

HUMAN CAPITAL STRATEGIES OF C-SUITE EXECUTIVES: THE FUTURE OF FOOD AND AG

C-Suite Leaders Identify Their Top Talent Needs in Changing Times

A Three-Part Series

- **PART 1: ATTRACTION** “C-Suite Leaders ID the Most In-Demand and Elusive Skills”
- **PART 2: RETENTION** “Workplace Culture and Hybrid Demands Front and Center”
- **PART 3: ENGAGEMENT AND DEVELOPMENT** “Keys to Engaging and Developing Top Talent”

Introduction

In the rapidly evolving [food and agriculture industries](#), C-suite leaders must be nimble enough to respond to the immediate challenges of rapidly shifting marketplace demands and producing enough food to feed a growing global population, while remaining firmly future focused. Attracting and retaining leaders who can manage that delicate balancing act is a top priority for CEOs and Chief Human Resource Officers (CHROs) across the food value chain.

For this three-part series on future human capital needs in changing times, Kincannon & Reed turned to CEOs, CHROs and other senior executive C-suiters across the food value chain

who are thinking deeply about their human capital strategy for the years ahead.

Across the distinct topics of recruitment, retention, engagement and development, a common theme emerged: these companies are seeking talented individuals who:

- Are values-focused
- Embrace disruption
- Navigate this complex industry and its challenging work environment with confidence and empathy
- Lead organizations to find innovative solutions needed for future challenges

Across the series, leaders weighed human capital considerations against trends that are reshaping the industry and the workforce in general.

First, the global food and agriculture system will need to innovate to ensure it can feed a population of 9.8 billion by 2050¹ and do so sustainably. To meet that demand, food and ag leaders are juggling a complex set of production, nutritional, and supply chain issues.

Second, two interlinked trends – the Great Resignation, an unprecedented mass exit from the workforce spurred by COVID-19 pandemic, and the emergence of the hybrid workplace – are prompting a fresh look at the leadership skills needed to steer an organization through turbulent waters.²

And third, investors are increasingly evaluating companies' Environmental, Social, and Governance (ESG) performance to assess their ability to face future challenges, including the importance of diversity, equity, and inclusion in recruitment, engagement, and retention of executives.

These considerations are top of mind for our most recent executive placements, according to a survey showing newly hired leaders are also grappling with tough questions around attracting, developing, and retaining talent in today's environment. Compared to even a year or two ago, everyone is thinking differently about their human capital needs to be future ready.

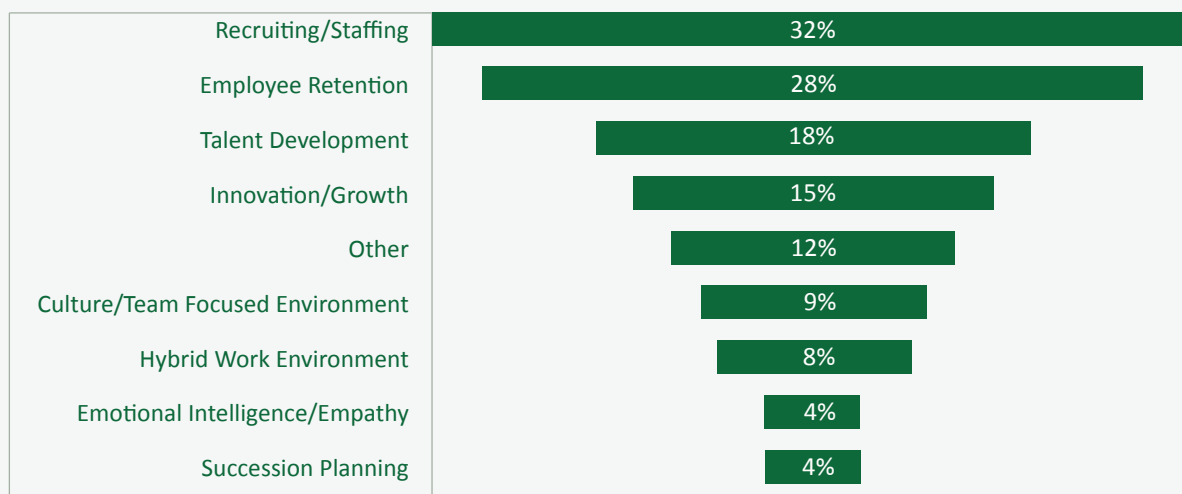
What does that future leader look like? We hope this series will help illuminate the answer.

What seems clear however, is that, for these C-suite leaders, this future leader is drawn to an organization's purpose, mission, values, and culture, and they can lead comfortably in a diverse and inclusive world.

They are an individual who possesses emotional intelligence as well as experience, is collaborative by nature, and can guide people through difficult times. Senior executives with these attributes are far more likely to stay engaged and committed to leading their organizations into the future.

And while there's no one-size-fits-all approach to talent, these insights can help organizations transform their future human capital strategy from aspiration to execution.

Top Priorities: Human Capital Strategy³



¹ The World Population Prospects: The 2017 Revision, UN Department of Economic and Social Affairs

² "The Great Resignation or the Great Rethink?", Harvard Business Review, March 22, 2022

³ K&R Survey 10/21/22

Part 1

ATTRACTION

C-Suite Leaders Identify the Most In-Demand and Elusive Skills

EXPERIENCE ALONE ISN'T ENOUGH FOR A FUTURE LEADER

Given the challenges ahead, C-suite leaders tell us experience alone isn't enough to ensure a senior executive can effectively guide an organization over the next three to five years and beyond. Just as important, they say, is strong self-awareness, strategic, long-term thinking, and a focus on results. Today's executives are not only being hired for what they have accomplished, but more crucially, for their potential to impact the future of an organization. In fact, while experience may get senior leaders and executives an interview, many other factors are required to drive an organization's growth.

Cultural fit integral to human capital strategy

Cultural fit is a recurring theme for C-suite leaders – it's integral to every aspect of human capital strategy. A candidate's commitment to their company's purpose, mission, and

culture is a top consideration in attracting and [recruiting high-quality, talented executives](#). They also believe that a compelling mission for the organization and a strong culture is also what keeps talented senior executives engaged in their jobs.

"For me, cultural fit is the biggest thing," said [Robert Hodgen](#), CEO of [King Ranch](#), a major agribusiness based in Texas, with operations in Florida and California.

"We obviously look at their basic skills for the role and whether they have the experience to do the job—but that's table stakes compared to their ability to fit within the organization's culture. We are also focused on their innate personality: are they naturally wired to be successful with the role?"



A fair, market-rate compensation is important, these leaders agree, but it is not the decisive factor in recruitment in today's changing talent landscape. Workplace culture and work-life balance are just as—if not more—critical.

"Candidates have to believe before they can belong," said [Ed Yuhas](#), Kincannon & Reed Managing Partner. "That means organizations need to do a good job of branding their purpose and culture. They don't have to be the highest-paying employer, but they must treat people really well—and that begins with the recruitment process."

Yuhas is convinced a healthy culture will remain a decisive factor in recruitment for years to come.

Wanted: Authentic leaders with emotional intelligence

The ability to lead is another top consideration in attracting the right senior executives.

"When we look to the future, we want to be sure they understand the importance of building talent, so we're trying to tease out their experience in growing talent," explains [Lisa Escudero](#), Senior Vice President of Human Resources at [Phibro Animal Health](#). "They also need the confidence to be willing to delegate, and not think they have to do everything themselves."

Humility is the word that [Victor Ochoa](#), CEO of [Granjas Carroll](#), a leading Mexican pork producer and processor, uses to describe the quality he seeks in senior executives. He paraphrases a Spanish poem: "It is not important to arrive first and alone. It is important to arrive on time and with everybody."

The ability to admit to a mistake is prized by Ochoa and other interviewees. "I want people with valuable experience who aren't afraid to share that they have learned from their mistakes. If they're telling me that they have never made a mistake, then they have either never made a decision, or they have a terrible memory, or they're lying. As far as I know, I'm not interviewing God. I'm interviewing a human and human beings make mistakes."

DIVERSITY, EQUITY AND INCLUSION AT TOP OF AGENDA

For survey respondents and interviewees, diversity, equity and inclusion (DE&I) is a key factor in human capital strategy.

Some 77% of survey respondents say DE&I is of growing importance in executive talent recruitment and engagement, although leaders approach it differently. Not only does more diversity make his executive team stronger, King Ranch's Hodgen said it's a growing expectation from stakeholders including employees, customers and shareholders.

Kim Nicholson, VP of Ag Technology and innovation at The Mosaic company, is focused on identifying talent pools where there is greater diversity, like their recent partnership with a Historically Black College & University (HBCU) to tap into diverse talent.³

With DE&I becoming a day-to-day business priority, these C-suiters said they are looking for leaders who encourage open and intentional conversations around diversity and who will proactively identify and address organizational shortcomings in DE&I so that everyone feels a sense of belonging.

Find more insights on [fostering a diverse workforce](#) here.

³ Mosaic Donates \$100K to FAMU School of Business and Industry, HBCU News, February 10, 2022



Empathy and emotional intelligence are highly desirable qualities in attracting the right candidate.

For 74% of Kincannon & Reed's most recent placed executives, emotional intelligence and empathy are the most sought-after qualities in executive leaders today.

As one survey respondent noted, “The primary motivator for people is trust. People will see you acting on integrity and truth.” Another says, “Emotional intelligence is essential to true leadership.”

The C-suite leaders we interviewed agree: they want leaders who are genuine, compassionate and great communicators.

“We put much more emphasis on qualities like compassion and empathy – even more than we did just one or two years ago. The pandemic, the war in Europe and other factors have put leadership in a completely different context

today,” says [Jonas Berndtsson](#), Global HR Director for [AAK](#), producer of plant-based specialty ingredients.

While both interviewees and survey respondents prioritize emotional intelligence, they acknowledged it is a difficult quality to assess when interviewing candidates. Similarly, the ability to collaborate is not easy to gauge.

[Kim Nicholson](#), VP of Ag Technology and Innovation at [The Mosaic Company](#), the world's leading integrated producer of concentrated phosphate and potash, explained, “We need leaders who are comfortable managing global teams, who can adapt culturally, and are flexible with the way that people carry out their work in different parts of the world.”

Kincannon & Reed's Yuhas agrees: “With the mind-boggling pace of change, qualities like strategic agility and adaptability are important; a leader needs to know when to pivot and how to fast fail. These qualities are hard to assess, which is why we work with clients using behavioral-based interviewing and other evaluation tools to identify individuals who are authentic and have learned from their failures.”

Elusive Skills

When it comes to the skills that are the toughest to recruit for at the senior leadership level, C-suite leaders have differing views, depending on their organization's specific growth needs, its niche in the food/ag sector, and the type of company (established firm vs. start-up, etc). Some seek senior executives with a varied set of skills who are not too narrowly focused in one specialization. Too often, Hodgen says, candidates are "an inch wide and a mile deep, when their new executive role requires leading a team and not acting as a technical expert within a given discipline."

For [Naveen Sikka](#), CEO of [Terviva](#), a company combining agroforestry and the production of sustainable food ingredients, entrepreneurialism is the hardest skill to assess in a candidate: an appetite to build something from the ground up. "It can be challenging at the senior level to gauge the degree of entrepreneurialism. The mission commitment is self-evident when you interview candidates. The good news is that the whole space is hot when it comes to entrepreneurship."

For The Mosaic Company's Nicholson, soft skills are the most elusive to find.

"Business is pretty straightforward, but people are messy. So we value the ability to deal with the messiness of everyday work and getting the job done, and demonstrating the ability to truly lead and manage through difficult situations."

Looking ahead

Identifying leaders with an authentic commitment to an organization's culture is a winning approach, no matter the disruption that comes along, Kincannon & Reed Managing Director [Paul Izenstark](#) says.

"It's really selling the brand, the mission of the brand, selling shared values, because people want to get involved in a company that they can believe in and that shares their values."

A thoughtful human capital strategy will make all the difference, no matter the organization's future. When a company markets its employer brand well—consistently and authentically—in everything it does and everything it communicates, it's in an excellent position to attract the kind of people who will want to work for and stay with their organization.

"The risk of not paying attention to how they attract and develop their human capital are substantial," says Yuhas. "A company could lose customers and access to the best talent. It's a downward spiral. On the other hand, companies that do this well leave nothing to chance. They recognize that in every interaction, they are building their corporate image. The care that a company takes with people will resonate in the marketplace. And that is something that will never change."



RETENTION

Workplace Culture and Hybrid Demands Front and Center

RETAINING TALENT IN CHANGING TIMES

In 2021, more than 47 million Americans quit their jobs, the most resignations on record.³ Resignation rates continued to set records in the first half of 2022, and The Great Resignation is not unique to the U.S. but is happening globally.⁴ While the highest turnover is among workers in retail, food and hospitality, education and office and administration support⁵, no industry is immune. As a result, companies are facing a void of senior leaders with experience to confidently take the reins and guide companies into the future.

Interestingly, the C-suite leaders we interviewed have not experienced a level of resignations that fit the trend. When they look at the reasons for this, culture is the most resonant theme. In fact, a toxic corporate culture was 10 times more predictive of attrition than compensation during the first six months of the Great Resignation, according to the MIT Sloan Management Review⁶.

It's not surprising, then, that C-suite executives told us they want to [attract leaders](#) who believe in their mission, as that's a definite indicator of individuals who are more likely to stay.

According to Nicholson, the company has a tradition of multi-generational families working for the company. "That tells me it's a culture where people feel supported and valued."

Hodgen of King Ranch agrees that culture is the secret sauce to [retention](#): "When a company builds a great culture where you are the employer of choice, then people want to come to work every day and thrive. Empowering our leaders to hold their teams accountable to the values which act as the bedrock of our culture is

a critical key to success." He acknowledges this is a leadership ability not easily cultivated or measured: "Culture is like the wind: you can feel it, but you can't see it."

Similarly, Berndtsson had lower turnover in 2021 than it did in 2020. "Yet we are completely aware the Great Resignation exists, and we need to mitigate it. We feel that the commitment to our purpose and values creates a personal connection to the company that makes it harder to leave."

Balance of challenge and autonomy keeps leaders engaged

There are other aspects of engaging senior executives that were cited as critical by those interviewed.

THE TOXIC FIVE

Five behavioral attributes have the largest negative impact on how employees rate their company's culture, per MIT Sloan Management Review:

- 1 Disrespectful
- 2 Non-Inclusive
- 3 Unethical
- 4 Cutthroat
- 5 Abusive

³ Roughly 47 million people quit their jobs last year: 'All of this is uncharted territory.', CNBC, Feb 1, 2022

⁴ People aren't ready to quit quitting, Mashable, April 22, 2022

⁵ 1 in 4 workers plan on quitting in 2022, as Great Resignation continues, Resume Builder, Jan 3, 2022

⁶ Why Every Leader Needs to Worry About Toxic Culture, MIT Sloan Management Review, March 16, 2022

For Escudero, the engagement factor hinges on capitalizing on their mission-driven organization, being clear on their strategic focus areas, and importantly, “diversity, equity and inclusion are a core component of how we engage leaders.”

Offering opportunities to solve challenge is a way to keep leaders engaged. C-suite leaders recognize the need for advancement for high performing team members as a way to keep them motivated and to demonstrate their contributions.

As Nicholson says, “For senior leaders, engagement is about continual challenge. It’s an interesting time to be in our industry.”

Ochoa says he cultivates engagement by giving senior leaders special assignments and a variety of challenges, including working in multi-functional teams across different parts of the company.

Kincannon & Reed Managing Director Paul Izenstark agrees: “It’s a good strategy to cross-train leaders – helping them move away from a functional mindset towards one that creates energy, innovation, and learning across the organization. People who need the functional framework may be more comfortable, but the outcomes are not necessarily healthy for the company.”

C-suite leaders also underscore the importance of giving senior executives autonomy and the power and resources to lead. Nicholson finds that an important aspect of keeping leaders engaged is “the freedom to lead as they see fit, in a corporate culture that doesn’t dictate how they get the work done, as long as they get the results.”

Kincannon & Reed Managing Director [Lloyd Le Page](#) notes an important recruitment dimension to finding leaders who can lead in this way. “If you don’t recruit the right people, you can’t build that trust. It’s important to spend time on getting the right people. Once you do, and have been clear about the results you expect, you let them run with it. They will have their own style and way of doing things.”

Organizations should not be afraid to pass the baton earlier than they might have planned, cautions Yuhas.

“We often tell our clients that sometimes change is a good thing. I’ve seen more things go wrong with leaders who stay too long rather than those who don’t stay long enough. We ask clients, ‘Would you rather have an A player for three years or a B player for five to ten years? And when they think about it, the answer is obvious: the A player.’”

And while changeovers can be costly, Le Page adds, there’s an opportunity cost, too, in time and talent lost. “Sometimes it’s good to have new thoughts, new vision, new input coming in. We want diversity of thinking.”

Hybrid workforce demands new leadership skills

A collaborative and flexible work environment is an important factor in keeping top-level talent engaged, survey respondents and interviewees say, especially with today’s hybrid workforce requiring more agility and adaptability.

More than 90% of survey respondents said they now have a hybrid work environment. C-suite leaders agree this shift to remote and in-person work requires different leadership skills. But it also presents an opportunity to retain and develop executives who thrive in this new paradigm.

“Our leaders have had to find creative ways of working, to adapt and learn,” says Nicholson. “For some leaders, especially older generations, the shift to virtual work has been a difficult transition. But they’re learning; they see people still get the work done. As we go forward, leaders need to think about managing remote teams around the globe, understand cultural differences, and be flexible. That’s another skillset we need.”

It comes down to trust, Izenstark noted, “In the past, we used to have to perform to earn a leader’s trust. And in today’s virtual environment, leaders have to trust that their employee is going to perform. This is very difficult for some leaders.”

Similarly, Berndtsson says AAK’s organizational structure was already designed with small, efficient teams that collaborate globally, so a hybrid model is a natural fit.

To lead in the future, senior executives will have to be adept at communicating and maintaining collaboration in a hybrid environment. For some C-suite leaders, team cohesion will always come down to in-person interaction.

“It’s hard to build culture and collaborative skills in a work environment if everything is remote,” Hodgen says. He encourages his team to have highly productive, focused meetings that are short in duration but maintain the discipline of coming together regularly, “which then frees us up to do the rest of our work and limits distractions.”

Sikka agrees that in-person connection is critical, especially in the fast-paced, all-hands-on-deck startup environment: “We can preserve elements of a flexible schedule, but we also need the productivity and culture connection that happens through in-person work. We let individual leaders decide that balance.”

Among dozens of newly hired executives surveyed, all agreed that leaders who communicate effectively are essential to maintaining productivity and a healthy culture in a hybrid work environment – and that flexibility has become a basic expectation of today’s workplace. The secret to the successful hybrid workplace, says

one respondent, is “empathy, clear goals, open and frequent communication, and quick response time from remote workers.”

Le Page noted that, organizations with a flexible structure for remote work best equip their executives and leaders to engage teams by leveraging the many collaborative work software tools that are available.

For firms where spontaneity has been key, in the hybrid workplace, “they need to redefine the structure of the workflow,” says Izenstark. “From strategy and ideation all the way through to execution, they need to figure out when it’s necessary to bring a team together to develop certain programs and to execute them, and when that can be done separately in order to be most productive.”

Looking ahead

While current challenges are considerable, C-suite leaders across the food and ag value chain are looking ahead to ensure their human capital strategy is sufficiently robust to handle the change and disruption to come. And that brings them back full circle to the organization’s culture and purpose as the North Star.

“I look at unforced turnover as an indicator of the health of our business,” says Hodgen. “If we can lower our turnover percentage and retain our best talent, a flywheel effect happens within the business over time that we believe improves all other KPIs. We are really focused on filling our company with people that fit the culture, that want to be here. For us, that is the bottom line.”

ENGAGEMENT AND DEVELOPMENT

Keys to Engaging and Developing Top Talent

DEVELOPING TOMORROW'S LEADERS

Developing executives to meet future human capital needs has C-suite leaders examining former assumptions and identifying a different set of attributes and characteristics in their executive team. They also have a variety of ways to tackle the approach to development, ranging from formal, structured talent development and leadership programs to looser, more bespoke solutions to executive development.

Executive coaching drives goals with more clarity

Many C-suite leaders we talked with use [executive coaches](#) as an important development approach – and they can be particularly helpful in smaller organizations or start-ups that don't have formal programs.

Sikka explained that half of the members of his leadership team are currently in coaching

relationships and the company now includes executive coaches as part of its executive compensation package. "I find it invaluable," says Sikka. "Executive coaching is huge to help us with development. It helps us communicate better and drive goals with more clarity."

Some leaders are looking to be more formal and intentional in their approach to executive development. Hodgen, said he recently hired a Chief Human Resources Officer, a new position at King Ranch, who is tasked with building a leadership development program for the top 30 people in the company. Until that is underway, Hodgen encourages executives to take advantage of external leadership programs and advanced executive education courses—an approach shared by many C-suite leaders.



Seeking insights from experts outside the company with deep knowledge of the industry is a wise way to get a fresh perspective, especially in understanding the rapid changes taking place in the food and ag world, says Le Page.

“There’s always a danger in business, where people are teaching each other about the same things, and they don’t get enough outside information coming in. You need that inflow of new thinking.”

While training and education is important, Ochoa of Granjas Carroll, says he finds that giving his senior leaders special assignments and different challenges creates a sense of excitement about their work. “They need to enjoy working here and have fun in their job.”

A focus on mentoring younger leaders

With their future focus, and the complex challenges ahead for the industry, survey respondents and those interviewed are aware of the need to proactively accelerate the potential of young leaders.

Mentoring is at the top of the list as an effective approach to cultivate younger talent. Some have formal programs for mentoring and training. Others say that giving younger leaders challenging assignments or moving them around in different roles is an effective development strategy.

According to Nicholson, “We’re always looking at the future leaders. We find that giving them the opportunity to manage and lead teams for specific transformation or innovation projects around the globe is a great way to test the waters, to see whether they enjoy leading people.”

For Berndtsson, a recent exodus of young leaders from the company has been a wake-up call—and a recognition that a dedicated program for these high-potential leaders is a priority. “That is something we definitely need to address. We’ve seen younger talent leave the company

for positions we felt they weren’t ready for in our organization. Could we have offered them a similar position internally? I’m quite convinced of that. As a first step, we’re encouraging our managers to dare to have that dialogue with younger leaders in annual performance reviews.”

Mentoring is also about being exposed to leaders in person, on a daily basis, who role model good behavior. This is something younger, high-potential leaders may be lacking in today’s hybrid workforce, according to Ed Yuhas, Managing Partner at Kincannon & Reed. He advises companies to pay attention to ensure their future leaders are being nurtured in the right way.

Looking ahead

“Over the next three years, our continued priority is to communicate and build excitement over the long-term vision of our company,” says Escudero. “That’s how we believe we’ll ensure the human capital needed for the future.”

For Terviva, Sikka says: “In terms of talent, the priority over the next three is to grow our agriculture and good operations expertise, to combine it with our legacy expertise in innovation so we can deliver on our promises.”

Methodology

This paper emerged from a set of C-suite interviews conducted in March 2022 by Kincannon & Reed in which seven executives across the food value chain were interviewed about their current talent strategy. These findings were complemented by a May 2022 survey on human capital strategy among recent Kincannon & Reed executive placements.

Executive Interviewees

We would like to thank
the following leaders for providing
their valuable insights.



JONAS BERNDTSSON

Global HR Director, AAK, Sweden



LISA ESCUDERO

*Senior Vice President, Human Resources,
Phibro Animal Health Corporation*



ROBERT HODGEN

CEO, King Ranch



KIM NICHOLSON

*Vice President, Ag Technology &
Innovation, The Mosaic Company*



VICTOR OCHOA

CEO, Granjas Carroll



NAVEEN SIKKA

CEO, Terviva