

# Quarterly Newsletter

## Spring 2022 Edition

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## Skills and Requirements for Agricultural Jobs

*Brady Brewer, Nathan DeLay, and Douglas Abney*

There has been a lot of attention paid to the state of the job market, both for the general economy and the agriculture sector specifically, over the past several years. Terms such as the “Great Resignation” have been coined to describe the prevalence of people switching or resigning from their positions. Much attention has also been paid to rising wages along with unemployment numbers on a national scale.

To better understand these trends in the agricultural sphere, researchers in Purdue’s Department of Agricultural Economics started collecting data on agricultural job postings advertised on online job search websites. This data is collected monthly and culminates in a monthly report that represents an overview of the agricultural job market over time along with an online dashboard where users can explore the data themselves.

The data is from Google’s job search engine which pulls job postings from thousands of separate job boards. These job boards can be company specific as well as common job posting sites like LinkedIn and Glassdoor. On average there are around 1,405 new agricultural job openings posted each month.

This allows for the analysis of the current agricultural job market and provides insights into what current employers in the agricultural industry are seeking in qualified candidates. The median agricultural job salary is \$51,342, slightly below the median salary for all jobs in the United States. Jobs in sales, academics, and lending and finance are among the highest paid in agriculture. The Midwest has the highest average salary compared to all other U.S. regions. In terms of job openings, the top 5 agricultural subsectors are business administration, engineering, sales, lending and finance, and agronomy. Sixty-five percent of agricultural job postings mention some type of benefit package.

Table 1 shows the percent of all job postings that mention a certain skill. Agricultural jobs require a fair amount of experience. Eighty-eight percent of agricultural job postings mention experience in some form. The next two most mentioned skills are leadership (78.1%) and communication (74%).

Another attribute the research team is tracking is demand for data skills by agricultural employers. Almost one-third (31.5%) of the job postings mention

**Table 1. Job Attribute Mentioned in Agricultural Job Postings**

| Job Attribute                         | Job Openings that Mention |
|---------------------------------------|---------------------------|
| Communication                         | 74.0%                     |
| Critical Thinking                     | 21.8%                     |
| Data                                  | 31.5%                     |
| Education                             | 68.1%                     |
| Experience                            | 88.1%                     |
| Leadership                            | 78.1%                     |
| Microsoft                             | 43.2%                     |
| Public Speaking                       | 36.1%                     |
| Programming                           | 9.6%                      |
| Quantitative                          | 34.8%                     |
| Remote Work                           | 11.9%                     |
| Teamwork                              | 53.2%                     |
| Travel                                | 54.6%                     |
| <b>Google Job Search (April 2022)</b> |                           |

that the employee will need to be able to work with data or perform some type of data analysis in their job. Additionally, 43.2% of job postings mention experience with Microsoft software as a desired requirement, 34.5% mention that the applicant needs to have quantitative skills and 9.6% mention computer programming. These numbers show the emerging importance that data and analytical skills will have in the agricultural sector.

Nearly 12% of the jobs mention remote work or flexible work location in some capacity. This share has increased over the past year as more companies are allowing for a remote workforce.

For a more comprehensive view of the agricultural job market, visit the [Ag Jobs Site](#) to explore the dashboard and download the latest monthly report.

## Retirement or Training the Next Generation? Framing Succession in Your Family Business

*Renee Wiatt and Maria I. Marshall*

Why the hesitation? Many farm and family business owners have an initial response of hesitation when approached with the prospect of succession. Yes, succession is a process that is full of life-changing decisions for both the incumbent and the successor, as well as generations to come. However, succession does not have to occur at one point in time. Succession can take place gradually over a number of years. With proper framing, succession can be viewed as an opportunity and not as the end of a career.

A recent survey by Wiatt and Marshall (2021) found that among farm and family business owners, incumbents (the senior generation) were rarely mentally ready to transfer the business. Incumbents

were in one of the following 3 categories:

- 63% - *Well off but choose to work (financially ready but not mentally ready to transfer)*
- 25% - *Stay and grow (not financially or mentally ready to transfer)*
- 12% - *Rich and ready to go (financially and mentally ready to transfer)*

The onus of transfer falls on the incumbent generation to notice that the business would benefit from a change in management (and sometimes ownership). This acknowledgement often prompts owners to seek interested and able individual(s) to join the business. Owners who are not mentally

prepared for succession may find it difficult to bring the next generation into the business. Owners often associate acquiring new talent with their own replacement and subsequent exit from the business.

When ample time is allotted for succession to be planned and implemented, owners can reframe succession in their farm or family business. Instead of thinking of their own retirement and replacement, owners can adjust roles of themselves and their successor. Owners can take this time when the next generation is entering the business to train their successor and share knowledge that they have gained over the many years of owning and operating their own business.

For example, the incumbent who initiates the transfer in their business can gradually transition their roles from CEO of the business to advisor while the successor, in tandem, transitions from manager to CEO. During this transition period, the incumbent should take special care to train the successor(s). This training could consist of tasks such as:

- *Including the successor in meetings to acquaint them with the professionals associated with the*

*business;*

- *Teaching the successor about the financial trends, statements, and innerworkings of the business;*
- *Strategizing in relation to business goals and benchmarks;*
- *Identifying marketing activities and planning future opportunities;*
- *Familiarizing the successor to human resource documents such as job descriptions, contingency plans, employee review documents, and benefits structures; and*
- *Other tasks specific to each business.*

With a realistic amount of time allotted for succession, thoughtful training of the successor, and collaboration between the family and the business through the process, the business has a better chance for a successful succession to the next generation. Reframing succession as an opportunity instead of retirement and replacement in the farm or family business can allow for the incumbent to feel as though they are influencing the future of their business and endowing generations to come.

## Effective Goal Setting for Your Business

*Brenna Ellison*

Most of us have goals in our personal and professional lives. Eat better, spend more time with our families, earn that promotion. However, our success in reaching those goals may be mixed for a variety of reasons. In this article, I will discuss three tips for more effective goal setting, with a focus on business-specific goals.

### **Tip 1: Write goals that are measurable.**

When writing goals, it is critical to set goals or targets that are measurable. As an example, many businesses have a goal, in some form, related to being sustainable. But what does this actually mean? How do you know whether you have achieved sustainability? Maybe you want to reduce your carbon footprint or water use. Both are worthy goals, but to help make them more concrete you need to set measurable targets. So, instead of a goal of reducing

your carbon footprint generally, you could set a goal to reduce your carbon footprint by 25%. You could apply a similar reduction target for water use.

One important note on goal setting: most goals that businesses write are to increase or decrease a particular outcome (e.g., sales, resource usage) of interest, but before you try to change those outcomes, it is critical to have a baseline measure of where you are starting from. Without the baseline data, a goal to increase an outcome by 25% is less meaningful because you don't know what number you are trying to reach.

### **Tip 2: Set a timeline for reaching your goal.**

Once you have a measurable goal, it is important to establish the timeframe in which you want to achieve it. If your goal is to reduce water usage by 30%, when

do you want to achieve this by? In the next 1 year? Next 5 years? For longer-term goals, it is useful to set intermediate deadlines for your business along the way. Continuing with the water example, maybe you want to see a 5% reduction in water use by the end of 2022, a 15% reduction by the end of 2025, and the full 30% reduction by the end of 2027.

As another example, maybe your business wants to increase sales by 50% over the next three years. What steps do you need to take to reach this goal and what intermediate deadlines can you set to ensure you meet it? Perhaps you plan to increase sales through expanded distribution of your product. In this case, your intermediate deadlines may be related to entering new markets – for example, partner with Retailer X in County Y by the end of year 1, expand to Retailer Z by the end of year 2, and so on.

**Tip 3: Find your accountability partner(s).**

Research suggests that people (and businesses) are more likely to follow through on goals that are stated publicly. In other words, when you tell someone about your goal, you have now made yourself accountable to that person. That accountability drives you to do whatever it takes to follow through on your stated goals. So, find your accountability partners! Who can you share your goals with? Your lender or other investors? Your business partner(s)? An advisory board? Share your goals and set regular meetings to follow up on your progress toward achieving them. Regular meetings provide additional motivation to maintain updated measurement of target outcomes and offer an opportunity for contingency planning and correction if, for some reason, you are not on track to reach your stated goals.

## Assessing Technology Management Skills

*Michael Langemeier*

Even though the quantity of labor used in production agriculture has been declining for decades, improving labor efficiency and lifelong learning have become more important over time. When new individuals join the business, it is critical for the concept related to finding the “right people” for the “right jobs” to be at the forefront of hiring decisions. Filling gaps in skills can be very difficult for small businesses, including most farms, which only have a few employees. Moreover, these businesses may sometimes go years between hiring events or a family member joining the business. Due to the scope of this topic, we will focus on technology adoption and the associated management skills in this article.

When assessing production management skills, a firm is typically interested in whether the business uses technology that provides for the most efficient use of inputs (which of course includes employees), achieves lower cost of production than comparable firms, interacts with high-performing colleagues, employs consultants to assist with

difficult or complex production problems, uses control or measurement systems that allow for real-time adjustments, and identifies and monitors key production benchmarks. Labor efficiency is very closely aligned with technology adoption. Specifically, labor efficiency can be improved by investing in more capital per worker and/or the adoption of less labor-intensive technologies (e.g., larger equipment). As a farm increases capital per worker, particularly in today’s environment where many new technologies utilize automation, it is imperative to assess whether the firm’s employees have the prerequisite capabilities and skills to fully take advantage of new technologies.

Why is skill assessment related to the use of technologies so important? It is easy to answer this question. The emergence of precision farming and in particular automation technologies is rapidly changing the nature of work for all businesses, including farms and ranches. To maintain a competitive advantage, firm managers will need to take a more active role in identifying the capabilities

and skills needed to use new technologies, and to develop mechanisms to recruit, train, and retain employees with these capabilities and skills. A very important question to ask is as follows: what are our firm's gaps in capabilities and skills?

We will further discuss skill assessment using automation as a case study. Automation could perform certain tasks at medium to high performance. For example, general equipment and navigation, inspecting and monitoring, basic input and processing, and basic communication could be performed relatively well with automation technologies. However, capabilities pertaining to creativity, leadership, complex information processing and interpretation, and advanced information technology skills and programming will be very difficult to emulate with automation technologies. From a time-management standpoint, one of upsides of current trends in automation is that it may free up employees to spend more time on the skills not well served by the adoption of new technologies (e.g., visioning, goal setting, leadership, personnel management, etc.).

What are the implications of the adoption of new technologies on the workforce environment? We will start to answer this question by thinking about new hires or the addition of a family member to

the business. For example, if we have a family member that is planning on joining the business in the future, do they have the capabilities and skills needed to work with new technologies. Even before the younger generation returns to the farm, it is imperative that both the younger and the older generations think about what skills the younger generation is bringing to the operation. We often want to hire individuals that are like us. In a small business, hiring someone that is like you or bringing in a family member that has a similar skill set is problematic. In today's world, to be successful, someone in the business will need to be interested in production skills related to technology. If a new family member or employee that will be joining the farm in the near future does not have the prerequisite skills, could they obtain the necessary training or is there another employee that could be redeployed or trained to fill the gaps in skills.

Skill assessment is one of many critical success factors to think about when adding a family member or new employee to the business. Other issues include, but are not limited to, common vision, size and scope of the business, collegiality, and commitment. Common vision and the ability to work together as a team is particularly important in family businesses.



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