



UNITED STATES

Compensation & the Ag Workforce during COVID-19

An AGRIBUSINESS HR REVIEW™ Special Report from

AG
careers.com



Overview

A lot has changed for ag employers over the recent six months, but a lot has stayed the same. Many of the top HR concerns prior to COVID-19 are still present but with added complications as a result of the global pandemic.

This special report provides a hyper focus on the most critical components facing agribusinesses during COVID-19. The topics include workforce planning, wellness/benefit programs and compensation practices related to salary administration for both 2020 and 2021.

This data was collected from our annual AG HR REVIEW™ survey completed by more than 80 agribusinesses, which assessed how ag HR professionals continue to adapt to the changing workplace environment with a special COVID impact questionnaire.

HR Concerns

One in four ag HR professionals are concerned about the topics listed below. Similar to concerns of years past, talent acquisition, retention, and compensation are now coupled with new workplace obstacles, such as maintaining a safe and healthy work environment amidst COVID-19.

Top 8 Most Concerning Matters for Ag HR Professionals

Competing for Talent	56.96%
Recruiting Difficulties	49.37%
Employee Retention	49.37%
Fair & Competitive Compensation Systems	39.24%
Employee Training & Development	35.44%
COVID-19	30.38%
Maintaining a Safe & Healthy Work Environment	29.11%
Employee Wellness/Benefits Initiatives	25.32%

**Percentages do not total 100; respondents were allowed to select multiple responses. Results are calculated dividing the number of responses by respondents.*

Workforce Planning

The agriculture industry is surely resilient, and this is evident as more than one half of companies surveyed anticipate their workforce will increase in size over the next two years. Only a minimal number of respondents anticipated a decrease and another large percentage indicated the size will stay the same. We also see that 81% of agribusinesses did not have to make staff changes. And a notable almost 20% increased hiring of both permanent and temporary employees combined. The continued need for talent did not dissipate for our industry as our organizations are called upon to produce food and fiber.

How has staffing within your organization been affected from COVID-19?

We have not made staffing changes	81.01%
Increased hiring of permanent employees	11.39%
Increased hiring of temporary employees	7.59%
Furloughs - temporary layoffs	3.80%
Layoff - with intention to rehire	2.53%

**Percentages do not total 100; respondents were allowed to select multiple responses. Results are calculated dividing the number of responses by respondents.*

Is the size of your workforce likely to change in the next 2 years?

Increase	51.90%
Stay the Same	44.30%
Decrease	3.80%

What have been the most significant factors influencing your workforce planning needs?

Turnover - Voluntary	64.56%
Recruitment Difficulties	45.57%
Retirements	37.97%
Changing Job Market	25.32%
Turnover - Involuntary	24.05%
Need for Different Skills/Classifications	24.05%
COVID-19	8.86%
Leadership Vacancies	7.59%

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2020 Salary Administration

Most agriculture organizations were able to provide consistency in regards to salary increases for 2020. Roughly a third of organizations had already implemented 2020 increases prior to the pandemic. A combined 30% of organizations did report being undecided, delaying or canceling previously planned increases. A continued focus was placed on rewarding high performers and half of organizations also considered a general/cost of living increase. The prevalent estimated salary increase given was 2.6 to 3.0%.

Has your organization made changes to salary administration as a result of COVID-19?

We Have Not Made Changes	70.89%
Offered Hazard/Premium Pay to Employees Required to Work	11.39%
We Have Implemented a Salary Freeze	3.80%
Employee Base Pay Increases	1.27%
Reduced or Eliminated Bonus Structure	1.27%

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As a result of COVID-19 what changes were made to 2020 merit increases?

None, 2020 merit increases will be given as planned	43.04%
None, 2020 merit increases have already been given	27.85%
Undecided	13.92%
Change of plans, 2020 merit increases delayed	7.59%
Change of plans, 2020 merit increases not dispersed	7.59%

How did you or how do you plan to administer the salary increase budget for 2020?

Allocating larger portion of salary increases budget to high performers	43.04%
Allocating same increase/no increase to all performers (excluding promotions)	34.18%
Salaries will not be/were not increased	12.66%
Salary increase for high performers only	10.13%

71%

of participants have not made changes to salary administration as a result of COVID-19

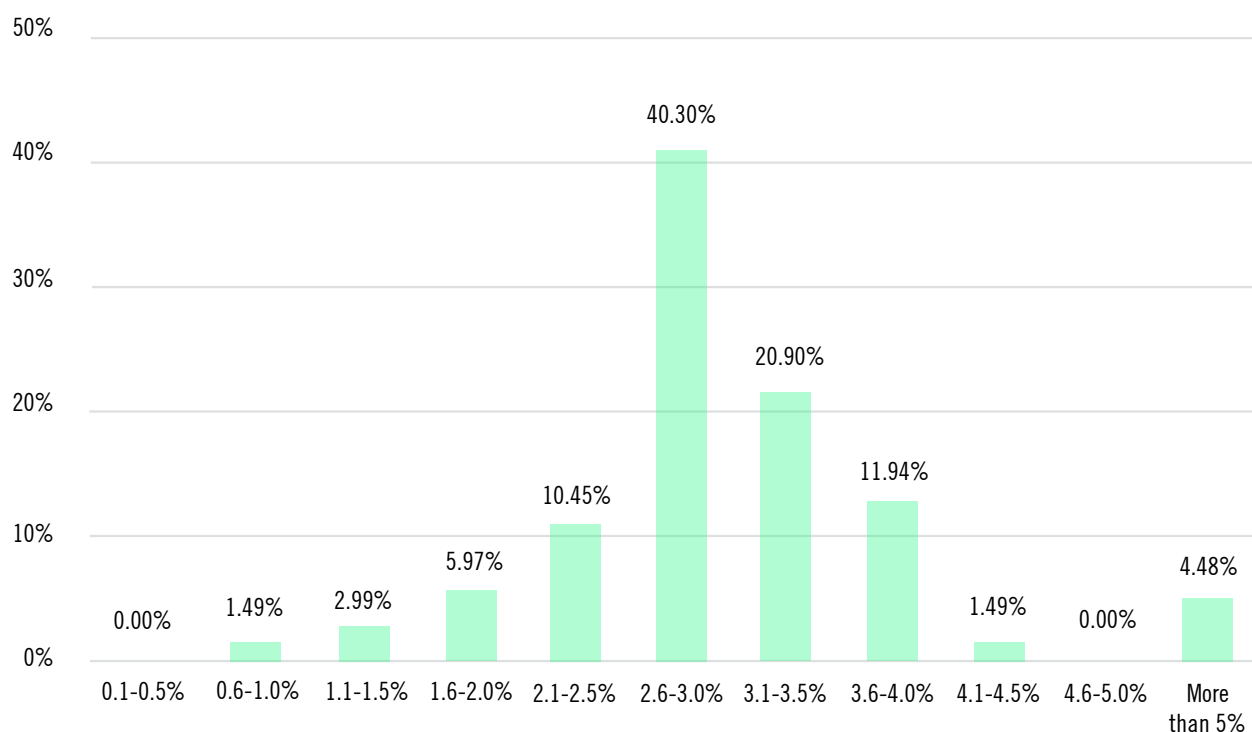
2020 Salary Administration - continued

Which of the following types of salary increases were distributed?

Merit Increase/Performance Based	90.77%
General Increase/Cost of Living	50.77%
Equity/Market Adjustment	26.15%

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What was the average increase received by employees during the last 12 months?

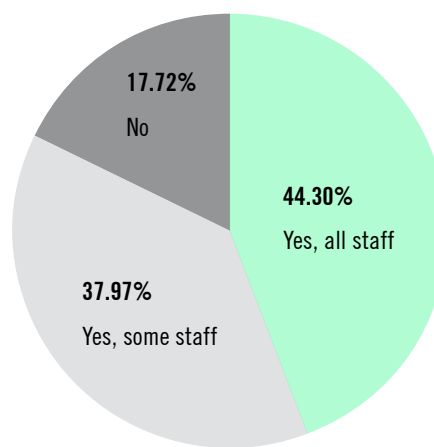




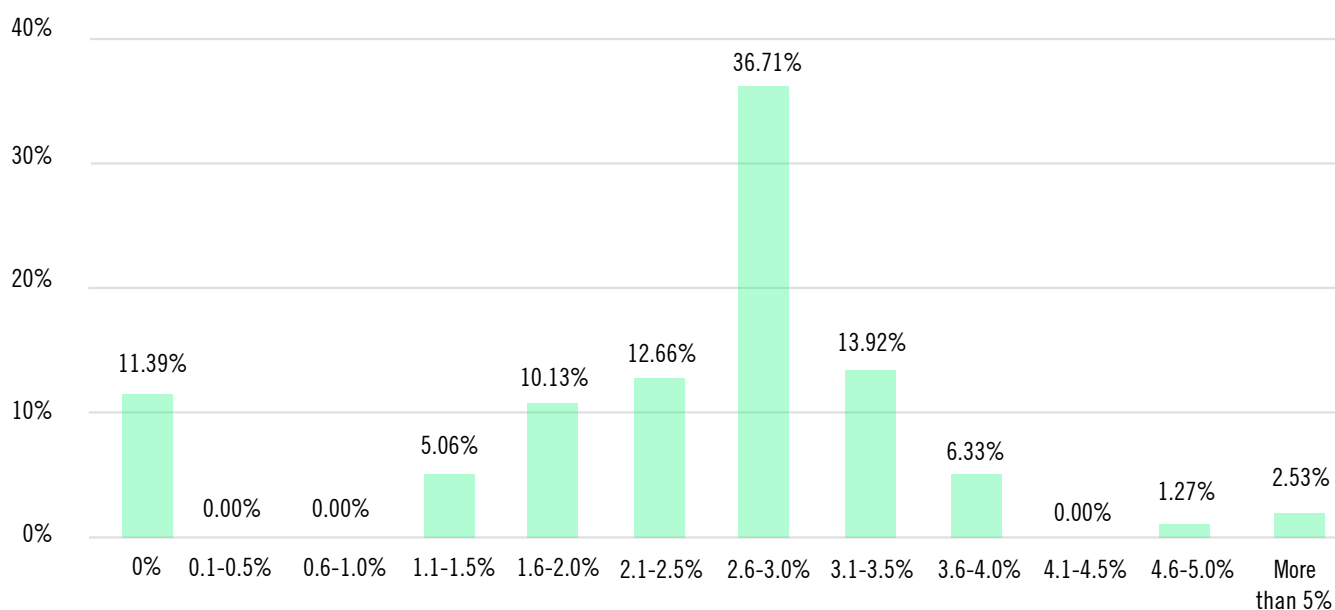
2021 Salary Administration

Looking ahead to 2021, companies continue to plan for increases, only 17% indicating it was not likely for salaries to increase. The prevalent estimated salary increase budgeted was 2.6 to 3.0%.

*Are salaries likely to increase in the next 12 months?
(Financial Year)*



What has been budgeted for salary increases for the next financial year?



Wellness & Benefit Programs

Ag employers will need to support their workforce in the year ahead, 60% did not anticipate making changes to wellness and benefit programs. Of those making changes it was for the benefit of employees in the way of additional work from home/flex options, covering work from home expense, providing additional time off and increased health plan and wellness offerings.

As a result of COVID-19, will your organization make changes to your wellness and benefits program for the next plan year?

We do not anticipate making changes	59.49%
Additional options to work from home/flex schedules	26.58%
Undecided	12.66%
Additional allowances to cover work from home expenses (phone/internet, etc.)	10.13%
Additional paid time off	10.13%
Increased health plan/wellness offerings	8.86%
Reduced paid time off	0.00%
Reduced health plan/wellness program offerings	0.00%

**Percentages do not total 100; respondents were allowed to select multiple responses. Results are calculated dividing the number of responses by respondents.*

In Closing

The full results of this year's AgCareers.com AGRIBUSINESS HR REVIEW™, will be released soon. If you would like additional information about how COVID-19 has impacted the agribusiness workplace, check out our recent market research.

[U.S. Agribusiness Workforce Preparations for COVID-19](#)

[North American Agriculture Workforce During COVID-19](#)





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