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Certain Pre-conditions for the Participation of Cooperative Farmers in the Management of Their Enterprises

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From the social economic point of view and in its constitution Czechoslovak agriculture is characterized at present by state-owned and, above all, by cooperative socialist enterprises. Its further concentration and industrialization is enhanced by attempts at specialization and horizontal and vertical integration (including secondary and tertiary spheres) according to the principles of the economic system of management. In the social consequences of this process there is a gradually increasing awareness of the fact that an agricultural holding is not only a technical or economic unit, but also a social system.

In the practical working of our socialist agricultural enterprises there are cumulative planning and executive functions. The division of work, the system of organization, and the structure of management establish a basis for the rules of the game on which the relationships in the enterprise are based.

The social role of collective owners appears most distinctly and empirically in the unified agricultural cooperatives (UACs), which resulted from combining their means of production, and from combining the functions of farmers as entrepreneurs and of workers in cooperative groups of farms. However, the centralized administrative and directive system of management determined the role of the cooperative unit, predominantly on the basis of the work-component of its operation, and so narrowed the opportunity for such group management as would be based on the needs and interests of all the members of the collective. If, in spite of the limited possibilities, the self-realization of the cooperative unit gave a positive result, which was confirmed by the economic and wider social results obtained by our UACs, it may be assumed that in the new economic system of management the positive social role of cooperative farmers will increase many times.

However, the proposed approach to the problems raised by the participation of cooperative farmers in the prime production of foodstuffs does not mean that a social-scientific study of these problems is simple. Quite the opposite. The discarding of the technocratic or narrowly economic concept of the agricultural enterprise requires a deeper and more complex approach, as has been shown by studying industrial social systems. In agriculture it is not possible to ignore the biological character of production and the modification of the scientific-technical revolution which results from it, and the special role of initiative not only of the enterprise as a whole but also of each of its individual members separately.

Hitherto the available literature has not enabled us to reach a theoretical concept in working out a social system for agriculture. However, under conditions of large scale socialist agricultural production we are faced with the task of developing a social-scientific investigation of this kind. In the meantime, by means of the corresponding sociological and psychological literature on industrial enterprise, we realize the social role of our UACs and have begun to study the sociology of work, of agriculture and, more concretely, of the cooperative agricultural enterprise.

In our first theoretical-empirical work we attempted to study certain social pre-conditions for introducing the workers of groups of UACs to this new system management. Methodologically and methodically we planned an investigation on the principal hypothesis that the cooperative method assumes that everyone takes part in deciding the social aims of the activity. In consequence the participation of collective farmers becomes a principle in the management of group-owned enterprises.

The cooperative method as a decisive and effective social system establishes a complicated social environment in which a harmonious climate for participation, initiative and activity can exist. The contrast between individual and enterprise interests, between democratic collectivism and hierarchical status and roles, between the value system of humanization and discipline in the functioning of organization and management, all these give rise to partial and global problems of social relations of the micro- and mezzstructure of the enterprise in conjunction with the macrostructure. We did not attempt a complex investigation of these relations. We attempted only to indicate certain sociological and social-psychological aspects of the activities of the controlling and the controlled component of the structure of the organization ("man-organization" and "man-man") so as to apply the economic system of management to the social aspect of intra-cooperative relations.

Before comparing our hypothesis with the empirical findings we should mention the conceptions and relationships with which we worked.

Participation is understood to mean the participation of cooperative farmers as co-owners and co-entrepreneurs of the cooperative project, or

of members of a working group in taking decisions with respect to the economic or wider social aims of their collective.

Initiative is understood to mean the independent impulsive enterprise of cooperative farmers, which, substantially, requires their activity or increased endeavour towards carrying out a previously agreed collective decision. Practically, this means the active participation of the collective farmers in formulating and, in carrying out the complex production process of their collective (not only in a narrowly economic but also in a wider social sense). In its final consequences this is actually a creative participation in the enterprise, above all in the processes of management when deciding on the aims to be achieved. In this we distinguish initiative qualitatively from the one-sidedly conceived "effective activity". We assume that the dynamic growth of the many-sided activity of collective producers requires their purposeful participation, especially in deciding the social purpose of their future activity for themselves and for the whole enterprise.

Management is studied as a systematic interactive and informative exchange in the processes of gaining knowledge and making decisions, such as affect the social status and role of the workers who manage and those who are managed, both in a vertical and horizontal direction. Only by active retrospection is it possible to understand the intended effect of decisions. This, however, means that it is necessary to make it possible for the whole cooperative to participate, first in the principles of management and then in defining the target and conceiving its needs, interests, and aspirations. In the process of management it is indispensable to distinguish between its different intentions: the long-term prospective development (the strategic concept), the actual needs and possibilities (the tactics of planning), and the immediate realization of the plan (operative).

In its general substance management is a case of a subjectively purposeful activity of people. This activity is objectively unavoidable and results from the production process and the social division of work. The purpose of management is to attain the optimum social aims, and the choice of the most suitable technical, economic, and organizational means for reaching them, including deciding on the course and checking the realization of the agreed project.

In the process of management thus conceived there cannot be, on one hand, only someone giving out information and orders and, on the other, only a passive, accepting and performing person. Such relations contravene the principles of socialist agricultural enterprise of the cooperative kind, in which, with their status and role of effective management, the whole body is concerned in achieving group ownership. However, this cannot be applied regardless of conditions or of the level of management.

Just as labour and the production process have their social and technical aspect, so too has management. Even if it is difficult to separate the two sides, it is nevertheless necessary to take account of them in the interest of the relations between the parts played by those who manage and the managed, in the mutual and specific functions of the various social positions, degrees, and trends of the differentiated work of management.

The social aspect of management is characterized substantially by its *social aims and basic conditions*, in the name of which and for which the cooperative will strive to fulfil the tentative or concrete annual plans. In such programmes and processes of discussion and decision the cooperative farmer not only can but also should participate by at least voicing his agreement, being a co-entrepreneur. His individual interests and, finally, the decisive social role of the whole cooperative body can be applied *in a democratic form in a collective making of decisions*. It is natural that the harmonization of the basic individual social aims as well as of those of the enterprise as a whole should presuppose a complex exchange of information between all the interested parties.

The technical aspect of management means above all a concrete *organization of working and, chiefly, of technological procedures*. Here it is not possible to vote, but there must be a disciplined respect for the work of the hierarchic relationships in the management system so that the previously accepted social aims may be realized. The status and role of the cooperative farmer as a co-entrepreneur in the sphere of making decisions is taken over by him as a member of a concrete work-group carrying out a part of the plan for the whole enterprise. If both roles are to play their parts, there is no other way but to follow the instructions of the technical leader or superior. This is a complicated situation for the member, in which democracy is linked with the unavoidable need for disciplined subordination.

Socialization of production and increasing specialization require the application of new machines, technologies, and of progressive scientific discoveries. Rational technological procedures cannot be brought into being by common cooperative farmers however rich their experience. Effective management of our cooperatives and of their working processes and organization is coming to require qualified professional skill calling for special theoretical and practical training. The subordination of the cooperative farmer to his technical leader if the social aims of the cooperative are to be realized does not imply a passive performance of orders. We assume that the activity of cooperative farmers in their disciplined performance in production is substantially proportionate to the amount of initiative they can show as co-entrepreneurs in determining the social aims of their collective enterprise. The separation of operative management from the collective taking of decisions not only regularizes the relations between

the cooperative farmers as co-entrepreneurs and the workers on the one side and the executive apparatus of the experts on the other, but it awakens the interest of both sides in the work not only materially but also morally. We consider the participation of cooperative farmers in the decision-making processes of management in the social programmes to be the basic material and moral motives in their work of carrying out the agreed plans.

It has been possible to test our hypothesis, and the positive influence of the participation of cooperative farmers in forming their social aims, by a study of initiative, i.e. of the activities of 45 work-groups of UACs studied by sociological methods over a period of 5 years.

Better economic and social results were obtained mostly by those working collectives that had participated actively in planning their own programmes. Material and technical means and methods of organization appropriate to the aim were chosen by the group leader. Superior results were obtained by those collectives which had elected their leaders and in which not only formal but also non-formal measures could be used. The work of the leader was facilitated to a considerable extent by the active interest of the group in the results of the work which had been planned and agreed by the collective beforehand. There were *specialized teams* chiefly in crop and partly in livestock production, who achieved permanent growth of production. They were characterized by a comparatively small cooperative linkage with other groups as regards division of work. Their position was relatively *autonomous*, and this enabled them to make more independent decisions about their work. They were employed in the growing of vegetables, tobacco, and vines, and in tending cattle, pigs, and poultry.

In a majority of cases the planned production was not achieved by *field groups working in crop production or by groups of milkers, nor by groups of machinists.* Our observations do not make it possible for us to say that, perhaps, in these working collectives there had been no earlier attempt to achieve the set task. On the contrary, failure in several groups resulted in failure even of these social factors. This was frequently caused by objective conditions. The character of field production and the close connexion between the work-group producing the fodder and the group of milkers, as well as the coordinating function of management resulting from this, were limited by factors that can be influenced, to a great extent, by the members of the concerns investigated.

However, in spite of the multi-dimensional combining of the different objective and subjective factors, the empirical material has confirmed our hypothesis. *In successful groups, the participation of the members in formulating the programme and the basic social conditions of its realization was of a positive nature.*

The assumed functioning of such a social system as the work-group of a UACs requires that its members should not become active only in response to an external impulse, but that they should be active also on *the principle of a certain self-management autonomy*. In successful groups especially, their participation in formulating and agreeing on the social aims initiated an active combination of their status and roles, of their own system of values and standards, of social self-control, of an ousting of the formal by a non-formal structure, and of a total integration of the collective. Thus the management of groups and of the enterprise as a whole did not have to issue orders autocratically and to supervise them, because the enterprise of all the members had been allowed for before the work began. Analysis of the empirical material has made it possible to deduce that *the social role of a member of a work-group of a UACs proved to be a better incentive towards making it possible for him to participate and, within the scope of the "enterprise rules of the game", to be stimulated to greater effort.*

From the facts thus learned it can be seen that correctly conceived tendencies towards democratization of management need not result in lack of discipline and a lowering of working morals or of material production. However, it cannot be assumed that a certain kind and degree of democracy can be a substitute, in an agricultural enterprise, for the basic pre-conditions of material-energetic changes and the economic interests of the managers and the workers in their activities. Its correct application may become an important material and moral stimulus substituting active participation by the workers in the whole production process for mere passive carrying out of orders.

The participation of cooperative farmers in the management of their collective farms in our opinion is not identical with democracy in the political sense of the word. It is substantially a *humanization of the managing and working process*. We do not think that this principle of management, the province of the worker or of the whole membership of the enterprise, should be characteristic only of cooperative agricultural production units. It is equally possible to apply this kind of humanistic model of management to state-owned socialist enterprises. Apart from other considerations, it is especially its humane character which should enable socialist enterprise to surpass earlier methods of production.

We consider our humble notes as relative. We understand them to be merely suggestions for further, deeper and more complex sociological and social-psychological studies of the complicated processes of management with special regard to the social role played by the managers and the workers who are managed.