



Policies and Investments to Support the Development of Technical Skills, Leadership, and Management in Agrifood Enterprises

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Skills, leadership, and management are critical to the success of the agrifood processing sector. They enable agrifood enterprises to be resilient and foster innovation while promoting the creation of decent employment opportunities in the sector. A well-thought-out strategy to build the right skills and develop effective leadership and management is needed to produce a well-qualified workforce in the sector, both now and in the future. This box highlights policies and investment opportunities related to skills and enterprise leadership and management for Africa’s agricultural and food processing sector. The box is organized in four sections. The first section provides context by highlighting gaps in technical, leadership, and management skills. The second highlights the drivers and challenges to skills development and enterprise leadership and management in the sector. The third section discusses promising and inclusive policies and practices needed to develop skills, leadership, and management in the sector. The last section presents main highlights and policy implications.

Background

Supply- and Demand-side Skills Challenges Among Agrifood Enterprises in Africa

A skilled workforce is essential to drive innovation and is a prerequisite for the development and adoption of new technologies, regardless of an agrifood enterprise’s size. To be successful, these enterprises require both technical (“hard”) skills to support new technologies and increase productivity, and managerial (“soft”) skills to develop new business practices (FAO 2017).

Hard skills are technical, job-specific skills that can be taught or acquired through training or hands-on experience. Agrifood enterprises require a variety of technical skills; the exact skills needed will depend on the type of business. For example, food processing firms need staff skilled in grading and sorting; operating and repairing food-processing and transportation machinery and equipment; and quality assurance, food safety, and hygiene. Soft skills are

interpersonal skills and are applicable to any management position. These skills include communication, leadership, teamwork, negotiation, and decision-making, among others.

Agrifood enterprises experience challenges in recruiting qualified and skilled workers for innovation and technology adoption. The shortage of workers skilled in production and operations management, financial management, general business management, and decision-making is a central concern for agrifood enterprises globally and especially those in Africa (ETF and EBRD 2021). These enterprises face persistent shortages of recruits with skills related to the development and use of new technologies, supply chain management, and support for innovations in business processes, organization, and human capital, as well as skills to meet the demands of emerging occupations, such as supply chain traceability (OECD 2001; ETF 2021).

The structure of agrifood sectors in most countries creates significant demand-side challenges for skills development, with formal job creation typically limited to a small number of larger enterprises (Jayne, Yeboah, and Henry 2017; Christiaensen, Rutledge, and Taylor 2021). Agrifood is not perceived as an attractive career option by young people, due to the industry’s association with low-wage and low-skill work, particularly at the farm level, and limited opportunities for career development (FAO 2014). These structural conditions undermine efforts to transform toward a higher-productivity, higher-value agrifood system that can support and promote demand for higher-level skills.

Matching labor with the demand from the food and agriculture sector is a growing issue in many countries. A recent assessment by the European Training Foundation during the COVID-19 pandemic shows that the skills required by agrifood enterprises are evolving to become more diverse and sometimes less specific to the sector (such as digital and management skills) (ETF 2021).

Connecting educational institutions with labor market opportunities and building strong partnerships with employers is critical to ensure that the skills of agricultural professionals respond to labor market needs and young graduates

are employable (Paisley 2012). Unfortunately, such systems are rarely instituted in most developing countries and access to postsecondary agricultural education is low (World Bank 2011). Training should also be comprehensive, covering areas such as financial management, marketing, human resources management, and practical approaches to business development.

Challenges and Drivers to Skills Development at the Enterprise Level

Challenges to Skills Development

Some of the challenges identified by employers and other stakeholders in the public education and skills provision programs (such as Technical Vocational Education and Training [TVET]) relate to the quality of the trainings and their limited, or inconsistent, relevance to the agrifood enterprise sector (Ngure 2013; ILO 2020). These challenges include over- or under-emphasis on skills for specific occupations; lack of coverage of emerging skills needs related to new occupations; and insufficient linkages between technical and practical instruction (ETF 2021). There is a lack of direct work experience built into training programs and inadequate contact between the agribusiness sector and young people prior to their entering the labor market (Kirui and Kozicka 2018).

Financial and human resource limitations are other constraints to developing and delivering training programs and strategic skills needed for business growth and development (Brown and Majumdar 2020; Sarfo and Mutepfa 2021). Training programs often lack funding, and many skilled workers perceive the agrifood sector as less attractive—in terms of remuneration, career development, and prestige—than opportunities in other sectors with similar skills requirements (ETF 2021). Worker mobility presents a challenge to providing “in-house” training, especially for smaller firms where the cost of training might be considered significant. Workers are more likely to leave these firms for larger competitors who offer higher wages, or for jobs in more attractive and prestigious sectors.

Drivers for Skills Development

Although vocational training can help anticipate demand for new skills and offer lifelong learning, there is concern that the graduates of national TVET systems do not have skills relevant to agribusiness needs (Kirui and Kozicka 2018). As a result of this challenge, many larger agrifood enterprises have established their own skills development activities (such as internal training and work-based-learning), which are tailored to equip workers with the skillsets required by their

respective businesses (Jack, Anderson, and Connolly 2014). Larger firms also prefer this approach because it can contribute to improved retention, workforce stability, and prestige (ETF 2021). However, a lack of funding prevents smaller agrifood enterprises from providing their own training and skills development programs. Retention is another risk for these firms, as larger companies may lure and “poach” a trained employee by offering a higher salary and other benefits.

Promising Practices for Leadership and Management in the Agrifood Processing Sector

Against this background exists an opportunity for initiatives, investments, and policies in key areas to support agrifood skills and enterprise leadership and management. Some promising enterprise-level experiences in skills development for agrifood enterprises are discussed below:

Company training centers: Company training for both managers and workers is one successful initiative that has been adopted by larger agribusiness firms (ETF 2021). This formal training is provided in the companies’ own centers or “academies” for the professional development of their workforce. Such centers could also be used to identify, develop, and fast-track high-potential talent, including business leaders and managers, from a broad pool.

Industrial clusters and agro-parks (special economic zones, agro-industrial parks, and agri-clusters): Industrial clustering could be another viable and promising strategy to develop the agrifood processing sector in Africa. Clustering benefits firms and provides a competitive advantage to regions and countries. As Tabiri and Sakyi note in chapter 6 of this volume, developing subsidiary industries would supply various intermediate inputs, create a hub of leaders and specialized labor used by firms in the cluster, reduce employment and training costs, and improve firms’ efficiency and competitiveness. In chapter 8, Jenane and Ulimwengu observe that investments in agro-parks can improve coordination between chain actors and agglomeration economies, which can lead to enhanced productivity and performance, broader engagement of private sector players in the economy, and support for economic diversification. The success of industrial clusters, however, relies on an adequate and consistent supply of raw agricultural materials for agrifood processing firms.

Public-private coordination and collaboration on enterprise skills: Scaling up coordination and collaboration on skills development among agrifood employers and state actors is critical to fostering closer ties between industry and policymakers (ETF 2021). Coordinated efforts ensure that the employer’s needs (demand-side signals) are better communicated to supply-side actors

(skills and education providers such as policymakers, universities, and TVET). Collaboration ensures that evolving labor market needs are incorporated into the educational curricula. This allows the private sector to contribute to developing skills frameworks, so that training programs are suitable and responsive to labor markets. These efforts would collectively address employer concerns, practical training shortfalls, and insufficient experience among new recruits. Collaboration would also improve access to employment and career development through internships and apprenticeships.

Fostering entrepreneurship: At the enterprise level, it is important to create new jobs and increase the demand for skills by encouraging entrepreneurship (including support for women entrepreneurs). Education and training institutions could be indirectly involved in creating high-skilled jobs by helping their students to develop the skills necessary to become entrepreneurs. Teaching the skills of entrepreneurship and providing hands-on support requires close links between researchers and education providers, as well as with entrepreneurship-support providers. Skill building works best when it is connected to real work and practical problemsolving (Boettiger, Denis, and Sanghvi 2017). Thus, there is great value in anchoring entrepreneurship support at training institutions to facilitate networking and exchange while building the next generation of leaders in an agricultural transformation.

Executive training: New models of entrepreneurship and executive training for enterprise leadership and management are being offered by traditional institutions (such as universities, colleges, technical colleges, vocational schools, and extension agencies) and, more recently, by private sector and nongovernmental organizations (Mabaya, Christy, and Bandama 2010). These higher-end agribusiness training programs are mostly targeted at executives from established enterprises. Trainings focus on several areas, including marketing management, human resources management, supply chain management, finance and accounting, and business management. These programs are designed to produce the kind of leaders and managers who can meet today's enterprise needs and are prepared to tackle future challenges. Indeed, successful enterprise leaders and managers must be market-oriented and able to communicate, learn, solve problems, and innovate (World Bank 2007). The demand for executive enterprise education is also driven by the growing need for training on new technological developments and the implications of such developments for managers in mid-size and larger enterprises.

Conclusions and Implications

This box highlights various gaps in skills, including those related to production and operations management, financial management, general business management, and personal attitudes and decision-making. It also highlights the drivers and challenges to skills development and enterprise leadership and management, and discusses promising policies and practices needed for leadership and management in Africa's agrifood processing sector. Among other drivers, public and private investments in human resources capacity could ensure that food systems and agribusinesses are more innovative and sustainable. There are several roles and opportunities for government, development partners, and the private sector to develop the workforce skills needed to facilitate the innovation-led growth of higher-value agrifood systems and to promote the creation of decent employment opportunities throughout agrifood value chains. For instance, concerted efforts are needed to establish public and/or private skills academies and training centers run by government and the private sector, respectively. There is also an urgent need to address skill mismatches and promote coordination around skills development. To do so, the private sector should align and collaborate with educational institutions to ensure that the enterprise leadership and management skills taught in schools are relevant to today's job market. Capacity building institutions should regularly consult with private enterprises to assess their skills and expertise requirements. Both the public and private sectors should collaborate in designing alternative programs—or even specialized institutions—that offer innovative capacity building to leaders and managers to enhance the economic performance of their enterprises. Carefully crafted entrepreneurial and technical training can be effective in providing essential knowledge and inclusive skills development and increasing youth employment. Finally, there is a need to strengthen the linkages between innovation, skills development, and policies and strategies relevant to agrifood enterprises. ■