

RANCH MANAGER TRAINING PROJECT

Assessment of Needs and Skills Survey Reports

To determine the need for and the components of the 21st Century Ranch Manager Training project, in July 2006, two surveys were created and distributed:

1. Needs Assessment Survey
2. Skills Survey

The surveys were distributed to ranch owners, ranch managers, ranch owner-operators, realtors, bankers, veterinarians, and other professionals with a perspective on ranch management in Montana. Mass distribution of the surveys was sent electronically via email and in hard copy via USPS, with the option to complete the surveys online or return a hard copy. A reminder postcard was sent about six weeks later. Surveys continue to be distributed as potential respondents are identified.

Responses were received from ranch or farm owner-operators (43.7%), ranch managers (9.2%), absentee landowners (3.4%), realtor/brokers (29.9%), agricultural professionals (25.3%, including a number of veterinarians) and others in fields related to agriculture (35.6%, including educators, bankers, auctioneers, and similar fields). In view of the fact that a majority (52.9%) of the responses were from those working in occupations most closely related to the training program, the survey was considered to have a good basis for determining the need for ranch manager training in the real world of ranching. In addition to their answers to the questions in the survey, respondents also provided a number of comments. A representative sample:

“I see) a great need in the future.”

“More and more large ranches are being purchased by persons with no background in agriculture.”

“I see more and more young people that would like to own their own place, but due to circumstances, that is not possible. Many of them turn to the absentee owner....”

“Most of these opportunities will be on ranches owned by individuals who have made their living from business other than agriculture.”

In view of these comments, it was deemed desirable to obtain additional responses from absentee landowners, who may be the primary employers of the ranch managers to be trained. Additional efforts are being made to identify and provide the survey to owners of large ranches in Montana.

Links to the surveys are available on the website of The Rural Landscape Institute – www.rurallandscapeinstitute.org. (Go to Projects, Ranch Manager Training) allowing users to access an online or PDF version (for hard copy printout and mail-in return).

NEEDS ASSESSMENT SURVEY

The purpose of the Needs Assessment Survey was to gauge the need for an innovative ranch manager training program that would address the requirements of managing agricultural lands in the current economic environment.

To date, 270 surveys have been distributed and 87 responses have been received, a response rate of 32%. On the various topics covered by the survey, the responses can be summarized as follows:

Evaluation of the Need: The vast majority of respondents (94%) agreed that there is a moderate or great need for a 21st Century Ranch Manager training program, and that this need is moderately or rapidly increasing (95%).

Salary: A majority of respondents indicated that the current salary for an entry level ranch manager was between \$18,000 and \$30,000 a year, plus common benefits including housing, utilities, vehicle, health insurance, ability to raise livestock for personal consumption, food from the ranch operations and hunting and fishing privileges on the property. For an entry level ranch manager who has completed the training program, the salary range increased to \$35,000. According to comments, this increase was less likely for an old working ranch than for a ranch owned by an absentee owner.

For a ranch manager with 5+ years of experience, the majority of respondents indicated a range of \$36,000 to \$55,000, plus benefits, although several commented that the size and complexity of the ranch were also factors determining the salary.

(Author's note: We have anecdotal evidence that some managers of large operations have base salaries of \$80,000 to \$120,000, plus benefits.)

Turnover: A majority of respondents (70%) estimated that ranch manager turnover is once each 3-6 years. If the ranch manager is terminated, the most likely (81%) reason was “differences in personality of communication styles”. This was expanded by comments to include “unrealistic expectations of owner”, “owner seeks other investment opportunity”, “lack of clear expectations on both sides”, which can be summarized as a lack of communication between the owner and the manager or a lack of commitment to the ranch operation by a probable absentee or inexperienced owner. To address this problem, the training program includes courses on managerial communication, conflict resolution, leadership and personnel management to improve ranch manager’s skills in this area, both with employees and the owner.

When the ranch manager chooses to resign, the most likely (76%) reason was “better pay”, “better benefits” (22%) or “better working conditions” (45%). Many respondents commented that there was a “change in ranch manager’s expectations”. To the extent that the training program will enable the ranch manager to command a higher salary, some of these problems may be alleviated and turnover can be reduced.

The reduction of turnover is beneficial to both the ranch manager and the owner. A clear majority (61%) responded that the challenge of hiring and retaining good ranch managers has a moderate (27%) or high (34%) impact on the overall success of the business.

Current Hiring Resources: There was no majority consensus on any highly effective resource to find and recruit a ranch manager, although “word of mouth” was the most effective resource for the majority of respondents, followed by the use of a private ranch manager placement service. The credentials of a graduate of a comprehensive training program can provide an alternative to these existing resources.

SKILLS SURVEY

The purpose of the Skills Survey is to determine what set of skills a ranch manager needs to effectively manage agricultural lands in the current economic environment, according to the respondents.

To date, 160 surveys have been distributed, with 52 responses returned, a 31% return rate.

The respondents consisted of ranch and farm owner-operators (46%) and ranch managers (36%) and others in agriculture related fields. A majority (54%) of respondents were from Montana counties and the remainder (46%) were from other states or countries (Canada and Mexico were included).

The survey asked respondents to rate specific skills as “useful” or “essential”. The following skills received the highest agreement (more than 80%) from respondents as “essential skills” for a ranch manager:

- Have a high degree of integrity (96%)
- Have range, grazing and forage management skills (96%)
- Deliver clear communications, both verbally and in writing (94%)
- Lead by example (93%)
- Have strong ethics regarding work and land (91%)
- Build trust and teamwork (89%)
- Delegate (89%)
- Be a good listener (87%)
- Be loyal to the owner and ranch’s goals (87%)
- Organize a crew and schedule work tasks (86%)
- Have good time management skills (84%)
- Create and understand business plans that conform to owner’s interests and the goals for the property (84%)
- Be computer literate (84%)
- Make good purchasing decisions that conform to owner’s interests (84%)
- Readily admit mistakes and move on (82%)
- Create and understand profit and loss statements, balance sheets, cash flow statements, etc.; know how to use this information to guide ranch management decisions (83%)
- Forecast, plan and recommend capital expenditures (80%)
- Be organized (80%)

It is noteworthy that a significant number of skills identified as “essential” are not those requiring specific agricultural training (i.e. operation and maintenance of machinery, irrigation, livestock handling, equine skills, wildlife management, environmental management or income diversification). For the most part, these skills were rated as “useful”. The most important skills for a ranch manager, according to the respondents, were those related to integrity, leadership, ethics, communication, loyalty, and the ability to manage people by building trust, delegating and listening.

Some of these skills will come with maturity and experience. However, many of these “essential skills” can be obtained from coursework proposed in the curriculum in business management, communication

and social skills, ethics and philosophy – coursework that is not often the focus of most traditional ranch management degree programs. The proposed curriculum places much more emphasis on these skills than a traditional agricultural program.

WORK TO BE COMPLETED

Survey responses to date have been very effective in confirming the initial estimation as to both the need for an innovative ranch manager training program and the variety of skills which are essential for an effective professional ranch manager. The responses were very useful in designing the curriculum for the program and the supporting resource library.

However, in light of the fact that many employment opportunities will likely be with absentee landowners, additional input from these potential employers is needed. Additional efforts will be made to identify and contact these landowners and obtain their perspective on both the need for the training program and the skills that they may be looking for in a professional ranch manager for their properties.

In addition, the results of the surveys could be refined by conducting personal interviews of key respondents. Efforts will be made to follow up and obtain additional insight from those people.