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COLLEGE OF ENGINEERING & TECHNOLOGY

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(AUTONOMOUS)

**DEPARTMENT OF AGRICULTURAL
ENGINEERING**

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**AI3018-AGRICULTURAL BUSINESS
MANAGEMENT**

UNIT 2: AGRI-BUSINESS ORGANIZATION

FUNCTIONS

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In agribusiness organizations, the management process involves various key functions such as staffing, directing, supervision, motivation, and controlling. These functions are essential for ensuring the smooth operation of the business, improving productivity, maintaining employee satisfaction, and achieving organizational goals. Let's explore each of these management functions in detail within the context of agribusiness.

1. Staffing in Agribusiness Organizations

Staffing refers to the process of hiring, training, and managing the workforce within the agribusiness organization. This process ensures that the right people with the appropriate skills and qualifications are in place to carry out the organization's operations.

Key Aspects of Staffing:

Recruitment and Selection: Involves identifying job vacancies, attracting suitable candidates, and selecting the right individuals. Agribusinesses hire workers like farm workers, agricultural scientists, managers, marketing staff, and logistics personnel. Recruitment includes using job descriptions, conducting interviews, and assessing technical and interpersonal skills.

Training and Development: Agribusinesses must ensure that employees have the right technical skills to handle modern farming equipment, machinery, and technology. Continuous training is essential to improve management and leadership skills. Example: Farm workers may need training on tractors, while managers may focus on sustainable farming practices.

Employee Retention: Retaining experienced workers can be challenging in agribusiness due to seasonal work. Offering competitive wages, benefits, career development opportunities, and a safe working environment can help retain employees.

Workforce Planning: Involves anticipating the number and type of workers needed at different times of the year. For instance, labor demand spikes during harvest season, requiring temporary workers. Proper planning avoids labor shortages or surpluses.

2. Directing in Agribusiness Organizations

Directing is the process of guiding and leading employees toward achieving the goals of the agribusiness organization. It involves communication, leadership, and decision-making to ensure that work is carried out efficiently and effectively.

Key Aspects of Directing:

Leadership: Strong leadership is critical, especially since agricultural work can be physically demanding and often depends on unpredictable factors like weather. Leaders provide vision, inspire employees, and build trust within teams.

Communication: Clear communication ensures that employees understand their roles, responsibilities, and the organization's goals. Effective communication across various functions (production, marketing, distribution) is essential.

Decision-Making: Leaders make important decisions related to resource allocation, crop planting schedules, harvest timing, market pricing, and dealing with external challenges like pests or diseases. Decisions should be informed, timely, and data-driven.

Delegation: Effective delegation ensures that tasks are managed by those with expertise. For example, farm managers may delegate planting decisions to agronomists while handling administrative duties.

3. Supervision in Agribusiness Organizations

Supervision involves overseeing the work and performance of employees to ensure that tasks are being carried out according to plan and that goals are being met.

Key Aspects of Supervision:

Performance Monitoring: Supervisors track progress on activities such as crop cultivation, machinery maintenance, or product quality control. They ensure work processes are executed correctly and efficiently.

Problem Solving: Supervisors troubleshoot issues on the farm, processing plant, or distribution chain. For example, they might address labor shortages, machinery breakdowns, or quality control problems.

Compliance: Supervisors ensure adherence to regulations regarding health and safety, environmental protection, labor laws, and agricultural practices. Compliance prevents legal issues and promotes sustainability.

Feedback and Guidance: Supervisors provide continuous feedback to workers to help improve performance, correct errors, and provide guidance on best practices. This includes both positive reinforcement and constructive criticism.

4. Motivation in Agribusiness Organizations

Motivation is crucial to encourage employees to perform at their best and remain committed to their work. Motivating employees in agribusinesses can be challenging due to the seasonal nature of the work, remote locations, and the physical demands of agricultural tasks.

Key Aspects of Motivation:

Intrinsic Motivation: Agribusiness organizations can inspire workers by aligning roles with personal values. Example: Workers on organic farms may feel motivated by the environmental impact of their work or the pride of growing sustainable food.

Extrinsic Motivation: Tangible rewards like salaries, bonuses, and incentives can motivate employees. For instance, agribusinesses often offer seasonal bonuses at harvest time to encourage performance.

Employee Recognition: Publicly recognizing employees' efforts boosts morale and creates a sense of accomplishment. Verbal praise or awards for hard work can foster loyalty and motivation.

Job Enrichment: Agribusinesses can enhance job satisfaction by offering skill development, job variety, or career advancement opportunities. Example: Farm workers may be given new responsibilities, or managers could lead new initiatives.

Work-Life Balance: Offering flexible work schedules, especially during off-seasons, or family-friendly policies can increase job satisfaction and reduce turnover.

5. Controlling in Agribusiness Organizations

Controlling involves monitoring and assessing performance to ensure that the organization's goals are being met. It is about comparing actual performance with planned objectives and making adjustments when necessary.

Key Aspects of Controlling:

Setting Standards: Setting clear performance standards or benchmarks is the first step in controlling. Standards may relate to crop yield, employee productivity, profit margins, or product quality. Example: A farm may set a target for tons of crops per hectare.

Measuring Performance: After setting standards, measuring actual performance is essential. Performance can be tracked through crop growth, sales figures, or employee productivity levels.

Identifying Variance: Analyzing differences (or variances) between actual results and set standards is key. For example, if crop yield is lower than expected, management should investigate causes like pest damage or irrigation issues.

Corrective Action: If performance does not meet standards, corrective actions must be taken. Example: If crop yields fall short, new technology or more labor may be employed to improve results.

Feedback and Improvement: Controlling also involves a feedback loop, where insights from performance monitoring are used to improve future operations. Example: Lessons learned from a failed harvest season can improve pest control methods or weather forecasting.

Conclusion

- In agribusiness organizations, effective management of staffing, directing, supervision, motivation, and controlling is vital for maintaining productivity, ensuring profitability, and adapting to the dynamic agricultural environment. By employing these management functions in a balanced and strategic manner, agribusinesses can enhance their operational efficiency, foster a motivated workforce, and achieve their business objectives successfully.