

Keep talent in industry

Qualified, high-performing employees are critical to today's feed and grain industry, yet firms are finding increasing competition for employees.

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HAVING great employees is central to the continued growth and success of most every grain elevator, feed mill and other grain and feed industry organization.

Qualified, high-performing employees are especially critical today as the feed and grain industry faces a competitive crossroads, in large part due to the emergence of a vigorous biofuels industry. Yet, feed and grain firms find increasing competition for employees for four reasons.

First, numbers of agricultural students enrolled in colleges and universities across the country are shrinking. Second, there is urban creep, even in the Great Plains, as new employers eye the traditional pool of new talent. Third, larger firms, many outside the grain and feed industry, are using internships to recruit talented students. Finally, many smaller feed and grain firms simply lack a focus on human resources (HR) management.

Given the challenges in finding talented new employees, what can grain and feed firms do to find able employees?

Four challenges

From 2000 to 2004, the population of the Midwest, home to much (though certainly not all) of the feed and grain industry, grew by only 2.1% compared to a national growth of 4.3%.

The steady decline in the rural population, especially in the Great Plains, affects enrollment in agricultural degree programs at colleges and universities across the region. In short, the traditional base for most agricultural programs of farm and rural kids is shrinking.

For example, according to the U.S. Department of Agriculture, the total number of students enrolled in four-year agricultural business and economics programs fell from 9,762 in 2003 to 8,955 in 2005 (Figure). Student numbers are down sharply from the 1990s, when 14,000-

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15,000 students were majoring in agricultural business and economics across the U.S.

To complicate the situation, the composition of student bodies is changing as departments turn to suburban/urban markets to compensate for shrinking rural populations and as students in these areas get interested in the broad food and agricultural sector. For example, at least 25% of the 400 students currently enrolled in agricultural economics at Purdue University hail from urban centers such as Chicago, Ill., and Indianapolis, South Bend and Ft. Wayne, Ind.

Second, new employers have discovered that the traditional student base of "rural farm kids" still has a great work ethic.

Increasingly, firms outside the input and production agriculture sectors — ranging from grocers like Aldi or Kroger to food manufacturers like Hormel or Ral-Corp to still others like Disney or Wells Fargo — have begun to actively recruit from colleges of agriculture career fairs. Wal-Mart is looking for motivated students for store manager jobs as it remodels or adds 300 supercenters annually.

Of course, from a student standpoint, these "new" employers present a wonderful range of career opportunities. At the same time, for a feed and grain firm, this all means a shrinking pool of ag school

graduates and more competition to get them.

Like many of our sister programs at other campuses, the department of agricultural economics at Purdue has enjoyed a 98% placement rate over the past few years as students take jobs with agricultural and non-agricultural firms of all sizes, ranging from the very largest multinationals to small, local firms.

Increasingly, students are making their decisions based on internship experiences. Some larger companies are dedicating managerial time and resources to create a very rich internship experience for students. Thus, smaller feed and grain firms find the pool of applicants drained further as larger competitors aggressively pursue the most talented students using internships to evaluate and entice them.

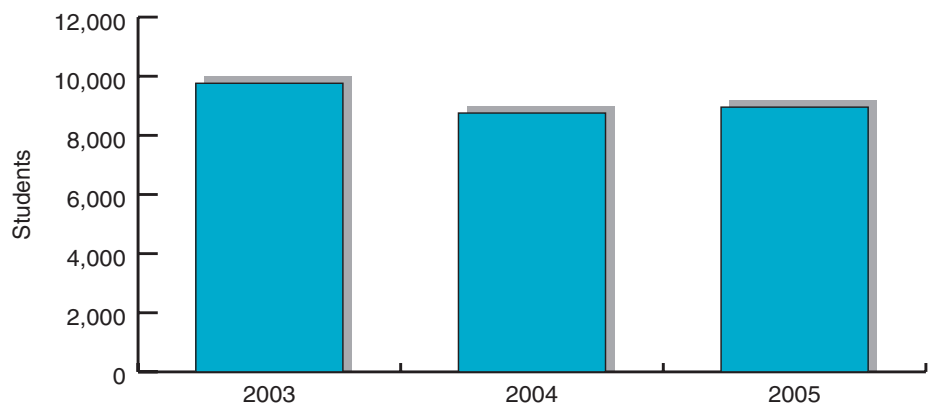
At the same time, we have also seen a few smaller organizations do an excellent job with innovative internship programs. The lesson is that internships are NOT solely reserved for the largest players.

Finally, HR management is only a small part of the job for the typical grain and feed industry manager in midsize and smaller organizations. Why?

In addition, to wearing several hats, most feed and grain managers have less of a background in HR management as many have a heavy operations focus. Also, for many, making time for the general issues of recruiting, coaching, supervision, etc., is a challenging proposition.

Even in firms with a dedicated HR function, recruiting may well be a "we will look when we have an opening" strategy. This is in contrast to taking a longer-term view, cultivating relationships with universities

Baccalaureate enrollment in agricultural business and economics



Source: USDA, Food & Agricultural Education Information System
(http://faeis.ahnrit.vt.edu/newsletter/agecon/faeis_newsletter_juneagecon.html).

and other sources of employees and staying visible with students/other potential employees regardless of whether a full-time position is immediately available.

Where to go from here?

Given the importance of great employees, feed and grain managers should consider four factors as they define a recruitment strategy.

A basic strategy should: (1) reflect career expectations of the younger generation, (2) include where to recruit, (3) carefully consider internships and (4) consider outsourcing some HR management functions. (Note: Our focus here is entry-level employees. The strategy would differ when looking for employees with substantial experience.)

The Millennial Generation, or those born after 1983, seeks a greater balance between work life and home life. They also seek challenges in their job and an opportunity for growth, which can be difficult in smaller and/or family-owned businesses. They anticipate open lines of communication with top management in a job, which may be easier in a smaller or family-owned business.

You might find them asking as many questions in a job interview as you ask, including:

- What are the values of employees in your company?
- How many hours do you expect each week?
- What is the relationship between the manager and employees?
- How often are employees put in stressful situations?
- Is part of compensation tied to stressful situations?
- Do you offer flex-time to accommodate family or personal obligations?
- How do you give employees feedback?

Some of these questions may send the message that “these kids don’t know what an honest day’s work for an honest day’s pay” is. We would disagree and say that these questions simply reflect a changing value structure.

Employers finding a way to respect these values in a work environment will find these students to be effective, cre-

ative, productive employees. (The usual disclaimer about the bottom 10% applies.)

The sources for talent continue to include universities, other employees, channel partners and trade shows. Today’s college student considers web sites such as www.agcareers.com or www.monster.com as routine aspects of a job search. Besides being an additional way to find new talent, both of these sites provide information on salary levels, which students will carefully check out. Don’t think for a minute that the “salary grapevine” isn’t a thick one, and students know who is offered how much.

Internships can be key to finding great employees. In essence, an internship is an extended job interview, allowing you to learn more about the student’s abilities and how he or she fits with your organization. A word of caution is in order, though.

Be sure the work is meaningful, challenging and with direction because that is what the best firms in the industry are doing. We regularly get reports from students who spent a summer doing very low-level work and were completely turned off about working for an organization.

Sure, student expectations with respect to responsibility are sometimes too high coming out of the gate, but that is no excuse for taking a really promising student and having them shuffle paper or drive a truck all summer *without* helping them see where they would fit into a career path within your organization.

Another key here is communication. Too many firms have internship programs and intend to hire the student yet don’t tell the intern there is an opening. Feeling shunned, someone who may really have wanted to join your team may seek and take other opportunities before you call with an offer.

The timing on this gets earlier every year. Many of the best May graduates take jobs early in the fall semester (as early as Labor Day) of their senior year while the growing group of December graduates may take a position early in the prior Spring semester (January or February).

Some firms are starting to outsource

some of their HR functions altogether. One example is www.kosource.com, a firm providing all types of HR management to agribusiness firms. The advantage of this model is that a smaller firm can get specialized management help on a range of HR questions. For example, KoSource will oversee interns for client firms as well as recruit new hires and consider succession plans and other aspects of HR management.

Upshot

Some authors have characterized the current labor market as a War for Talent, and in many respects, it is just that. At the same time, we believe there are still great students looking for great opportunities with the grain and feed industry if those opportunities reflect the values they are looking for in an employer.

Consider this War for Talent a marketing issue: You worry about differentiating your organization to your producer/customers on a daily basis, so how do you do the same for potential employees? What is your organization’s point of difference? How do you build your “brand” as an employer of choice? How do you make your internship experience the one students want to grab? (The answer to these questions is not just about compensation.)

Some students *want* to work in a rural area. Some are interested in a smaller venture where they can have more impact. Many have a passion for the livestock industries. What is your strategy for finding these people, and how will you position your organization to ensure that you offer an appealing career opportunity?

If it’s a War on Talent you are in, then a great plan would be the place to start.

The Purdue University Center for Food & Agricultural Business and *Feedstuffs* have teamed up on a new survey project exploring some key human resources management issues in the industry. Don’t be surprised if you get a questionnaire from us asking for your opinions on these issues. Also, watch future issues of *Feedstuffs* for our reports.