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DEVELOPING HUMAN RESOURCES FOR FAMILY FARMING BEYOND 2000

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ABSTRACT

This paper is concerned with the steps family farm members should take to develop their human resources for success beyond 2000.

Some characteristics of traditional family farms are listed and their appropriateness is examined in the light of the revolutionary changes taking place in the agri-industry system.

The emerging situation facing farm families is reviewed. A model is developed of the characteristics which future successful family farm businesses will possess. This includes significantly more components than in the traditional family farm.

The learning needs of farm families are derived. These involve developing generic capabilities applicable to managing any business.

The paper concludes with a planning process which farm families can use to empower all members to achieve individual, family and business goals in the 21st Century.

INTRODUCTION

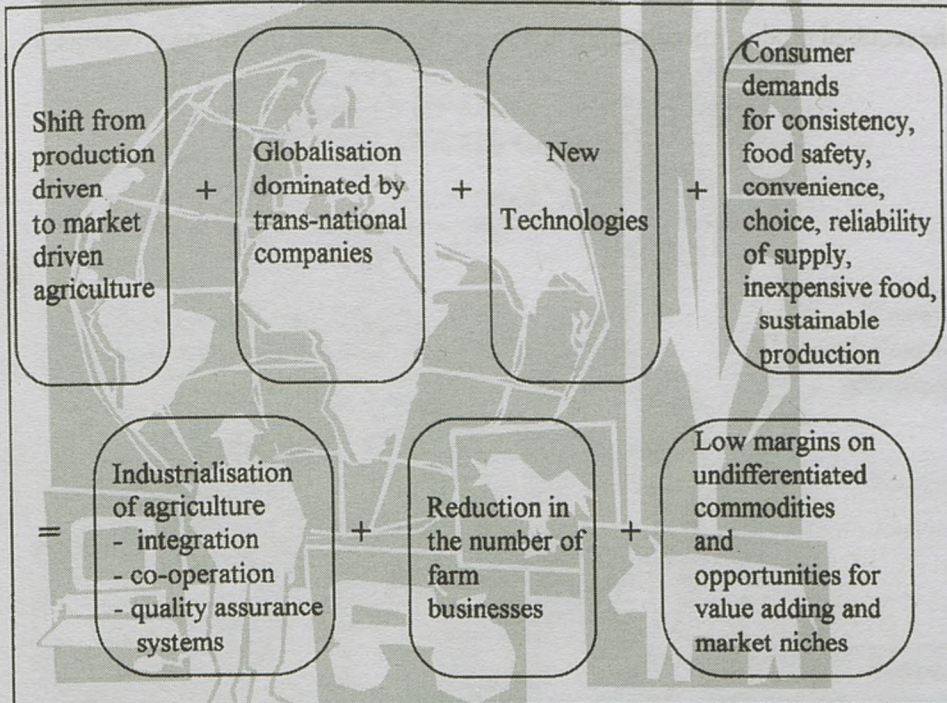
Revolutionary changes are taking place in our agri-industry system. These will require fresh approaches to the development of human resources if family farms are to be a successful part of the new system. The development of the capabilities of all those involved will be more important than ever. Indeed this is the only satisfactory insurance which family members have against becoming victims of the ongoing change.

This paper is written for family farm members rather than educators as it is argued that in the new agri-industry the approach to developing human resources should be learner-centred rather than educator driven.

THE SITUATION FACING FARM FAMILIES

The major global trends and their impact on farm management are depicted by the equation in Figure 2.

**FIGURE 2:
THE EFFECTS OF GLOBAL TRENDS
ON FARM MANAGEMENT**



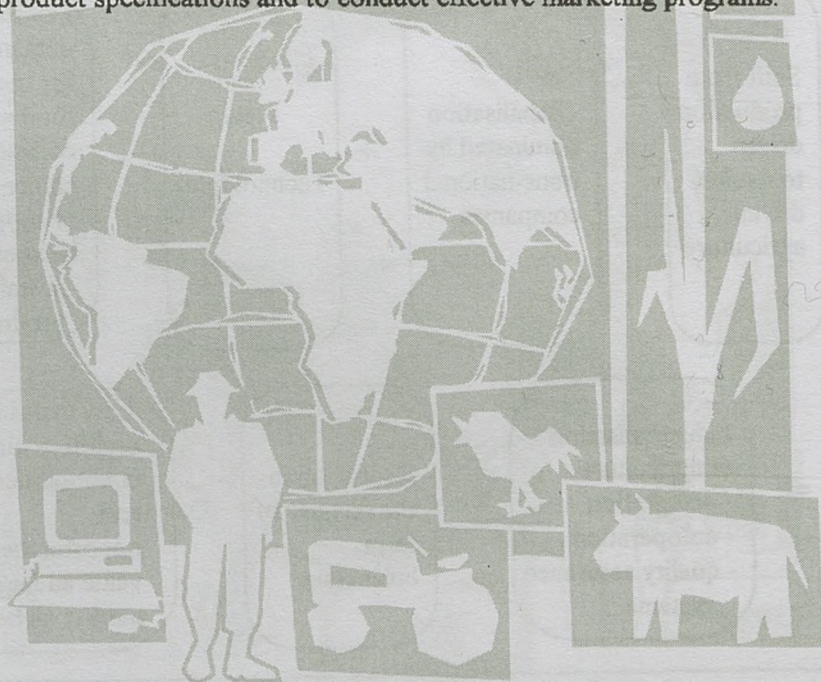
Source: Adapted from Napier, R 1997
Teaching Management into the 21st Century,
Proceedings of the 11th International Farm Management
Congress, International Farm Management Association,
Calgary, Alberta, Canada

Much of the agri-industry system (especially in western countries) is being driven towards an integrated quality assured, 'control' system in response to the combined influence of exacting consumer demands, globalisation, the activities of large trans-national companies and a wave of new technologies. Family farms in developing countries have yet to feel the full impact of these changes but the demands of competition will ensure that these farm businesses will not be immune from them.

Family farms, as with most small businesses, are under pressure in this emerging system, especially with regard to input purchasing power, information power, marketing power, diseconomies of size and access to capital (Napier 1996).

Mainstream farm businesses are becoming larger and in the U.S.A. already 6% of farm businesses produce 59% of the value of farm output (National Commission on Small Farms, 1998).

Niche markets are available but require highly professional management to achieve the required product specifications and to conduct effective marketing programs.



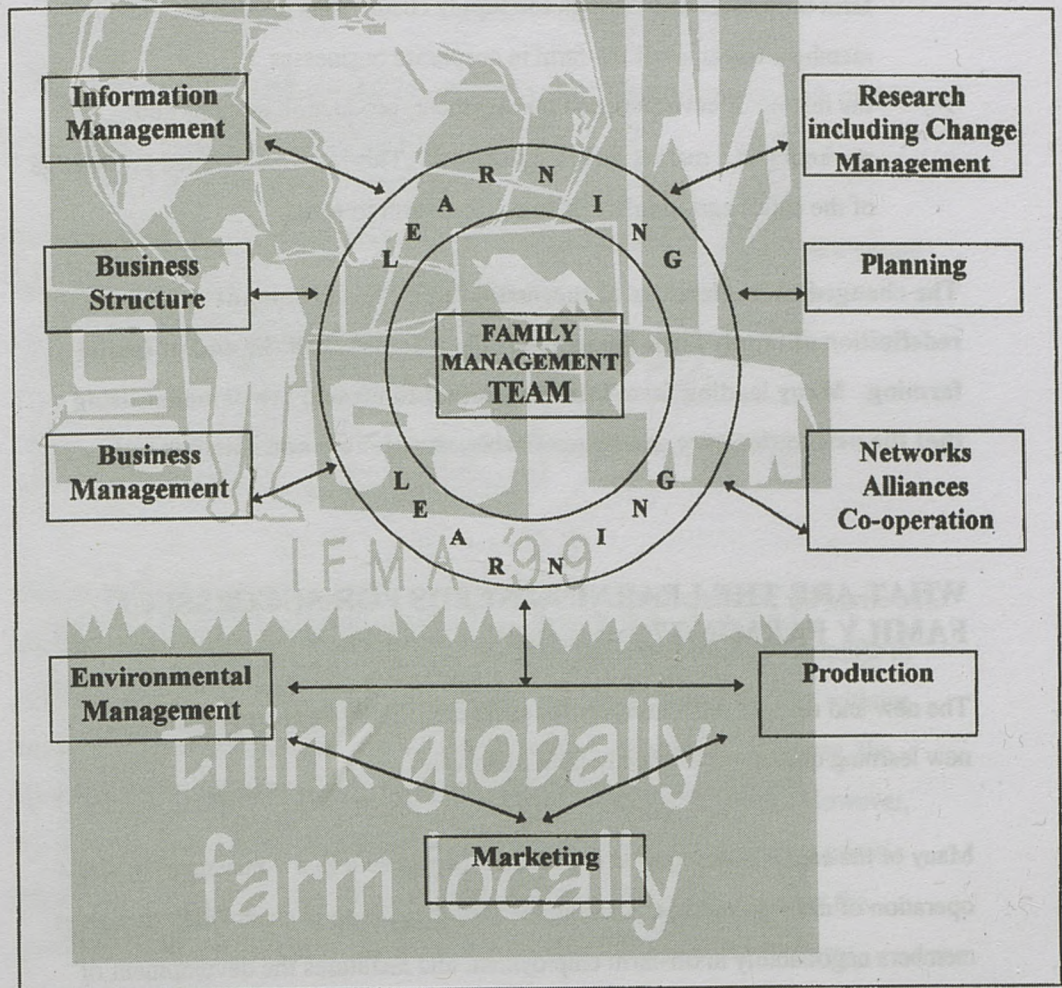
IFMA '99

think globally
farm locally

WHAT ARE THE CHARACTERISTICS OF SUCCESSFUL FAMILY FARMS?

Leading family farmers around the world are responding to the messages for change. They are developing farm business systems for the 21st Century with new and restructured components to maximise potential for success. The key components in these revised systems are shown in Figure 3.

**FIGURE 3:
THE COMPONENTS OF FAMILY FARM BUSINESSES
FOR THE 21st CENTURY**



Changes in the characteristics relative to the traditional family farm include:

- a much greater role for information management
- increased involvement in research especially to help anticipate technological change
- creative approaches to business structures often including leasing, syndicates and the operation of non-farm businesses in conjunction with the farm business
- emphasis on planning to position for approaching changes
- improvement of business management performance in the areas of record keeping, financial control, risk management and people management
- expansion of networks, alliances and co-operative arrangements between farm businesses and through the supply chain. This may include family members working off the farm in corporate businesses
- the linking of environmental management, production systems and marketing in a market driven framework. This involves detailed knowledge of the entire agri-industry system 'from farm to fork'.

The changed characteristics of successful family farms amount to a redefinition of family farm businesses. They do not spell the end of family farming. Many leading farm families around the world are demonstrating that the new agriculture can be profitable, sustainable and satisfying.

WHAT ARE THE LEARNING NEEDS FOR SUCCESSFUL FAMILY FARMING?

The new and revised characteristics for successful family farming present major new learning challenges for family farm members.

Many of the capabilities required are generic - applicable to the management and operation of most businesses. Development of these generic capabilities also gives members negotiability in off-farm employment and facilitates the development of businesses in conjunction with the farm.

The generic capabilities include:

- communication - written and oral
- information management
- change management
- goal setting and planning
- human resource management - of self, groups and other individuals
- marketing
- business management
- creativity and critical thinking
- self confidence
- maintenance of ethics and values
- learning

Farm families should ask themselves what an independent report on each of these capabilities would say.

Some specific capabilities required in the management of successful 21st Century farm businesses include:

- technology management
- production systems management
- knowledge of specific industry system supply chains
- environmental management

The majority of required capabilities are generic. In other words, as we hurtle into the 21st Century, agricultural businesses are becoming more and more similar to other businesses. (This helps explain the success which many managers without agricultural backgrounds are having in agricultural businesses.) Of course, the specific capabilities are essential and these must be acquired or hired. However, the rewards increasingly come from a balance between excellence in the generic capabilities and excellence in the specific capabilities. There is no longer the dominant focus on production systems found in the traditional family farm.

The number of required capabilities has expanded. This is a major reason why renewed emphasis on human resource development across all components is urgently required.

DEVELOPING AN ACTION PLAN FOR SUCCESS

Before developing a plan in response to the learning needs there are five fundamentals which need to be accepted.

(i) Farm families must take responsibility for their own learning

In the 'old' production driven system much of the education was driven by educators with mixed results. In the new agri-industry system there are no recipes for success. Each family must find its own learning solution. Education is a service which must be market driven. This will only effectively occur if family members as 'consumers' take responsibility for their own learning, plan their learning needs and ensure that there are appropriate opportunities to meet them. Taking responsibility also implies time and funding commitments by the family.

(ii) Learning is for everyone in the farm family

Gone are the days when a farm business could be run by a 'one person band'. The broad range of required capabilities and ongoing rapid change necessitate delegation of learning needs across all family members regardless of age, gender or level of involvement in on-farm activities. So, in a given farm family the mother might concentrate on learning for information management, the son might concentrate on business management, the daughter may focus on learning for marketing while the father may focus on learning for production and environmental management. Indeed, this team approach should extend more broadly to associated farm families and co-operators in the vertically integrated system.

- (iii) **Many of the new capabilities are not effectively acquired while working on the farm.**

This is especially so in traditional work situations. Formal courses and of-farm work experience are likely to be essential strategies. The 'school of hard knocks' approach to learning is likely to be too slow, too expensive in terms of mistakes and not sufficiently responsive to change.

- (iv) **Learning plans need to use a 'smorgasbord' of approaches**

This implies, however, that learners ensure that they are aware of all relevant learning opportunities. Some of the 'smorgasbord' of approaches are shown in Figure 4. Learners need to access all the levels of education (school, vocational, university) as relevant to their needs.

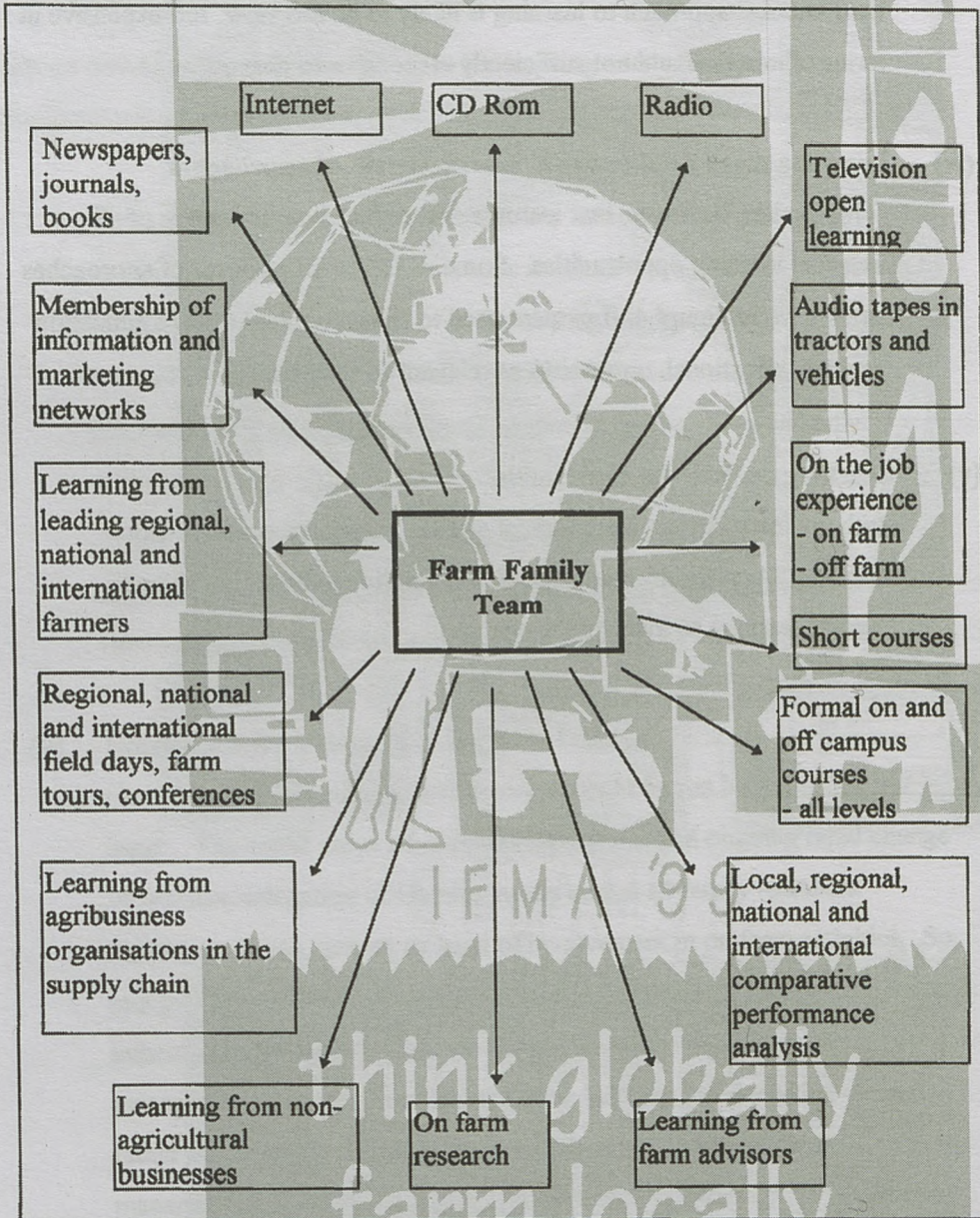
- (v) **Learning needs to be continuous**

Both the management environment and the family are continuously changing. As a result there must be a commitment by all members to ongoing learning to manage the changes.



think globally
farm locally

FIGURE 4:
PART OF THE SMORGASBORD OF LEARNING OPPORTUNITIES
USED BY LEADING FARM BUSINESSES

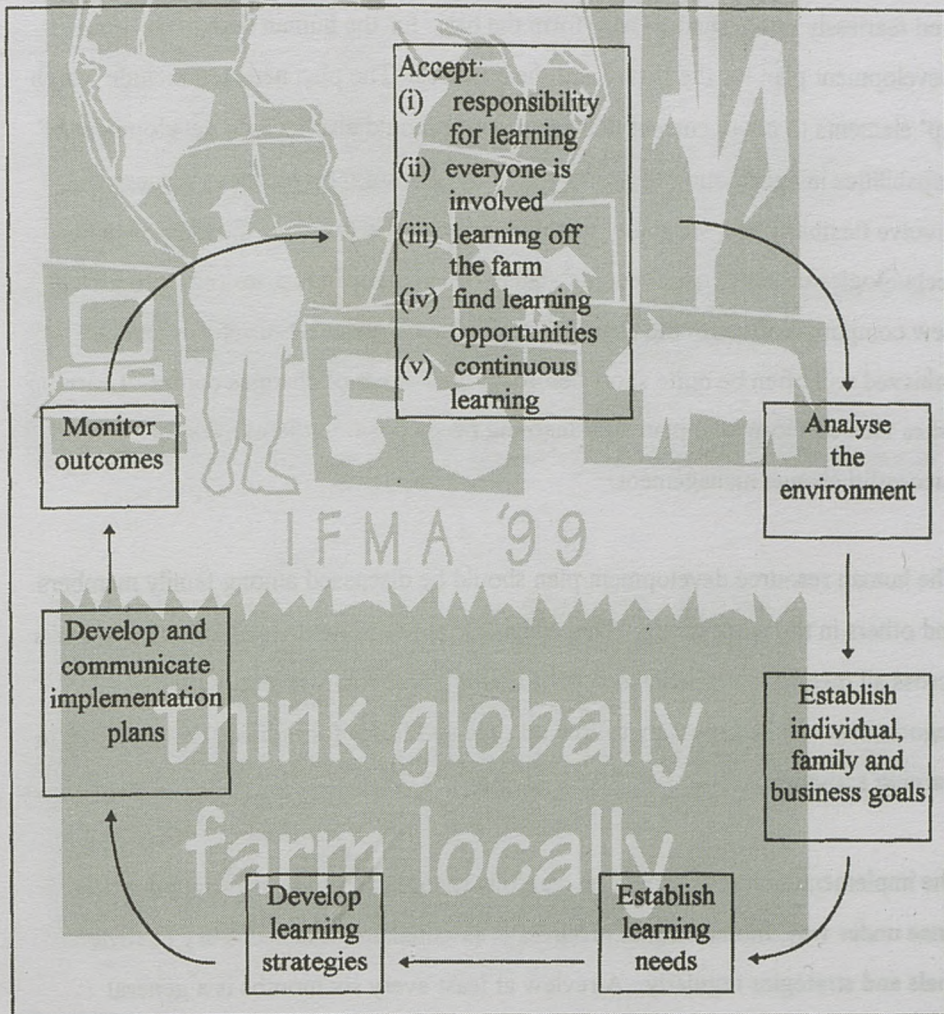


Source: Adapted from Napier, R 1997
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When the five fundamentals are accepted by family members, the serious task of preparing a human resource development plan for the members of the family can commence. As shown in Figure 5, the steps in the process of doing this are quite simple, carrying out the process is the challenge.

All the steps in the planning process should involve all family members to ensure a sound knowledge base, ownership of outcomes, a team approach and communication and sharing of plans.

FIGURE 5:
ACTION PLAN FOR DEVELOPING THE
CAPABILITIES OF FARM FAMILIES



The action plan starts with analysis of the environment. This background information aids the establishment of realistic individual, family and business goals. These are the drivers of the plan, giving everyone motivation and purpose. The goals should be derived with the involvement of all major stakeholders to achieve 'ownership' and to enable communication and understanding. It can be useful to appoint an independent chair of the initial meetings to facilitate discussion. Information needs to be gathered on potential activities and their likely costs and benefits. The goals need to cover all aspects - economic, career, relationships, recreational etc. Goals should be derived (and written down!) for all in the family both on and off-farm members and including in-laws.

The learning needs necessary for achievement of the goals should then be logically and fearlessly established. These form the basis for the human resource development plan for the family and the business. The plan needs to include 'catch up' elements to cover current deficiencies and should also include development of capabilities in anticipation of future activities. Future farm business success will involve flexibility and the ability to achieve quality performance quickly once new technologies or enterprises become viable. As in many industries (eg., producing new computer software) the period during which high levels of returns can be achieved will often be quite short before another wave of changes comes. Learning takes time so those who plan their learning needs position themselves for successful change management.

The human resource development plan should be discussed among family members and others in the work group. This will assist appropriate division of learning tasks across all members and achievement of a supportive environment. Often negotiations will be necessary to free up time and funds for individuals to engage in learning activities.

The implementation plan should be carefully thought through and communicated. Once under way, monitoring of progress is essential and it is necessary to review goals and strategies regularly. A review at least every six months is a general guide.

Successful implementation of this action planning process will empower farm families to be competitive in the 21st Century, build family teamwork and satisfaction and help preserve important cultures and values.

A goal for farm families could be to have such a plan in place by 1 January, 2000.

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