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SPECIAL GROUP L

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Improving the Operational and Managerial Qualifications in the Production and Marketing of Farm Produce

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1. I see my purpose here today as being essentially to start off a discussion on the theme of this session, namely improving the operating and administrative qualifications, in production and marketing fields associated with agricultural products. I will, therefore, restrict myself to setting before you, in a systematic way, certain aspects from amongst those which, in my opinion, merit the most attention.

1. Introductory Note

2. Whether we are dealing with agricultural production units or with marketing units, the problem of improving the operational and managerial qualifications can be viewed under three headings, namely;

- (a) Improving the operational qualifications of workers.
- (b) Improving the operational and managerial qualifications of entrepreneur-managers of small businesses.
- (c) Improving the managerial qualifications of managers of large businesses.

Under the first heading, come both general and specialist workers in both large and small businesses, but their functions are exclusively manual. The second heading relates to entrepreneurs in small businesses, where the functions are both manual and managerial. The third heading is concerned with administrators in large enterprises, exercising purely managerial functions.

3. It seems convenient to specify the following point; the expression 'agricultural production unit' covers, in my view, not only agricultural enterprises (private, co-operative or public) engaged in production, and sale at wholesale levels, but also units which sell direct to consumers; these will usually be small farm enterprises. On the other hand, when we speak of 'agricultural marketing units' we shall confine ourselves to units, private, co-operative or public units, whose role is exclusively commercial, in the broad sense of that term

4. I avoid points of detail, in part because the time is too short, in part because a detailed treatment is hardly compatible with my role as an introducer of the theme.

II The Improvement of the Workers' Qualifications

5. As a country develops economically, two circumstances reinforce each other in stressing the importance of better qualifications for operating workers in agricultural production and marketing fields, namely rising agricultural wages and technical developments involving agricultural activities. Technical progress brings new tasks which cannot be carried out by staff whose training has not reached a certain minimum standard. This shows clearly the importance of better qualifications for workers. I will try to outline this problem, first for production units (II, 1) then for marketing units (II, 2).

II.1

6. Improvement in the qualifications of agricultural workers is closely linked to the acquisition of practical skills and a theoretical basis for the technology of agricultural production. In the economically developed countries a method widely used for spreading these ideas is to work on farms suitably chosen for their size, organisation and management. This should come after compulsory basic schooling. It is fairly obvious that the farmer, however advanced he may be, is usually not ideally fitted for giving a worker the training he needs especially in the more theoretical matters. Consequently the training process is usually completed by some formal educational courses (winter courses, evening classes, etc.). However, since this arrangement makes for rather an extended course the trainee may not follow it right through and so, being incomplete, it may be deficient to some degree. We may, therefore, conclude that this method is not wholly satisfactory.

7. We must not forget, however, that the adoption of such arrangements in the agricultural field does not rest on solely educational arguments. In practice the system is introduced and accepted because it provides a form of training which does not deprive a farmer of his sons' labour during training, the assumption being that they will be going into farming later on.

8. In these conditions we believe a better method of training farm workers would be one which incorporates a special course (provided in a "Technical Agricultural School", that is to say a school which trains both farm workers and small farmers). To be specific, as we see it, there should not be two separate courses, one for workers and the other for farmers. What is needed is one unified course to train "the agriculturist". Thus, and to the extent that this course includes the disciplines concerned with technology and management, the future agriculturist should in practice, be prepared to fill either the role of agricultural workers or that of farmer. Those who become workers, would obviously, use mainly the manual skills acquired at the school; those who become farmers would be drawing on their training in both manual and administrative fields. The schools would be intended to serve, in principle, all young people who, starting with compulsory basic general teaching, would be going into agriculture. Because the course involves full-time teaching, provided in a specialist school, it will be shorter than 'on-the-job' training. In addition, a school of the type envisaged should be equipped to train the specialist agriculturist in view of the general belief that specialist

enterprises will play an increasingly important role in the years to come.

9. This method of training workers in technical schools is probably not suitable for developing countries. This will be treated at greater length below (paragraphs 20 and 21) therefore it will not be pursued here.

II.2

10. For "marketing units" the problem seems identical. In practice, improving the qualifications of the personnel concerned with carrying out the functions of marketing consists, essentially, of improving the workers' knowledge of the technology of the operations concerned. This covers especially the following functions; grading and standardisation; storage; processing; packaging etc. Technical progress under these headings has lately been spectacular, so spectacular that it is impossible to envisage today the training of personnel by direct apprenticeship method. Moreover, time is too short. This is not the same as saying that professional training should be concerned exclusively with technological operations. In fact, the function of "selling", for example, which contains no technological operations, is one which today receives very special attention in professional training.

11. Resuming the line of thought, it is my view that the most suitable method for training the operational staff of marketing units, is in a commercial technical school, providing for specialisation in the field of agricultural products, with a middle level, full-time course for both distribution operatives and small traders. In other words, it is a school at intermediate teaching level, intended for those young people who have finished the basic compulsory general studies, and intend to go into marketing and distribution of farm products.

12. For the developing countries the problem needs to be tackled in another way. This is discussed (paragraph 25) later on.

III. *Improving the Qualifications of the Small Business Manager/Entrepreneur*

13. Notwithstanding that in agriculture today there is a general tendency for the creation of larger and larger production units, it remains true that the majority of farm businesses are still small. It would probably not be unreasonable to say much the same for several branches of the distributive sector. Now it is well known that the rigidity and the production 'set-up' of the small mixed farm business result in very considerable difficulties in management. Contrary to a widely expressed view the management of the small farm is more critical than that of the large, especially in relation to the organisation of labour, the employment of materials, and the choice of products. Furthermore, there are fewer possible combinations of systems of production on the small than the large farm; the limitations on the economic decisions of the farmer are more severe (2). Consequently the problem of improving the qualifications of the small farmer business manager presents the greater challenge. In studying this problem we will consider, first, the production (III) (paragraph 1), then the marketing enterprises (III. 2). We

must note at the start, in the one case as much as in the other, that two aspects must be dealt with, the operational qualifications and the administrative or managerial qualifications.

III. 1.

14. Improving the manual skills of the small farmer is essentially similar to improving the qualifications of the agricultural worker through the intermediary of the agricultural school programme which we have set out above. In practice the worker training provided by the school is not distinct from that provided there for small farmers; the small farmer provides the typical case of the small entrepreneur-manager.

15. On the other hand, improving management qualifications requires the acquisition of practical and theoretical knowledge about the techniques of management. It may be, that the knowledge provided by the technical agricultural school will be rather 'thin'.

16. Let us remember, in this connection, that the value of the training provided will be a function of the quality of the programme and the method of teaching. Consequently it will be of the utmost importance to give attention to the following questions.

- (a) The selection of the technical and management disciplines to teach.
- (b) The educational methods used for different disciplines.
- (c) The balance between the time devoted to teaching theory and practice for each section.

17. It is undoubtedly true that the problem of teaching practical management in an agricultural school is not easy to solve; it is consequently highly important to grasp and get the most out of every opportunity. Above all, it seems to us essential that there should be a commercial farm attached to the school. Given this condition there is a grand opportunity of applying practice and knowledge acquired on management matters and testing the results in the real world.

18. On this last problem, school life itself offers an excellent framework for training. Think of the scope for the practical study of management provided by the organisation and working of a co-operative study programme for which the students themselves are responsible.

19. "Refreshers" for agriculturists who have had some training as well as improving the knowledge of those who have received no specialist training, can be secured by the use of "study sessions" and "concentrated field courses", organised *ad hoc* (in due course by the agricultural extension services).

20. In the developing countries the problem is not the same; in practice, not only are they unlikely to have enough schools but, also the use of schools for this kind of technical training can lead to paradoxical situations. Take for example the African experience: in many places the desire to train better farmers has led to the use of agricultural schools, and various attempts have been made in a number of places. Unhappily, the results have been disappointing. The young people after attending a school of agriculture for

broadly based training have not been prepared to return to the land as simple farmers. They have taken employment in agricultural services or rural administrative services and they have often preferred to accept commercial industrial "white collar" employment, preferably in an urban centre, than to return to practise agriculture in their villages (3).

21. In these countries it seems best to set up field courses for the rapid training of farmers,—they would also be suitable for the training of agricultural workers. The courses should be handled by technicians, in due course from the agricultural extension service, in the different fields in which it is thought these instructions should be provided. The staff should first be given a basic training in teaching methods. Furthermore, in the effort to improve the efficiency of these courses and taking into consideration the basic importance of agriculture in these countries, we believe it to be desirable to organise primary teaching of a kind which will make young people more receptive to agricultural training. This should be provided to pupils at primary school level as a preliminary to training of an agricultural nature. One cannot hope to teach agricultural science at the primary school level, but it is well within the scope of a primary school master to teach by experiment such things as how a plant germinates, lives, grows and multiplies. This will help the rural children to understand the reasons for cropping practices, and for various practices in the care of farm animals. It should introduce them, also, to the farmers 'auxiliary helpers' which he should protect,—birds in particular, and also to the pest—especially insects, that he has to fight. (4).

22. The concern here is with the training of the small entrepreneur-managers of marketing units. We have already dealt with training in manual skills when we were concerned with training workers (para.11). Training workers, under our scheme, is exactly the same as the operational training of the small entrepreneur-manager.

23. For management training, the solution to the problem is exactly the same as that already suggested for management training of those handling production units. For this purpose we look to teaching of management techniques at a 'technical commercial school', and we repeat what we have already stressed, in relation to agricultural training (paras. 16 & 18).

24. Bringing up-to-date the knowledge of those who have been trained some while before, and the improvement of those who have not received any special instructions could be carried out through intensive 'on the job' courses prepared *ad hoc* and through 'study sessions' organised, in due course, by one or other of the extension services concerned with commercial agricultural matters.

25. Probably developing countries do not have enough technical schools to work such schemes. In these conditions the best solution might be the creation of 'intensive field courses' with the training designed both for workers and for small traders. Later on such courses would be operated by extension services in agricultural marketing.

IV. *Improvement to the Qualifications of Managers of Large Enterprises*

26. It has been said that the good manager is above all a person endowed

by nature for exercising this function, having the indispensable aptitudes for the role. Nevertheless, experience shows that it is possible to improve and to develop something of the natural gifts and consequently it is possible to improve the efficiency of management operations. In other words it is possible to improve the efficiency with which the manager sees what needs to be done, appraises these observations, and makes his decisions in the process of resolving the problems within his responsibility.

27. The full-time exercise of a management function is to be found in the large enterprises where the stakes are relatively high. In these conditions and in the light of the observations already made, one can see immediately the fundamental concern with the problems of improving the qualifications of the manager. The concluding remarks will deal with this problem, taking successively production (IV. 1) and marketing units (IV. 2).

28. The complexity and the diversity of the management problems of large, market orientated, agricultural enterprises,—problems of organisation and problems of operation—steadily increase. Improvement in the management qualification of staff responsible for administering such units cannot be sought without a specialist training covering the whole technique of management. In practice, the same basic attention has to be paid to three conditions fundamental to the successful working of an enterprise, namely:-

- (a) Knowledge of the principles which govern the working of an enterprise.
- (b) Knowledge of the current situation of the business through business accounts and other data.
- (c) The capacity of the planner in the long term and short, taking into account what is technically and financially feasible (5).

This makes it clear that it is hardly possible to obtain the essential qualifications for success without training at university level.

29. It should be noted, nevertheless, that a major part of these management problems in agricultural enterprise are concerned with activities of a technological nature, that is to say, with the adoption of innovations, of simple improvements introduced into production methods, as well as by the adoption of new kinds of production factors which become available. This shows clearly that a sound knowledge of agricultural production techniques is indispensable to the carrying out of the management functions. A training in the production field—sound, though possibly general—is an indispensable element in management training. This being said, one is inclined to put the issue as a question. Is an agronomist's training at a university, completed by a specialist training in management not the best programme for the manager of a large agricultural enterprise?

30. It is true, nonetheless, that however carefully this training is carried out it has a weak point—the practical side most characteristic of management, namely actual decision making. In practice, it is not easy to make good this gap in the university, however well organised. With this in mind we put another question. 'Is it not desirable to make the award of a specialist management qualification in agriculture, conditional on the candidate first

spending a period in a suitable business where he would face actual managerial responsibilities and show that he can do so with success?'

31. We think that the above considerations, in general, apply both to economically developed and to developing countries.

IV.2

Finally, the problem is clearly similar for the distribution units. In practice, the most suitable method of training the managers of trading enterprises, seems again to consist of a university course in high management studies, including at least a minimum concerned with agricultural technology, for there is always the possibility that the student, at sometime, may be managing a co-operative enterprise. Similarly, it seems desirable that a Diploma should not be awarded without satisfactory evidence of practical experience.

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SPECIAL GROUP L REPORT

The discussion centred around the following topics:

The need for increased teaching and training in the fields in question was generally felt to be necessary. It was agreed that general education is superior to specialized agricultural training for the schooling of good farm managers. That is because a schooling of the first type gives greater possibilities to develop understanding, qualification of judgement and of adaptation and decision making. Both administration and entrepreneurial skills are necessary for good managers.

The necessity of a scientific training of farm managers was stressed. Training of managers is clearly connected with the social environment in which the manager will work. Specific problems arise in the Socialist countries where the goals of society are used as a basis for management decisions on the farm level. Improvement of management skills for managers of large farms and of industries associated with agriculture have to include reproduction of realistic situations, for example, case studies, sensibility problems, group dynamic exercises, and business games.

It was stressed that both basic and continual education later in life was