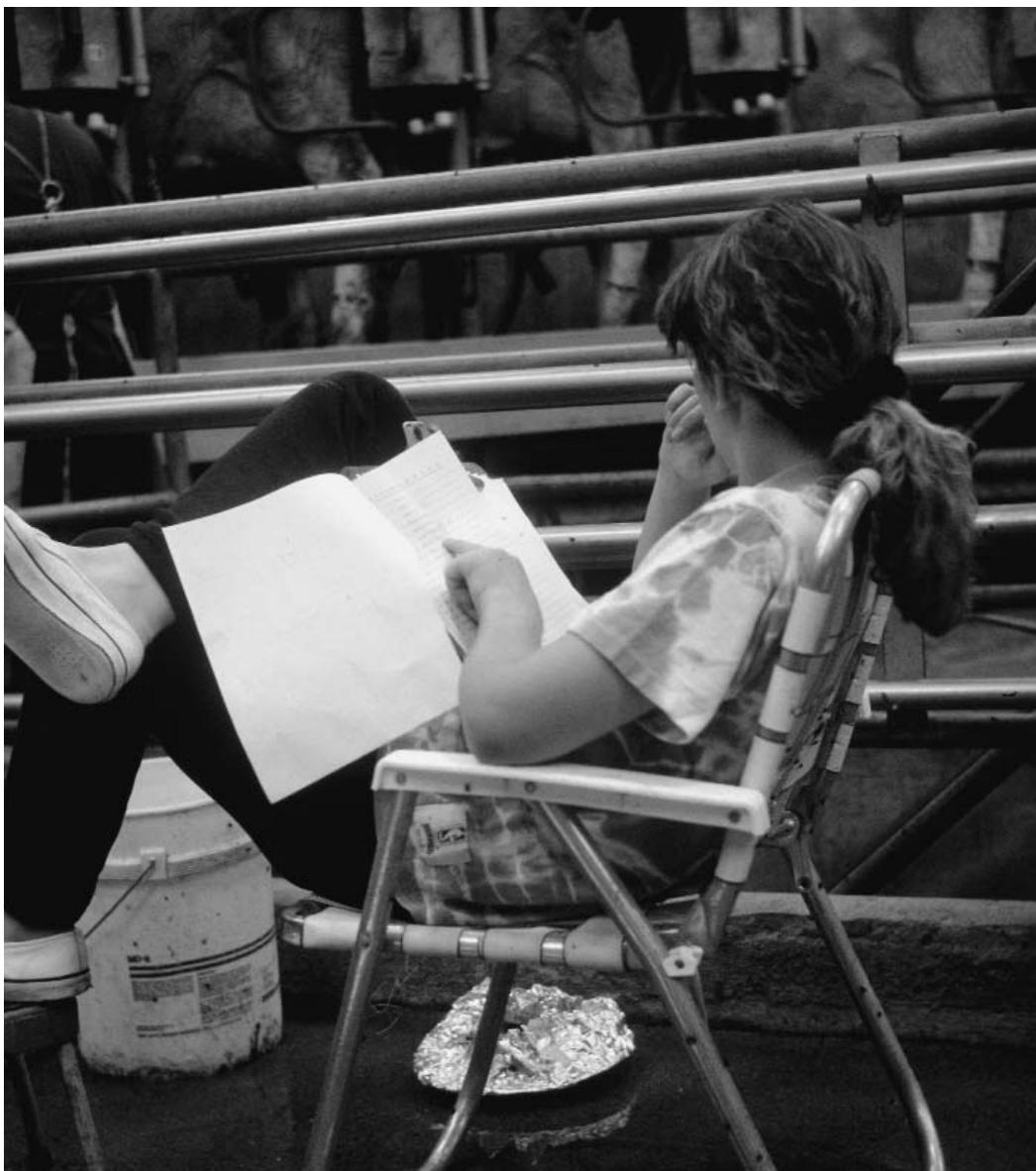


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ACKNOWLEDGMENTS

Many dairy farmers and managers, and dairy workers have contributed to this work by participating in research efforts—as well as in the photographs. We are particularly thankful to those who were willing to pioneer new organizational interventions and concepts, and share the difficulties and challenges as well as successes they have encountered along the way.

We wish to thank those who have contributed chapters to the previous editions of this publication.



Gregorio Billikopf

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Incentive pay programs are not simple to design, but can result in great benefits to both dairy farmer and employee.

PREFACE

Jobs that call for creativity, analysis, and personal growth may provide the best motivator of all: intrinsic rewards. Such satisfaction originates from *within* the employee. An intrinsically motivated dairy worker does not obtain his motivation from external stimulation provided by the dairy farmer. An overemphasis on external rewards may be responsible for elimination of internally originated ones. There are personal and organizational objectives that simply cannot be realized through pay.

On the down side, intrinsic motivators, as wonderful as they may appear, are not equally found among all workers, nor do they always motivate the type of performance you may desire. Pay can be a powerful management tool and a compelling motivator. Employees often consider pay a measure of individual achievement and social status. The importance of pay, then, ought neither to be over or underrated.

We hope that in the pages of the fourth edition of *Dairy Incentive Pay* you will information on how to establish or troubleshoot an incentive pay program at your dairy operation. Establishing incentives is not easy and much can go wrong. Certainly there are enough war stories to go around. When properly established, however,

incentives can make a big difference in the improved management of your dairy. In effect, they help employees learn to see from a manager or owner's perspective.

Chapter 1 lays out key management principles regarding incentives. This is a critical chapter in that it outlines why some incentive pay programs succeed while others fail, and it should be read in conjunction with the other chapters on specific types of incentives (chapters 3 through 8).

Besides incentive pay or pay for performance programs, dairy farmers sometimes have questions about how to set the wages for milkers in contrast to those of calf feeders, cow feeders, or herd managers. Or, how much to pay in relation to what a neighbor may pay. Chapter 2, on internal wage structures, is included to guide you in making these types of decisions.

Chapters 3 through 8 deal with specific goals you may want to achieve, such as increasing pregnancy rate and calf health, incentives for improving milk quality, feeding management goals, and improving hoof or health care at the dairy.

Even dairy farmers who have no interest in tying employee performance to pay can greatly benefit from this publication. There is much here on managing dairy employees in terms of specific dairy science measures.