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Human Capital Development for the Management of F&A in India

Global Networks, Global Perspectives and Global Talent
Discussions on the Development of Human Capital in Agribusiness¹

B.S. Sudarshan Rao

*Managing Partner, Food & Agribusiness Management Consulting, 48, 2nd Cross, 9th Main,
NTI Layout, Vidyaranyapura, Bangalore, India, 560097*

Abstract

This essay examines the components necessary for developing a trained workforce for managerial and entrepreneurial roles in Food and Agribusiness (F&A) in India. It explores the inadequacies of current approaches and outlines some of the critical skills and attitudes needed by F&A professionals in order to become more effective while offering suggestions on how to fill the gap.

Keywords: Agribusiness Management Education, Business Judgment, Community Asset Approach, Experiential Learning

Corresponding author: Tel: + 91. 974.007.2542
Email: B.S. Sudarshan Rao: bssrao@agribusinessadvise.com

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“Let me be clear: We are not providing an MIT education on the Web. We are providing our core materials that are the infrastructure that undergirds an MIT education. Real education requires interaction, the interaction that is part of American teaching.”

Charles M. Vest, President MIT, launching the MIT OpenCourseWare initiative, April 4, 2001

What is the Issue?

I have had the benefit of viewing and engaging in Indian agriculture as a business executive, teacher, consultant, small entrepreneur, and small farmer. I earned an MBA in Food and Agribusiness from UK and have lived, studied or worked in Japan, Australia, Singapore, the USA and India. These factors have led me to the conclusion that the Indian agricultural scene makes some very special demands on F&A management.

The prevailing approach in India is a two-year post-graduate program leading to a MBA in Agribusiness (AgMBA). The programs are mostly given by state agriculture universities. The training consists almost entirely of academic learning followed by a short, superficial, exposure to Industry. The Indian Council of Agriculture Research (ICAR) prescribes the AgMBA program content, hours and duration. The academic content is substantially borrowed from US Business Schools. The syllabus, unmindful of President Vest’s pithy caveat, emphasizes information and allows little time for analysis and interaction. The ICAR syllabus, as such, is not critiqued here.

Most of the AgMBA programs in place today follow a four-year undergraduate course in agricultural sciences, following an ICAR-prescribed syllabus, leading to B.Sc(Ag). The B.Sc(Ag) program has no business orientation. The syllabus for AgMBA allows little flexibility in either content or delivery. The syllabus places heavy emphasis on classroom teaching. The AgMBA syllabus does not draw upon what was learnt during the B.Sc(Ag) course. The syllabus and textbooks are those used in US schools without regard to our different agricultural and agribusiness realities. In other words, the AgMBA sits on B.Sc(Ag) like oil on water, without challenging the student to connect the two.

The AgMBA program cannot claim a vibrant connection with Industry, either. Guest teachers drawn from Industry teach some subjects, but their involvement with the class is limited and is equally caught up in the same pressure to complete the syllabus. Students complete a special project component of the program, usually in the fourth semester. If students were more exposed to Industry, trained to identify and think through business problems, the special project in its choice of focus and execution could be a good, first brush with the ‘real world.’ That, however, is not the case.

Two factors in the education system K-12 impede the acquisition of good reading skills. The first factor is that much of the classroom instruction occurs through lectures and notes. The second is a widely held view that education in the sciences does not require proficiency in English, yet it is the prescribed medium of instruction. The students spoken of in this essay are not an exception. Students in an AgMBA class I taught protested to the Dean, complaining against my insistence on their reading the textbook written in English.

Two important elements in understanding and solving business issues are the capacity to see an issue from various angles and the capacity for judgment meaning decision making. Our education system, also our culture to an extent, operates on the ‘teacher-taught’ model, where every question has one correct answer. Spiritual tradition is grounded in a faith that true learning occurs only with the guidance of a teacher, “Guru,” whose teaching is received uncritically. These influences probably explain why our students (and our teachers) find it difficult to debate issues in class, disagree with the teacher, or look for alternative solutions. It follows that if every business problem has only one correct solution, there is no need to exercise judgment!

I am struck by the gap between what society needs and what the system is delivering by way of managerial human capital. The reader should note the abrupt switch to ‘Society’ in place of Industry in the previous sentence. The demands on F&A management are not merely those arising from Industry; they include many rooted in the social contexts in which F&A operates. This essay examines the kind of skills and attitudes that are required for effective F&A management in India.

Effective F&A Management in India

F&A has its roots in rural India. This setting is characterized by poverty, illiteracy, high degrees of politicization, social tensions, and absence of institutional mechanisms for peaceful, reasoned, resolution of conflict and other sources of instability.

Land holdings are small – a hectare on average or about 2.5 acres. One example might suffice to show the implicit challenge here. I managed a contract farming project for agri-produce which involved about 8,000 farmers, 8,000 contracts covering about 6,000 hectares or about 15,000 acres. Arranging an assured supply of produce for the processing industry requires contracting with numerous farmers who do not comprise a homogeneous, or even contiguous, community. A key ingredient in the project’s success was our ability to earn the farmers’ respect and trust.

Much of the land is rain-fed. On the whole, farmers and their families have little capacity to pursue food and financial security. In to this unstable setting have entered a number of F&A issues of our time, namely: organic cultivation, poly-culture versus monoculture, GM seeds, globalization, climate change, foreign ownership of retail trade, and so on. Each is a source of new fear—from job insecurity to neo-colonialism. These volatile foundational elements of the rural setting obtain little attention in current B.Sc(Ag) and AgMBA courses. For all F&A professionals, a capacity to understand the rural dynamics and moderate its effects on one’s business is a must.

The principal constituents of F&A management manpower are graduates of B.Sc(Ag) and AgMBA courses. For them, we need three supplementary Programs: *Business Manager Competency*, *Entrepreneurship Competency*, and *Engage the Rural Setting Competency*. In addition, non-B.Sc(Ag) graduates entering AgMBA courses require an intellectual and experiential *Introduction to Agriculture Program*.

In the design and delivery of these programs, due regard will have to be had to the inadequacies in the education system and the resultant learning weaknesses noted earlier.

The next constituents are general MBAs with or without some Industry experience. As a part of their induction, they need the benefit of *Introduction to Agriculture* and *Engage the Rural Setting*.

Changing focus for a moment, it is necessary to look at the needs of F&A MNCs coming into India. They are significant influencers of the growth and prosperity of the F&A sector as a whole. Being MNCs or foreign companies, they also tend to attract suspicion or even hostility. Relative to their rural setting it may be better and a worthy goal to seek to be anchored in the community in which it operates and be accepted as an asset to the community, i.e., adopt a *Community Asset Approach*. An understanding of the dynamics of the rural setting can and should inform entry and location decisions.

Even MNCs currently operating in India can benefit from a systematic understanding of their setting and adopt the *Community Asset Approach*. Corporate Social Responsibility initiatives can be a good vehicle; unfortunately, many CSR projects come through as charity and are not grounded in a correct assessment of what the community really needs.

How Do We Address the Issue?

Keeping the foregoing considerations in mind, I am developing the design and content of each of the following programs.

- Business Manager Competency
- Entrepreneurship Competency
- Introduction to Agriculture
- Engage the Rural Setting
- Community Asset Approach

All Programs will be mostly activity driven. Strengthening reading skills, reasoned discussion, role play of functional viewpoints, decision making and collaborative work habits are some of the elements.

Business Manager Competency (BMC) is designed to build the capacity to think, judge, and act as businesspeople. It trains candidates to identify business problems, recognize the underlying issues and apply different functional perspective Sales, Production, Finance, HR etc., and finally help the CEO decide. It encourages looking for and recognizing ethical and conflict-of-interest issues, latent and patent, and eventually developing one's own 'Sniff Test.'

Entrepreneurship Competency traverses the BMC ground. It goes on to apply BMC skills to develop a fundable enterprise proposal.

Introduction to Agriculture is an intellectual and experiential program. It describes the agriculture scene, opportunities and challenges, policies and the major debates. There will be extended visits to farms and industrial units for a comprehensive view of a functioning F&A Unit.

Engage the Rural Setting examines, in detail, how the rural setting is organized and governed and proceeds to examine the tensions relevant to our business, their actors, sources, and possible resolutions. It encourages understanding and development of a capacity to anticipate dangers to one's business and ways of moderating adverse influences.

Community Asset Approach draws partially on the *Engage the Rural Setting Content* and proceeds to understand how a company can come to be accepted as a valuable member by the community in which it operates.

How to Rollout Remedial Programs

It would be ideal if universities would formally adopt these programs and integrate them into the curriculum. It is not likely, however, that the current centralized and rigid system will make adequate room for the content and techniques involved here. For the foreseeable future, a private delivery vehicle is the most efficient and quickest off-the-ground option. Delivery to transiting management professionals and MNCs, incoming and existing, will, in any case, have to be through private company-level arrangements.

Conclusion

In India, AgMBA programs constitute the sole route to creating F&A managerial human capital. These programs fall short in preparing graduates to think, judge, and act like businesspeople. The economic, social and political dynamics of rural settings demand additional skills for the graduate and, therefore, the need for additional training.

These types of programs will benefit India and also Asia and Africa who draw on Indian managerial talent. The programs outlined here are capable of being suitably revised and delivered in other countries where agriculture operates in a complex setting.