

# Talent Management in Grain Merchandising

## *Expectations and Perceptions of Agriculture Majors Interested in Grain Merchandising Careers*

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Many students enrolled in agriculture and natural resource academic programs pursue careers in merchandising agricultural commodities. One such career is grain merchandising. Firms use merchandisers to manage commodity price risk, including executing futures and options contracts, spot and forward contracting, and arrange transportation and storage. With little or no practical experience, the new merchandiser or former undergraduate student rarely understands the profession.

Employers, however, have full knowledge of grain merchandising, but know less about the career attributes that students find appealing. Thus, employers and employees invariably have imperfect information of one another. The differences between the two provide an opportunity to learn what is important to the employer and which tradeoffs students are willing to make to work as a grain merchandiser. Thus, the objective of this study is to more fully understand students' willingness to pursue a career as a grain merchandiser.

The job attributes of grain merchandising were developed from interviews with industry professionals, and reviewing job descriptions from a multinational agribusiness, a food company and a farmer's cooperative. The following job attributes were used in a survey sent to students to identify what they value or prefer most in a grain merchandising career:

- Larger company size
- Frequent amount of performance feedback
- Rural work location
- Professional growth opportunities within the company
- Oral communication is a key part of the job
- Risk management and analysis is a key part of the job
- Company leans towards making risky decisions
- Company prefers assertive behavior in its employees
- Annual salary

## Survey Results

A set of questions were asked of students to identify what grain merchandising job attributes were most important and valued most by them. Agribusiness students at Kansas State University and Fort Hays State University were surveyed. A total of 153 students completed the survey. The results showed some interesting insights as well as differences across various students.

### *Importance Scores of Job Attributes*

Students tended to prefer 3 specific attributes in a grain merchandising job. A relative importance score was calculated and each attribute received a score. All of the attribute scores sum up to 100%. That way, each score can be compared to each other. The most important attribute was annual salary with a relative importance is 35.22%. A rural work location was next

at 22.54% and company size was third at 10.10%. Even though company size was an important factor for students, based on the relative importance scores, annual salary was over 3 times as important as company size.

Undergraduate students did not place much importance on other aspects of a grain merchandising job. The attributes of “Professional growth opportunities within the company” (8.53%), “Oral communication is a key part of the job” (5.49%), “Company leans towards making risky decisions” (4.82%), “Risk management and analysis is a key part of the job” (4.76%), “Company prefers assertive behavior in its employees” (4.73%) were of low importance. At the bottom of the list was the attribute “Frequent amount of performance feedback” (3.82%).

### *Value of Job Attributes*

Students were also asked to choose between different grain merchandising jobs that varied across the job attributes. These jobs varied across the attributes mentioned earlier. So a job choice might be between a large company in a city with a high salary versus a small company in a rural location with a lower salary versus not choosing either job. Asking students these types of questions provided them the opportunity to state what job attribute they prefer most and how much salary they are willing to forgo or how much extra salary they need to take a job.

Students seeking a grain merchandising job strongly prefer to work in a rural location and for smaller companies. If the job was in a rural location, students were willing to accept a salary that is more than \$20,000 lower than working in the city. Of course some of this lower salary is attributable to lower cost of living but not all of it. Furthermore, students preferred jobs with smaller companies and were willing to accept about \$3,000 less in salary to work for a smaller company.

While students did not place a high importance on professional growth opportunities, they did place a significant value on companies that do offer these opportunities. Students were willing to accept nearly \$8,000 less in salary to have the opportunity for professional growth within the grain merchandising job. It is likely these students are expecting professional growth will lead to a higher future salary.

There were differences among students and their preferences for grain merchandising job attributes. While the average student placed a low importance on “Frequent amount of performance feedback,” students at a smaller university and females valued that attribute. For example, students at a smaller university were willing to accept nearly a \$4,000 lower salary to have frequent performance feedback. Female students were similar.

## Conclusions

Employee selection is important. Poor recruitment practices can result in financial losses for the company. This applies to grain marketing cooperatives. As such, this research aimed to gain a better understanding of what undergraduate students prefer in a grain merchandising job.

Clearly students prefer a higher salary but there are tradeoffs. Students indicated a strong preference for working as a grain merchandiser in a rural location and for smaller companies. Professional growth opportunities were also greatly valued. Furthermore, students from a smaller university and females greatly preferred to more frequent performance feedback in a grain merchandising job. In short, it would appear that many grain marketing cooperatives looking for new employees can offer job attributes that would appeal to various students.