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MANAGERIAL IMPLICATIONS

John E. Weinrich

*(Professor of Management Studies, The University of the West Indies,
St. Augustine, Trinidad)*

Introduction

Effective farm management and competent management of agro-industrial firms are crucial to the success of any well-conceived farm policy. When there is a superabundance of crops and feed animals, poor management of their disposition will yield sub-optimal results. When natural problems are also present which constrain agricultural output, proper management is essential to achieve optimum performance in the broad agricultural sector.

Importance of Improving Managing

The importance of improving managing in the agricultural sector is also underscored in the case study which is the basis for the present workshop. Managerial problems for managers (owners, farmers, etc.) are cited no less than ten times in the first twenty-two pages of the study and, on page 22, a section specifies that managerial limitations are one of two sets of serious constraints to vegetable production. Throughout the case study, references are made to the need for improved managerial performance in the agricultural sector. All workshops seem to be concerned, some more some less, with different aspects of managing.

The study, on page 84, discusses the nature of model building. Implicit in the model presented is that priorities must be settled upon, and that acceptable programmes must be implemented so as to optimise attainment of objective functions. Perceiving priorities, evaluating alternatives, implementing the optimal ones, are all functions of proper and effective managing.

Moreover, throughout his address, Dr. Hildebrand emphasized implementation as the critical means of goal achievement. These citations not only underline the urgent need for improving managerial performance in the agricultural and agro-industrial sectors, but also suggest, by the use of management language and concepts drawn from the general literature and body of knowledge, that what we already know about managing and the decision-making process can stand us in good stead in improving managing of farms and firms in agro-industry.

Some Universals

Most business failures and much poor farm performance are attributable to poor managing. Although farming is essentially a way of life, it is also a business. A farmer is both a manager and a labourer. To be sure, farmers must possess or acquire technical skills to be successful in the production of livestock and crops. Farmers, however, also must have managerial ability, and demonstrate it.

Management problems and managing in agriculture and in the agro-industries are akin in many important respects to the management problems and to managing in other sectors, i.e. in other business and economic situations. The farmer, like his manager-counterpart in the non-farm sectors, must determine what to produce, how much to produce, when and how to market what he produces, how to finance operations or what sources are available to finance the farm or firm. He must know how to analyse price information, and how to optimise his returns. These problems are resolved through the application of the universal functions of business, i.e. production, finance, marketing, personnel, and general management, albeit that many or all of these may be performed by a single individual in the case of small farms and small scale agro-firms.

One major difference is that agriculture, unlike other types of firms or businesses, is a biological risk industry which must contend with the forces of nature, which are not under the farmer's control, while production in a factory is under the control of a manager. This obviously poses a critically serious constraint on the decision-making process in agriculture which is not overcome even by acquiring sophisticated managerial skills. For example, the persistence of drought conditions places severe constraints on managerial manipulation.

Effective managing of enterprises in an agricultural setting ought to follow guidelines which are similar to those which direct managing in non-agricultural enterprises. Policies and procedures may sometimes be different. The dominant needs that motivate behaviour may not always be the same. Value systems are not necessarily uniform. But, in essence, good managing or prudent decision-making follows certain teachable guidelines whether on the farm or in the factory, notably planning, organising, integrating, and measuring, as well as the need to perceive problems and to implement optimum solutions to them.

Attitudes toward work, leisure, time, human interrelationships, freedom, education, keeping records, quantifying things, change, are all important variables in the managerial process. These attitudes may not be uniform in all situations. But modern managerial principles and the modern managerial approach are designed to understand such attitudes and to translate them into optimum socio-economic performance, and are just as applicable on the farm and in the small agro-industrial firm as they are in an urban setting. For example, managing means, among other things, examining problems from a decision-making standpoint, whether one is managing a retail store, a hospital, a steelband, a cooperative, an educational institution, a petroleum company, an electric utility, a transport system, or a farm, a cannery, a packing plant, or a marketing agency.

The Managerial Process

The generally-accepted steps in the managing process, as they appear in the current literature, are usually said to be as follows:

- (i) Establish the objective function(s) which is (are) to be optimised.
- (ii) Evaluate alternative solutions or ways to achieve such objectives. Such choice involves examining all of the important internal and external motivating and constraining forces which require urgent action, and choosing priorities and sequences of implementation.

needed and available to meet the managerial-administrative requirements identified, including the requirements in the behavioural and/or motivation and supervision areas.

2. In order to conduct the managerial audit, the target groups must be identified. These may be:
 - (i) farmers;
 - (ii) owners of private firms related to and servicing the agricultural sector, or processing agricultural products (present and potential);
 - (iii) public servants with responsibilities directly associated with agriculture (agriculture, trade, labour);
 - (iv) those interested in the formation of new enterprises related to the agricultural sector; and
 - (v) owners of small-unit enterprises (guest-houses, one-man or few-men enterprises).
3. Once the target groups have been identified and a managerial audit made, training programmes can be designed. It cannot be overstated that the identification of target groups and the managerial audit must precede the design of the training and educational programmes. It is this phase of the plan which recognizes that problems and solutions found critical in other sectors and among other groups may not be appropriate in Antigua or other specific locales.

One would expect that there are certain areas which the programme will be required to cover. The following non-exhaustive list is conjectural, at best, until the completion of the managerial audit identifies the needs and the priorities.

1. Seed crop and animal husbandry information - institutional and private sources.
2. Finance, book-keeping, money management, record management.
3. Economic principles - the meaning and measurement of elasticities, the concepts of comparative advantage, opportunity costs, and marginal pricing and analysis.
4. How to use public agencies.
5. Credit sources and other avenues of finance.
6. Cost management and expense control.
7. Marketing considerations.
8. Elementary management practices (time budgeting, the decision process).
9. Production methods.
10. Distribution channels and techniques.
11. Farm organizations and their purposes.
12. Cooperatives and their functions.
13. Inventory control.
14. Use of the extension service.
15. Employee relations, motivation, supervision, and leadership.

- (iii) Select the optimum relevant and available alternative.
- (iv) Achieve organizational consensus to the adoption and implementation of that alternative.
- (v) Implement the alternative adopted.
- (vi) Instruct all people who are concerned or responsible for the implementation and control of the alternative selected.
- (vii) Measure the results and monitor the system developed to implement the alternative.
- (viii) Revise as necessary.

The process is the same whether we are talking about firms in the agro-industrial sector or in the non-agro-industrial sector.

The most important aspect of the process just described is that it requires sound management to be effective. Thus, the most important concern for improving managerial performance in the agro-industrial sector is to consider the kinds of constraints and motivating forces which serve to inhibit or promote good managing on the farm or in agro-industries.

Although there are significant environmental, socio-cultural technological, capital, and economic constraints (and motivators) confronting the agro-industry, this paper is concerned with the constraints of an educational or informative nature. Other agencies exist for the purpose of considering soil conditions, sound animal husbandry practices, fertilizer schemes, subsidy programmes, land redistribution, and so on. As dramatically urgent as it is to resolve the knotty problems in these areas, the need for improving managing through formal and informal educational processes is acute.

The Management Audit

The educational programme has to be based on a well-developed informational system. Agricultural process and expectations, supply and demand conditions, the price, income, and preference elasticities of consumers of the region's products, the availability and cost of the technical and technological needs of the area must be known with some reasonable degree of probability. Human and other resource availabilities as well as the levels of skills and knowledge required of managers, farmers, and subordinates must be known with some high degree of certainty.

Thus, if one objective of farm policy is to reduce or remove the constraints on agro-economic development and change imposed by managerial-administrative limitations, an educational programme must be introduced. The constraints on managerial performance are more likely than not those imposed by lack of skills (which can be taught and learned) or by lack of information or lack of awareness of where to obtain such information (which can be remedied) or by lack of initiative or other factors. Our concern is to help remove or lessen the constraint imposed by lack of managerial skills, which can be influenced by the educational process. The following plan is suggested.

1. It is recommended that first a managerial audit be conducted to identify the various specific need areas; to identify their order of importance; to ascertain the financial and teaching resources

Methods

The managerial audit may well also suggest the methodology to be followed. It is to be expected, however, that among other techniques or methods for improving managerial performance in addition to direct informational assistance, on-the-job work training, consulting, extension service, etc., on-the-scene and local educational programmes can be effective. The educational sessions should run two to three days (evenings) and be presented close together so that continuity and follow-up can be achieved, if the author's past experiences can be used as a guide in this matter. They could take the form of:-

1. Workshops and demonstrations.
2. Case study presentations and analyses of germane situations.
3. Seminars.
4. Lectures.
5. Films and other visual aids.
6. Easily-understood charts, brochures, and business forms should be distributed to support verbal instruction sessions.

Off-season sessions of one week or longer may be advisable to supplement in-firm or on-farm programmes. Sessions should also be arranged for those who are to be responsible for teaching concepts of managing and enterprise development, so as to ensure effective communication and widespread coverage of all topic areas.

As a means to encourage group action and to accelerate acceptance of change, the organization of farmers' associations may also be considered an appropriate part of the educational process.

Implementation

One design for implementing the programme herein recommended is contained in the following format:-

1. Plan and design curricula and programmes in detail, based on the managerial audit conducted among target groups.
2. Design, prepare, and publish materials; e.g. synopses, handouts, slides, films, etc.
3. Establish venue and timetable, on the basis of the convenience and desires of the potential participants.
4. Assign a local coordinator.
5. Organize contacts and obtain commitment of teaching force.
6. Conduct briefing sessions for lecturers and demonstrators.
7. Contact and follow-up participants (publicity, direct contact).
8. Finalise budget and control procedures.
9. Prepare evaluation forms.
10. Follow-up by agencies concerned to help ensure adoption of learned concepts and techniques by participants.

Conclusion

Manager education is a lifelong process. Some men and women develop managerial skills through experience or self-study. They often perform well. Notwithstanding this clearly evident empirical fact, managing is both an art and a science. The body of knowledge and the techniques which have been developed over time are vast and useful. It seems appropriate to expose farm managers and managers and supervisors of agro-industries, as well as would-be farmers and entrepreneurs, through well-established educational methods to modern managerial concepts, styles, principles, ideas, and techniques, so as to offer them the opportunity of improving their performance in the agricultural sector.