



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



LEADERSHIP IN A CHANGING AGRICULTURE IN UK

John Alliston¹

Francisco Gonzalez-Diaz²

ABSTRACT

The recent reform of the Common Agricultural Policy in Europe has had significant implications for Leadership in the UK. The move from economic support for food production, to support for environmental deliveries has created the need for a new culture where leaders are very conscious that alliances leading to added political strength and financial viability are now likely to be far more effective than charismatic leadership from the front and top of organizations. The paper will go on to develop the theme of leadership strategy by drawing on many of the writings of the leadership academics and gather experts opinions and ideas regarding farmer's culture and its implications for leadership. The paper concludes that the problem for the agricultural industry at the moment is that so many changes are occurring that a consistent future is very hard to define. Therefore, agricultural leaders now have to articulate the new policies as they evolve on an almost daily basis. The need is for clear and informed leaders who engage widely across society.

Key Words: Leadership, UK Agriculture, Leader's characteristics

INTRODUCTION

The Common Agricultural Policy was created to ensure that Europe had security of food supply and a free economic market within the European Union (Treaty of Rome, 1957). The cost to the European tax payer was substantial and the antagonism this protected market created outside of Europe was on going and consistent. The increasing power of the World Trade Organisation (WTO) has given a platform for other countries of the world to apply pressure on Europe to modify its protectionist agricultural policies, to enable freer trade to exist in agricultural world markets. Fewer distortions of world prices will be caused by the trade that Europe does with the rest of the world, particularly when it has surplus products.

This has resulted in the European Union responding to the recent proposals to modify the agricultural support mechanisms within Europe (Council of the European Union, 2003). The new thrust will be for less production subsidies and more environmental and social incentives. As a consequence of this the future for agriculture is far less closely defined.

Leadership

Traditionally Agricultural Leadership has been about charisma, strong dictatorial and authoritative personalities. Mintzberg (1998) talks about "a defender" who is concerned with stability and stable domains. This is how agriculture was until recently. However, the present situation demands "a prospector". Someone who is innovative and searches out market opportunities. What needs to be avoided is "the reactor" situation when leaders react to the circumstances. This leads to inconsistency and instability (Mintzberg, 1998).

Leadership is about having the right personal attitudes and attributes, motivating and engaging the commitments of others, building and maintaining a team that shares a common

¹Dean School of Agriculture, Royal Agricultural College, Cirencester (e-mail: john.alliston@rac.ac.uk)

²Research Student, Royal Agricultural College, Cirencester (e-mail: francisco.diaz@rac.ac.uk)

vision and has similar values, standards, expectations and directions (Watts 2001). Franz Fischler (2004), the European Agricultural Commissioner recently suggested: “it was tough for farmers to adapt to significant change. By doing it now we put ourselves in a situation that allows them to develop realistic medium term business plans”.

Future Agriculture

Food production is now only one of the many responsibilities for agriculture (McInerney, 1997). It is a necessity for the word ‘Agriculture’ to come to be recognised as an all embracing activity in rural areas. Change of the present dimensions and at this speed means that leadership is now more challenging and difficult than it has been for centuries. Within the UK the agricultural industry is being urged to collaborate and corroborate in order to survive. Increasing political influences, securing markets and reducing costs are all important consequences of collaboration.

The industry still has a great deal to do to influence opinion more widely and effectively. Guy Smith (2001) in his Frank Arden Nuffield report entitled Re-branding UK Agriculture recommended that more assistance should be given from organizations such as the National Farmers Union and the Royal Agricultural Society of England, to encourage individual farmers to be proactive in promoting farming as a clean and caring industry. Also there is a requirement for a centralized, well funded, PR office to be set up for the whole industry with cross industry funding (Alliston 2002).

In the Policy Commission on the Future of Farming and Food (2002) report it was suggested that a confederation of British Agriculture would be worthy of future consideration. The concept of the Confederation is that the leading organizations are pulled together with an overarching small secretariat which would be headed by a true leader for agriculture. This person would be the spokesperson for the industry and would be supported by a team of researchers who would give him up to date knowledge (Alliston, 1998). Ansoff argued that “the entrepreneur will have to become an expert in using experts”, because increasing complexity and discontinuous changes make entrepreneurs increasingly dependent on the support of experts in areas in which they themselves have limited knowledge. In addition to creativity, risk taking and expertise in using experts, a leader will have to act as “charismatic discontinuous change manager” (Ansoff 1984, cited by Mesa 2003).

There are other examples of possible collaborations such as the role of representative organizations, the ability of organizations with similar aims such as breed societies to be jointly administered, the provision of education for the rural sector and the building of supply chain links from the producer to the retailer. The type of mechanisms for reducing costs are an increasingly effective use of buildings, research teams, administrative functions, government boards, marketing, public relations and finally lobbying.

The agricultural industry has had a culture of comfort, lack of innovation and risk taking. Mintzberg (1998) describes this a “cultures of dependence and conformity that actually obstruct the questioning and complex learning which encourages innovative action”. A complete change of culture will now take place and new leaders will be risk takers who will seek innovation and they will use external views to help define the new vision. “The management of change is often directly linked to the role of a strategic leader” (Johnson and Scholes, 2002).

Some of the barriers to collaboration which perpetuate when cultures of dependence and conformity exist, disappear in a time of change. Questioning and complex learning encourage innovative action. (Mintzberg, 1998).



Leadership Change

In the past where the vision for agriculture was fairly clear, then the need for innovation and for aggressive marketing was not there, and Leadership required a style that could be autocratic and forceful because the vision was well defined. Strategic development now requires leaders who have positive decision making styles, who generate trust, openness and a balanced attitude to risk taking. In the past agriculture was not a risk taking industry. Thelwall (2004) concludes that farmers have to invest more in their markets beyond the farm gate, he called this the “investment imperative”.

Whilst consistency is the essence of leadership, the problem for the agricultural industry at present is that so many changes are occurring that a consistent future policy is very hard to define. It will evolve over time but in the meantime our leaders have to show personal consistency and a consistent vision however loose to which people can be led. Stacey (1992) has pointed to a number of “harmful consequences of vision”. First, “the advice to form a vision is neither concrete enough to be useful, nor it is possible when the future is unknowable”. Second, visions can fix managers too tightly in one direction: “if you insist that managers should all share a common view of their future question, you invite them to persist with what they already know how to do (Stacey, 1992). While creativity implies a vision of what is possible, the entrepreneur translates the vision into action, into a human vision that guides the work of a group of people (Mesa, 2003).

Now leaders must take views from all sectors of society. This might involve engagement with environmental and animal welfare lobby groups to name just two. Personality is a very important factor to take into consideration if we are looking for a leader. Furthermore, it is very important because each kind of leader will interact in a better way with different types of personalities (Gonzalez, 2003)

Recruitment

Many agricultural organizations in the past have been led by farmers or agriculturists. Recruitment is now a key method of improving strategic capability in many organizations particularly where new competences are needed Johnson and Scholes (2002). Agriculture does not appear as an identifiable subject in schools. It is not perceived as an attractive job opportunity for young people choosing careers. The present widespread changes in agricultural policy now make it the perfect time to highlight the stimulus that change provides, and the new large scale farming structure will offer better career pathways and financial remuneration. This in turn should lead to strong retention within the industry. Leaders within the agricultural sector may come from outside of the industry and selection will be based on a meritorious system of recruitment. It is relevant now because in the words of Johnson and Scholes (2002) “A key capability in a highly competitive market is the ability to move from one temporary advantage to another in the cycle of competition, rather than dissipating resources in defending a particular basis of advantage”. In Agriculture we have tended to defend the status quo but that is not a way forward. “In the past it has been demonstrated that charismatic leaders who are merely concerned with building a vision for the organization and energizing people to achieve it are therefore usually associated with managing change” (Mintzberg, 1998). The evidence suggests that these leaders have a particularly beneficial impact on performance of the people who work for them who see the organization facing uncertainty (Mintzberg, 1998).

“Do not expect too much innovation in a company where 90% of the employees are the same gender or about the same age, come from similar educational backgrounds and dress in the same way” says Ridderstrale (2000), adding, “even if they go on a biannual strategic con-

ference on the Mediterranean or in the Alps to be really creative, wild and crazy.”

It is clear that for leaders to be accepted three main elements are required (Robinson 2000):

- a) substantiated fact behind what you say,
- b) track record of success behind you
- c) creditability in what you say.

INTERVIEWS & RESULTS

As part of a research programme that is taking place at the Royal Agricultural College looking into the challenges of the UK Agriculture after the Common Agricultural Policy reform, experts from the agricultural sector were interviewed using an inductive grounded theory approach and guided interview techniques. The selected interviewees were academics, government officials and leading farmers who are active members of farmers’ organizations. The overall objective was to seek their opinions and ideas regarding the UK farmer’s culture and its implication for the leadership in a dynamic agriculture industry.

Interviewees were asked:

- 1) To identify the main barriers of the farmer’s culture in order to remain competitive in the market place.
- 2) To identify the main limitations of the UK agriculture leadership and how these limitations could be overcome.

Diagnosis

Farmer culture:

- Independent minded
- Not very educated
- Lack of business skills
- Farm focus/production driven
- Not recognition of the new social/political/economical environment
- Not used to collaborate/cooperate
- Do not want to see the big picture
- Cash driven
- Farmers are too proud
- Culture of “patrons”
- “We are special”

Leadership

- No sense of long term strategy
- Lack of good leadership
- Lack of training and education
- Reactive/ Moaning / inflexible

Suggested solutions

Farmer culture



Cultural change, recognition of the new “reality”

Understanding of the new social/political/economical environment

More collaboration / alliances / partnerships

More education, targeted courses, training and support

Business skills could be acquired externally / new people

Farmers with consumer / supply chain focus

Generation change

Leadership

A shared vision for the future

Targeted courses

Good recruitment, and promotion of the leaders of the future

Flexible approach, considering all the new stakeholders.

DISCUSSION

The interview results identify an inconsistent perception by UK farmers of the urgency of the change involved. On the other hand, the results confirm that the recent reforms of the Common Agriculture Policy in Europe have had implications for the Leadership in the Agricultural Sector.

Thelwell (2004) and Waner (no date) say that the farmers remain production driven, meanwhile Fulton (2000) suggests that the main factors to be competitive in the market is knowledge and how to response to consumer demands. O’Connor (2001) identifies the lack of range of business skills, and Waner (no date) suggests the need for producers with leadership skills, knowledge and with a strong business plan.

The move from economic support for food production, to support for environmental deliveries has created the need for a new culture where leaders are very conscious that “alliances” leading to added political strength and financial viability are now likely to be far more effective than charismatic leadership from the front and top of organizations.

There are many examples that clearly show the importance of a new approach towards the way farmers traditionally related with other farmers, other stages of the food supply chain, authorities and the general public.

1) Within the food chain

a) Any co-operations that shorten the food chain from producer to retailer and therefore take out cost are being sought.

b) Traceability and provenance are now considered a routine deliverable and this can only be achieved by full food chain information.

c) Niche markets and innovative products are developed most successfully through business partnerships. Specialist processors and producers working with specialist retailers.

2) Within the representative organizations

a) Political strength comes from strength in numbers. Therefore if representative organizations such as the National Farmers Union and the Country Land and Business Association join the argue for profitability within the agricultural industry and less legislation, the government is

more likely to listen and act than if the organizations represent their views separately.

b) Engaging with the wider public and young children is a time consuming and expensive job that is difficult to successfully measure. A joining and pooling of effort and resources will be more effective.

3) Within breed societies and non government organizations

a) Administrative costs can be reduced by locating organizations together and by using some common functions (such as payroll, etc.)

b) Often non-government organizations, whilst being very focused in their objectives can join with other non-government organizations or industry representatives to achieve effective lobbying. (e.g. The Royal Society for Protection of Birds acknowledges that farmers can help in the promotion of bird populations but that the agricultural industry has to be profitable in order to be able to commit the necessary resources.)

4) Farmer Controlled Businesses can be more beneficial than Investor Owned Firms in some circumstances.

a) Rather than continually answering to investor shareholders a Farmer Controlled Business answers to its members who also make up and own the business.

The implications of all these changes in the industry are enormous for the leadership.

Watts (2001) listed the required characteristics of a leader:

- Leaders make things happen through others.
- Leaders must aggressively manage their time.
- Leaders must have good communication skills.
- What leaders do is more important than who they are
- Leaders need people to know that what they do is what they say

Considering the new demands leaders must now put importance to:

- Having clear objectives
- Information sharing and interpretation
- Time spent forming alliances (political, economical, social)
- Lobbying effectively, according with the social and political environment
- Continuing to enhance relationships

Personal qualities such as a business awareness, adaptability, patience, reliability, knowledge and pragmatism! Now become as important as the old values of charisma, forcefulness, energy and drive.

CONCLUSIONS

The problem for the agricultural industry at the moment is that so many changes are occurring that a consistent future is very hard to define. It will evolve over time, but in the meanwhile leaders have to show personal consistency and a consistent vision, however loose, to which people can relate.



There has never been a better time to debate leadership and to ensure that the important rural industry is led in a way that ensures economic growth whilst delivering the many different services and commodities that are required by society.

Agricultural leaders now have to articulate the new policies as they evolve on an almost daily basis. The need is for clear and informed leaders who engage widely across society. It is clear that agricultural leaders while in future not only answer to the agricultural food communities that they represent, but they will also answer to the tax payer because the link between financial grants and non-food deliveries is more transparent.

Because of the new dynamics of agriculture, the Leadership also needs an understanding of group dynamics, the building of trust and confidence, and the cohesion of diverse organizations with different political and financial objectives.

The need for a sustainable publicity campaign to enhance the image and understanding of all those striving to make a living in the rural sector is very clear. Leadership will be a crucial aspect of this image building process.

REFERENCES

Alliston, J C (1998). Confronting the realities of food supply and demand in the next century: the role of leadership within UK agriculture. Report of the Jubilee Scholarship awarded by the Nuffield Farming Scholarship Trust. Nuffield Farming Scholarship

Alliston, J C (2002). Influencing leaders. Inaugural professorial lecture. May 27th 2002. Royal Agricultural College, Cirencester, UK.

Council of the European Union (2003) Council regulation (EC) No 1782/2003 of 29th of September 2003. Official Journal of the European Union L270/1.

Fischler, F (2004). Dairy Farming in the Enlarged European Union. Royal Association of British Dairy Farmers 2004 Dairy Event Stoneleigh Park, Warwickshire, 23rd September 2004.

Fulton, M. and Gibbings, J. (2000). Response and adaptation: Canadian agricultural cooperatives in the 21st century. In, Canadian Agricultural Cooperatives: critical success factors in the 21st century.

Gonzalez, F (2003). Personality and globalization: the lost children of strategic theory. [Unpublished MBA dissertation, Royal Agricultural College, Cirencester]

Johnson, G and Scholes, K. (2002) Exploring Corporate Strategy. Financial Times Prentice Hall

Mesa, A (2003). Creativity, Entrepreneur and Emotional behaviour, the new role for an MBA. [Unpublished MBA dissertation, Royal Agricultural College, Cirencester]

McInerney, J (1997). Changing perspectives on policy towards resources use in agriculture.

Proceedings of conference on the impact of agricultural policies in the next decade. Council for awards of royal agricultural societies. October 1997, London.

Mintzberg, H, Ahlstrand, B, and Lampel, J. (1998) *Strategy Safari*. Financial Times Prentice Hall

O'Connor J and Thomson G (2001). International trends in the structure of agricultural cooperatives. Rural Industries Research and Development Corporation. RIRDC Publications. (Publication No 01/06)

Policy Commission on the Future of Farming and Food (2002) *Farming and Food. A Sustainable Future*. Report of the policy Commission on the Future of Farming and Food.

Robinson, J (2000). Links between Agriculture, business organizations and government and how to maximize a benefit for the agricultural industry. A Yorkshire Agricultural Society Award. Nuffield Farming Scholarship Trust.

Ridderstrale J and Nordström, K (2000). *Funky Business*. Pearson Education

Smith, G (2001). *A time of Change: the rebranding and Marketing of British Agriculture*. The Frank Garden Memorial Scholar Report. Nuffield Farming Scholarship Trust.

Stacey, R D. (2002) *Strategic Management & Organizational Dynamics: The challenge of Complexity*. Financial Times Prentice Hall.

Thelwall, D. (2004). *Raising the game*. Royal Agricultural Society of England. Prospect Management Services.

Treaty of Rome (1957). *Treaty Establishing the European Community*. European Commission, Brussels.

Waner, J., (no date) *New Generation Cooperatives: Case Study*. New Generation Cooperatives and the future of agriculture: an introduction. [online]. Illinois Institute for Rural Affairs. Available from: www.iira.org [Date accessed: March 2003]

Watts, P (2001). *Learning to make things happen – reflections on leadership in complex global enterprises*. Annual Windsor Leadership Trust Lecture. 8th of November, London.

Zey, M G (1991). *The mentor connection: strategic alliances in corporate life*. Transaction Publishers, New Jersey.