



LEADERSHIP AND MANAGEMENT IN THE AGRIBUSINESS INDUSTRY

One would normally expect that any institution-bound academician would spend much of his/her time in the simple act of reading. Unfortunately, this is one of many misconceptions which characterize the life of an academician. Not unlike agribusiness managers, academicians find that the normal "press of business" requires a vast diversity of actions, most of which prevent the individual from becoming deeply involved in the pursuit of leisurely reading. Unlike managers, however, academicians are occasionally afforded a brief respite from their routine press of business to read and pursue thoughts or ideas which would otherwise be judged inconsequential to their employer's day-to-day operational tasks. As I pursue, and enjoy, just such a respite, I elect to read, and do so rather extensively. Not all my reading is focused on a specific subject, but much is directed towards my personal interests in the practice of business management. Acknowledging that agribusiness managers are rarely afforded even a brief respite from their daily tasks, I would like to share with you a condensation of observations expropriated from my current practice of leisurely reading.

Business As A Social Organization

As a confirmed pragmatist, it is often difficult for me to abstract from the functional character of an agribusiness firm and, instead, view it as a social organization. To be sure, all businesses and the managerial control thereof, involve people. The very essence of any successful business rests on human interaction. But in our haste to analytically assess a business, to financially control its operations, and to quantitatively

plan its future, we often forget to equate "business management" with the "leadership function" required of all social organizations. We must be reminded of the fact that all organizations, social and business, are destined to failure in the absence of some form of leadership. Someone must be in charge. In its most vestigial form, this is even true in its natural form for the birds and the bees, the former with their pecking order, and the latter with their queens.

In the matter of human affairs, even those who would reject all forms of traditional leadership, find an undeniable need for leaders, themselves. I recently had an opportunity to debate with a Libertarian Party member of the Alaska state legislature. His views were just short of those advocating complete anarchy in the affairs of state. Yet, ironically, it was this same party whose continued political influence was almost totally dependent upon a finely-tuned and well-disciplined party leadership structure.

The desire to equate leadership with management is an unavoidable one. Like cream, it would seem, leaders naturally rise to the surface where they fulfill managerial roles. Why is it then that managers, unlike cream, do not always represent the best part of the whole? To answer this question, we must recognize that the wizardry of popular leadership has, historically, contributed as much to evil as to good. Adolph Hitler, for example, proved to be a charismatic leader of some renown, whose ability to stimulate a mass following for his own twisted visions surely propagated human suffering. In this noticeable case, when did leadership end and demagoguery begin? In a recent book titled *Leadership*, James MacGregor Burns wrote, "A leader and a tyrant are polar

opposites." Quite clearly, Burns would distinguish between those who would lead and those who would abuse their position of influence.

Insofar as we likely have no would-be Hitler's in the agribusiness industry, where does this analogy leave us? Perhaps managerial theory, as practiced within a democracy, can provide the answer. Our democratic system, of course, is designed to guard against excessive power and its attendant corruption. The democratic system recognizes that ambition always has been and always will be a vital force in human affairs. Therefore, it seeks to control or retain this force to the best interests of the people. Herein lies the managerial analogy. After all, in its most idealistic form, our private enterprise economy, with its inherent system of rewards for performance and risk-taking, strives to pool the end-products of human ambition, such that everyone will share in the benefits of that pool. The tyrant's ambition is for himself, alone. Other people are merely tools to be used in his search of the desired end. In contrast, the leader and the manager are ambitious not only for themselves, but also for the betterment of those with whom they work and serve. Consistent with the humanist philosophy of management, it is the mere presence of a following that compels leaders to act responsibly. They occupy their leadership positions only by the consent of others. In the world of business, it is this responsibility which provides the link between management and leadership. A politician is responsible to his/her electorate, a military officer always reports to a civil authority, and a business manager is responsible to the shareholders of the company.

In the third century B.C., Aristotle wrote that a tyrannical leader is one who . . . "suppresses every superiority, does away with good men, forbids education and light, controls the movements of the citizens, and, keeping them in perpetual servitude, wants them to grow accustomed to baseness and cowardice . . ." Quite clearly, if modern-day managerial tyrants elect to carve out places for

themselves in offices, shop floors, and boardrooms, they are no less vulnerable to overthrow than were their third century counterparts. Such managers may be mistaken for leaders, which they even believe themselves to be. But clearly they are not as they force persons to follow rather than serving the needs of the organization or the persons it serves.

The noted psychologist, Harry Levinson, once wrote that, "Leaders are essentially politicians and must deal with political forces." The reference here to "politics" was in the generic sense and suggests that managers/leaders, who apart from having to gain and hold a constituency, must practice the political arts of mediation and conciliation. They are subject to varied pressures from above, below, and sometimes at the same level of the organization. There is no doubt about it, managers must possess the political acumen to both withstand and smooth out such pressures. In this regard, even the CEO, himself, is subject to such pressures, be they evolving from the disparate interests of directors, employees, consumers, governments or the general public. Middle level managers, who sometimes feel like the ham in a sandwich, also must learn to cope with demands from above for enhanced production, along with screams from below as union employees insist on a strict adherence to established work rules. Indeed if politics is, as it is often claimed to be, the art of the possible, then it is never more so than in the management of a business entity.

When Is Management Unlike Leadership?

This question was asked some months ago during a week-long agribusiness management training program. A team of five participants were asked to meet together as a team and produce a reasonable answer. It was expected that their answer would be lengthy and rather complex. In fact, they returned the following morning with a brief, but rather profound response. In their view, management required the organization of things, while leadership required the

organization of people. In a book titled *The Unconscious Conspiracy*, author Warren Bennis wrote in 1976, "leading does not mean managing." Clearly, our team of management trainees and Mr. Bennis were hinting at a similar distinction. It would seem that a manager who lacks the leadership quality would function mostly in accordance with previously established routines. Of course such routines require little thought and even less imagination. They may, in fact, be inappropriate routines or they may be functionally obsolete. Yet managers lacking leadership skills will focus on things rather than people and cling to routine procedures as a defensive means for preventing needed changes. A reliance on routines may not even be a conscious effort as we are all creatures of habit. Each of us seeks and sustains a sense of security through an adherence to established routines. When such an adherence is allowed to supersede a concern for people and the collective well-being of a business, then management ceases to be an analogue to leadership.

Even those agribusiness managers who actively pursue a leadership role, find themselves inadvertently submerged in protectionist attempts to preserve the status quo. A noted management scientist named Henry Mintzberg once conducted an in-depth analysis of the working patterns of five top corporate executives. Mintzberg concluded that only rarely did these talented individuals have time to think about anything except the particular issue immediately before them. Nearly half of the decisions made were rendered within a time period of ten minutes or less. In only ten percent of the cases did these individuals have over one hour to ponder and evaluate a specific matter.

In reality, the executive suite was but a frenzy of activity as a steady stream of correspondence and visits filled the entire working day. Under even the best of intentions to the contrary, these persons were forced to rely heavily on routines as the sole means for dealing with the press of business. If your daily work pattern is anything like that

of the executives observed, it would seem as if you are running as fast as you can only to stay where you are. Under such conditions, how can anyone find the time and initiative to function as a leader? This question also arose in the course of the aforementioned management training program.

Perhaps the answer lies in the manager's willingness and ability to ask himself if the use of routine has provided a subconscious excuse for avoiding the more difficult and demanding tasks. Only yesterday I found myself in the act of committing this transgression. I approached my department chairman with the argument that my service on a multiplicity of university committees (routinely expected of all academicians) had prevented me from finding the free time needed to complete a project. Who was I kidding? My administrator knew as well as did I that free time is made not found. The argument that I could not find the required free time was but a poor excuse for the fact that I had subconsciously sought not to take the time.

Avoidance Of The Routine

It has been argued that management and leadership are not alike when adherence to routine becomes an operational mandate. How then can managers free themselves of this adherence? First, I would propose the employment of specialists to perform those tasks which managers once felt obligated to perform. Agribusiness managers, in particular, are often internally trained in the sense that they are promoted from within the organization. As these individuals rise through the ranks, they are reluctant to relinquish all those tasks previously performed. By the time they reach the top of the organizational structure, either by habit or personal preference, the manager finds that he continues to do several things which could be better performed by specialists or others of lesser rank. Routines acquired over a lifetime of service in lesser positions are most difficult to break when one reaches a managerial position.

Second, managers should create an environment wherein alternative courses of action are openly solicited and considered. As this solicitation practice becomes more widely known amongst subordinates, it will eventually supplant any sense that decisions are routine or in any way preordained by past practices. For example, it had become a well-established practice for a fruit cooperative to pay out a prescribed percentage of pool proceeds prior to the time of final pool closure. Any consideration of a differing procedure or an adjusted percentage payout was prevented by the routine practice. A newly installed manager questioned this practice, solicited alternative suggestions, and eventually implemented a new program for payment that was more equitable and appealing to the firm and member-fruit growers, alike. In this case, management and leadership were synonymous.

A third means for avoiding the rigidities of routine is to encourage the practice of delegation. To be sure, delegation often requires some forbearance on the part of the manager as tasks assigned to others may be accomplished with less than the desired level of efficiency or proficiency. Yet it is foolish to presume that efficiency or proficiency are more important than satisfactory performance when those completing the task are learning from the experience. Delegation provides an important vehicle for the training of new leaders in your organization. Some managers fail to acknowledge the importance of developing a continuity of leadership skills within their organizations. The new generation of agribusiness personnel are better educated, more assertive, and more skeptical than their predecessors. As routine procedures are replaced with the process of guided experimentation on the parts of these younger people, their sense of value to the company is acknowledged and management, thereby, creates the time and the opportunity to exert true leadership qualities.

Management, Leadership, And Sensitivity

In 1958, Robert Tannenbaum and Warren H. Schmidt published a paper in the *Harvard Business Review* titled "How to Choose a Leadership Pattern." In this paper, the authors described a so-called "dominance scale" from which evolved alternative managerial styles. The management profession later accepted this dominance scale base for the classification of managerial styles which varied from Autocrat to Humanist. By 1973, however, these same authors felt compelled to produce a sequel to their earlier thoughts. This sequel was prepared on the basis of perceived changes in social patterns that had taken place since 1958. The fifteen years that had passed since their earlier literary work had witnessed the rapid rise of concerns for civil rights, ecology, consumer protection and the quality of life in the workplace. In their opinion, such societal changes had placed upon managers a burden which previously had hardly existed, i.e., the heightened need for a sense of human sensitivity and flexibility in management.

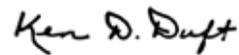
What this suggests is that as a manager/leader in contemporary times, you are more likely to deal with employees with a higher self-image of their role in the business. They are less willing to accept their position as a subordinate, more willing to question any source of authority, and more demanding of a position of influence in the business. In fact, a new breed of workers emerged from the 1970's period of social turmoil. While tempers have cooled somewhat and younger people have returned to more pragmatic interests, the modern day managers must recognize that now, more than ever before, leadership becomes a matter of eliciting support and cooperation from employees rather than commanding obedience. Recent studies show that employees are more concerned with a sense of personal autonomy, appreciation of their efforts, and an expanded opportunity to fulfill their individual potentials. If the manager fails to capitalize on the energies supporting these employee goals,

those same energies are sure to become the business's loss. Management scholar Douglas McGregor argues that, "the essential task of management is to arrange organizational conditions and methods of operation so that employees can achieve their own goals best by directing their own efforts towards those objectives set by the organization." The managers of the "old school" might argue that such a permissive environment will only result in diminished productivity. But allowing for the fact that all managers must, at times, play a dictatorial role, it would seem that employees would respond more positively to such moments of toughness, if it is encompassed within a past record of individual respect, consideration, and fair play.

Managers Are Leaders When:

In conclusion, a rather simple rule emerges, i.e., the respectful treatment of others is likely to be reciprocated. And it is this reciprocation that transforms a manager into a leader. Lao-Tsi was a Chinese poet and philosopher who lived 2,500 years ago. He likely possessed little experience as a manager, yet his words of advice are still timely and relevant. He wrote, "Fail to honor people, and they will fail to honor you; but of a good leader, who talks little, when his work is done, his aim fulfilled, they will say: we did this ourselves."

Sincerely,



Ken D. Duft
Extension Economist