

Current State of Seed Industry's Talent Acquisition

By Jon Leafstedt and Greg Duerksen

Jon Leafstedt and Greg Duerksen of Kincannon & Reed answer some key questions heard from senior-level client executives on recruitment in the seed industry. Kincannon & Reed is a global retained executive search firm.

1.) What are key long-term issues affecting the availability of research management talent in the global seed industry?

Broad and narrow demographic changes will have significant negative long-term effects on the recruiting pool for seed industry research positions:

- Declining overall scientific literacy of the U.S. and European populations
- Fewer people involved with food and fiber production, especially among those who are recent college graduates to 20 years into their professional career.
- Declining student populations at agronomy and plant science programs in developed country university systems, such as U.S. Land Grant institutions
- Developing countries have a large body of young people with scientific interests, but their educational systems are still playing catch-up with leading developed world universities.
- Reduced management development budgets in the 80s and 90s among agricultural companies are now affecting today's executive talent pool
- High numbers of current seed industry researchers are approaching retirement

2.) What are the most significant changes you have seen affect seed industry research talent acquisition and recruiting?

Recent global demand for grain and record commodity prices are driving up demand for faster delivery of new products with better technologies. Almost all crop input companies, especially the global leaders, are hiring commercial and research employees to improve their long-term competitiveness.

This situation results in successful, talented managers within these companies being more excited about the long-term prospects of their company and less likely to be seeking a better opportunity. As a result, career moves away from a major company are fewer,.

Conversely, candidates are requiring more incentive to make a change. Historically, a 20-25% salary boost was enough to prompt a move, but now we see that 30-35% more salary may be needed to make an offer compelling. If the company is located in a less populated area or the candidate has highly-specific and sought-after skills (e.g., plant breeding), an additional premium likely will be required.

Companies are also making it more difficult to pry their top performers from their organizations. Commonplace tactics include aggressive non-compete agreements and long-term financial incentives structured to encourage candidates to stay put.

3.) What are the tactics you see seed industry and/or research organizations employ to attract and retain talent?

We do not see dramatic changes by employers to attract and retain talent, but here are some subtle (but nevertheless important) shifts we observe:

- Companies are trying to do a better job managing work-life balance, such as creating more flexibility in office hours, office location, and vacations.
- Employers seem more flexible on relocations, long-term commuting, or partial telecommuting. They also are more willing to consider an employee for future promotions even if he/she has turned down previous moves.
- Crop input companies are “sharing the wealth” with employees through above-average salary increases and strong short-term cash bonuses.
- Companies seem more willing to engage retained executive recruiters to fill critical roles. This may be an acknowledgement that top performers are already employed and probably well-treated by their current employer. It typically takes an active, professional effort to gain the attention of potential candidates to consider a new opportunity.

4.) What training challenges or necessities do you see employers in the seed industry facing today? Five years from now?

Successful companies of tomorrow will have trained their top management prospects today. Purposeful, strategic, and well-resourced management development programs will need to be implemented to build the internal management pool necessary to take their company to the next level. After investing in management development programs, companies need to be cognizant that not all entrants into such a program will become tomorrow’s highly promotable executives. Those managers who are not tapped as superstars are likely to still be strong contributors to the company and will need opportunities to effectively re-enter the company’s management mainstream. If they are not effectively reintegrated, they will frequently take their training and skills to another employer.

5.) What is the most frequent talent, experience, or skill gap that you encounter when recruiting talent in the seed industry?

It can be difficult to identify candidates with enough seed industry experience, especially for senior positions. “C-suite” candidates for a seed company position often have more crop protection chemical background than seed experience. The seed company must become comfortable that such a candidate rapidly can quickly master the seed business, bring fresh and valuable perspectives, and will add value and make a strong immediate contribution. To ensure a successful transition to the seed business, companies should examine a candidate’s record of

successfully moving into new, quite different roles as indicators of their adaptability and intellect.

It is also difficult to find seed marketers with superior capabilities in both strategic and tactical aspects of marketing. In fact, relatively few executives in the seed industry (or any other industry, for that matter) have a solid grasp of marketing broadly defined. Most think of marketing as advertising and promotion, which are of course only components of marketing communications and a relatively small piece of the whole marketing thought process. Strong marketers are often quickly tapped for general management posts prior to their maturation into a superlative marketer.

6.) OK, I'll bite: How do you define marketing?

At Kincannon & Reed, we view marketing as four elements held together by a unifying theme:

- A rigorous understanding of customer segments and needs (including unknown needs)
- Knowledge of your competitors' product and service offerings to meet those needs
- The white space in between that you can go after
- Your company's product and service offering (and communication thereof) to meet those needs, fill in the white space,...
- and profitably beat the competition.

7.) What are the unique tactics that you see employers in the seed industry taking today that they may not have employed five years ago to attract and retain talent?

To retain top talent, companies are more aggressive in requiring non-compete agreements. They also are increasing long-term incentives as a total percentage of executives' compensation packages. To recruit top talent, companies are more willing to pay higher salaries and larger signing bonuses, including "make-whole" bonuses to compensate the recruited executive for foregone compensation such as annual bonuses and unvested stock options. Also, today's housing market has forced companies to rethink their reticence to reimburse newly acquired management talent for home selling expenses and assistance on "under-water" mortgages.

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