The Standard Bank Centre for
AGRIBUSINESS LEADERSHIP AND
MENTORSHIP DEVELOPMENT
IFAMA 2013 Atlanta

AGRIBUSINESS MANAGEMENT APTITUDES AND SKILLS SURVEY (AGRIMASS): SOUTH AFRICA 2012

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#supported AgriBusiness Chamber, with Lindie Stroebel
#Funded by SantamAgri
1. Introduction:

Objectives of AGRIMASS 2012:

To determine:

• The forces shaping the current SA agbiz environment;
• Expected drivers of change over next 10 years;
• Agbiz industry requirements for management aptitudes and skills and recommendations;
• Comparisons with 1999/2000 AGRIMASS; and
• Possible (new) directions for Agricultural Economics programmes
Points of departure:

• **HED&T programmes** to assist with:
  * Disciplinary (Ag Econ, etc.) education (theory, application, research, etc); and
  * Indirect education through extracurricular activities, environmental exposure, etc;

• **Professional development:** HED&T in collaboration with agbiz industry - short courses, internships, etc.
2. Analytical framework

2.1 Methodology:

• Based on Agrimass procedures by Lizenberg & Schneider, 1983; Zuurbier, 1998; and applied to RSA by Doyer & Van Rooyen, 2000

• Survey on 74 characteristics/skills of future agbiz managers; six major skills sets (quant & info management -10 q’s; business and econ-20q’s; tech skills-9 q’s; communication-9 q’s; interpersonal – 15 q’s; experience – 11 q’s) + open ended q’s

• Statistical techniques (H.V.): averages; one way ANOVA; principal component analysis (PCA)
2. Analytical framework:

2.2 Survey procedures:

- Electronic questionnaires, end 2011 to 200 ag-and farm businesses – responses from HR manager and for CEO
- Focus on management: entry level; middle; exec level
- Data base: ABC (Agbiz SA) members; members of Centre’s Ag-Leadership Lab’s (including big farm biz) and short course programme design data base
2. Analytical framework:

2.3 Dominant sample characteristics:

- **Sample size:** HR respondents (23); CEO respondents (50)
- **Firm category:**
  - Agricultural services (44%), co-operatives (30%) and financial institutions (22%).
- **Agricultural product focus per responding firms:**
  - Fruit and tree nuts (26%), grain field crops (22%) and horticultural specialities (e.g. flowers, nursery products) (13%).
- **Processing industries among respondents:**
  - Grain milling (35%), meat (17%) beverages (alcoholic and non-alcoholic) (17%) and dairy (9%).
• Business ownership structures:
  • Private company (38%), publicly traded unlisted company (14%), privately owned Pty. Ltd/Cc (14%), cooperative (10%), non-profit/Article 21 comp (10%).

• Working duration of HR respondents:
  • 2 to 5 years (43.5%) followed by 5 to 10 years (26%).

• Working duration of CEO respondents:
  • 5 to 10 years (36.0%), followed by 10 to 15 years (20.0%).

• The employee numbers of the responding companies varied significantly from as little as 2 employees to more than 4000 employees.
3. Results – Understanding the context

• Factors shaping and driving the future:
3.1 Dominant factors currently shaping the SA Agbiz system:

- Global recession (most NB factor)
- Increasing urbanization
- Changing composition of food demand
- Rising income in emerging markets
- Uncertainty and volatility
- Political factors
- Changing technology
- Changing structure of agricultural commodity production
- Trade policy
- Agricultural commodity market speculation
3.2 Factors driving changes in the agbiz industry over the next decade

- Consumer behaviour (most NB factor)
- Increased competencies and management skills
- Long-term relationships
- Trust vs Opportunism
- Information sharing with supply chain/network partners
- Larger companies
- Mass markets
- Technology
- Shared benefits
- Global supply chains

Average importance rating
4. Results – Aptitudes & Skills

4.1 What the Agbiz industry want?
    (see point 5)

4.2 What type of training is viewed as relevant?

• Open ended responses:

• Attitude, inter personal skills, economics, finances, technical knowledge, management, ability to mentored/lead, interpretation of data, environment, policies, ethics, hard work, “to make things work”
4.3 Overall importance of aptitude & skills sets: rating scores 2011/12 survey

- Previous Employment, Education and Work Experience
- Interpersonal Qualities
- Technical Skills
- Computer, Quantitative and Management Information Skills
- Communication Skills
- Business and economic skills
- Strategy and management:

Legend:
- Overall sample
- Entry level managers
- Middle managers
- Executive managers
Overall importance of aptitude & skills sets: Comparing 1999/2000 & 2011/12 surveys

The overall ranking of aptitude and skills sets in two AGRIMASS surveys are *exactly the same*:

1. Personal Qualities (most NB)
2. Communication Skills
3. Business and Economic Skills
4. Computer, Quantitative, and Info Management
5. Technical Skills
6. Employment, Work, and General Experience
4.4 Business and Economic skills: economic and financial skills (2011/12 survey) - management levels compared

- Knowledge of process and product layout and design
- Understand and use professional selling techniques
- Read, understand and use financial statements
- Corporate finance (capital structure, formation and budgeting)
- Accounting concepts and procedures
- Micro (firm-level) economics

- Entry level management
- Middle management
- Executive management
4.5 Business and econ skills: External environment and empowerment skills (2011/12)

- Liaise with, mentor and coach emerging/new farmers
- Understand and implement the developmental role of agribusiness
- Understanding of small scale/emerging/new farmer problems
- Understanding of international trade and export policy and procedures
- Understanding of international economics (exchange rate etc)
- Ability to consider the effect of National and international operations
- Understanding of RSA agricultural policy
- Knowledge and understanding of the BEE Charter and Score Card
- Understanding of domestic (RSA) macro economics

Entry level management: 
Middle management: 
Executive management:
4.6 Strategy and management skills (2011/12 survey) - Management levels compared

- Co-ordinate human and physical resources for efficient operations
- Identify realistic objectives and goals for the firm
- Identify, monitor and evaluate key performance areas
- Develop business plans
- Identify and manage risk and uncertainty
- Cost benefit analysis:
  - Develop business policies and programs for the firm
  - Human resource planning and control
  - Marketing Administration
  - Business organisational structures

Levels:
- Entry level management
- Middle management
- Executive management
4.7 Business and economic skills: Comparative rankings 2011/12 vs. 1999/2000

- Organisational structure
- Professional selling techniques
- Human resource planning and control
- Historical and current RSA agricultural policy
- Process and product layout and design
- International macro economics
- Identify realistic objectives and goals
- Marketing administration
- Corporate finance
- Small-scale- and emerging farmers' problems
- Domestic (RSA) macro economics
- Historical and current international trade and export
- Developmental role of agribusiness
- Read, understand and use financial statements
- Develop business policies and programs
- Accounting concepts and procedures
-瞭解国内和国际政治对……的影响
- Identify and manage risk and uncertainty
- Co-ordinate human and physical resources
- Identify, monitor and evaluate key performance areas
- Liaison with small scale- and emerging farmers
- Firm/industry (micro) economics
- International macro economics
- Identify and manage risk and uncertainty
- Co-ordinate human and physical resources
- Identify, monitor and evaluate key performance areas
4.8 Quantitative, information management skills (2011/12) - Management levels compared (Avg rating scores)
4.9 Quantitative & IM skills:
Comparative rankings 2011/12 vs. 1998

- Use computers in managerial decision-making
- Purchase and implement use of computer systems
- Use quantitative techniques for managerial decision-making
- Understand intelligent/expert systems
- Use computerised accounting systems
- Use general business computer software
- Interpret and use mathematic and statistical methods
- Write computer programs
- Design and implement management information systems
- Design computer programs and communicate with programmers

2011: Blue lines
1998: Red lines
4.10 Technical skills (2011/12 survey) – Management levels compared (Avg rating scores)

- General livestock/meat production systems
- General crop production systems
- Specialised crop production systems
- Soil chemistry and characteristics
- Bio-sciences, bio-technology and/or bio-chemistry
- Food science and processing technology
- Food transportation and distribution systems
- Engineering technology of production/processing machinery
- Computer controlled mechanical processes
- Precision farming system
- Food safety and traceability systems

Entry level management
Middle management
Executive management
Technical skills:
Comparative rankings 2011/12 vs. 1999/20

Comparison not possible -
Detailed 1998 ranking data not included in previous report
4.11 Communication skills (2011/12 survey) - Management levels compared (Avg rating scores)

- Write technical reports, memos, and letters
- Speak clearly and concisely on technical information
- Give clear and concise instructions to others
- Express creative ideas in writing
- Express creative ideas verbally
- Read and understand specific technical information
- Listen to and summarise lengthy oral presentations
- Listen to and carry out instructions
- Ability to use Social media (Twitter/ Facebook ex: )
- Professional telephone skills and etiquette
- Entry level management
- Middle management
- Executive management

The graph above shows the average rating scores for various communication skills across different management levels.
4.12 Communication skills: Comparative rankings 2011/12 vs. 1999/20

- Read and understand specific technical information
- Write technical reports, memos and letters
- Professional telephone skills and etiquette
- Give clear and concise instructions to others
- Express creative ideas in writing
- Express creative ideas verbally
- Speak clearly and concisely on technical information
- Listen to and summarise lengthy oral presentations
- Listen to and carry out instructions

2011

2012
4.13 Interpersonal skills (2011/12) - Management levels compared (Avg rating scores)
4.14 Interpersonal skills:
Comparative rankings 2011/12 vs. 1999/20

Select and supervise other employees
Loyalty to the organisation
High moral/ethical standards
Self-motivation
Self-confidence, 'take a chance, handle stress/failure/rejection
Work without supervision
Work under varied conditions
Raise capital for new and ongoing business ventures
Recognise a business opportunity
Delegation responsibility and authority
Provide leadership and make decisions
Apply technical skills and information
Ability to work with others/team player
Positive work attitude
4.15 Employment, education and work experience (2011/12) - Management levels compared (Avg rating scores)

- Farm/Ranch work
- Employment in domestic SA agribusiness firm
- Employment in financial institution
- Employment in non-agricultural retail business
- Employment in international agribusiness firm
- Government/Public affairs positions
- Industry internships/Co-operative work-study experiences
- General education in the classics/humanities/arts, etc:
- General education at the Technical University level
- General education at the University level
- General education in the Agri-sciences
- Experience in developing a business plan and organising a business
- Work as student teaching assistant or part time in university / technicon
- Extracurricular activities in University including leadership positions in student clubs and…
- Entry level management
- Middle management
- Executive management
Previous employment, education and work experience:
Comparative rankings 2011/12 vs. 1999/20

Comparison not possible -
Detailed 1998 ranking data not included in previous report
5. Some ideas for Talent Development and Training

5.1 Summary:

HR management views focus on:
- theoretical applications;
- financial skills; internships

CEO views focus on:
- attitude, ethics,
- interpersonal skills and communication, data interpretation, strategic application- MBA & Post Grad
5.2 Disciplinary level:

- Good grounding in production economics; business management; financial analysis; HR basics; info/data management; computer skills for managers?
- Policy knowledge: trade, development, agric;
- Subject related matters: food safety, marketing, data analysis and interpretation – economics, finances, supply chain analysis, etc...
- Applications: Agbiz case studies – Harvard or Purdue method?
- Reconsider Ag Econ/Agbiz combinations?
5.3 Indirect Education level:

• Skills development: Team building, management; leadership; communication, life skills, presentations;

• Extra curriculum activities by university/college in collaboration with industry (agbiz, commodity org) – “winter schools”, Agbiz case study competition, etc.

• A stronger role for IFAMA, AEASA - work labs
5.4 Professional Development level:

• Industrial placements/internships - Univ/college in collaboration with ag industry?

• Short courses: subject matter specialisation; leadership, management, team development, conflict resolution, interpersonal development – scope for univ/colleges in collaboration with industry

• A role for AEASA – collaboration with professional groups?
THANKS FOR LISTENING
QUESTIONS?..