

## LEADERSHIP STYLES ANALYSIS OF THE PLANT PRODUCTION CHAIN

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### Abstract

The paper reveals the results of a study undertaken in two agricultural units located in the N-E of Romania. The units currently exploit areas of 12,000 ha, respectively 2000 ha of arable land, placing them as large, industrialized agricultural units, with agro technologies at European standards and last generation machinery, and also having irrigation systems that serve for an important surface of their total. The units practice an efficient management, implementing an integrated model for their business. Group Șerban is located in Bacău county and cultivates straw cereals and corn to support their bakery and pastry field, and oleaginous and beans for their chicken farm, and Domeniile Lungu is a farm located in Iași county and sets as one of the biggest grapes producer of the area, due to a modern irrigation system and important branding and marketing activity. The Șerban Poultry Farm was started in 2008 and has now three chicken farms, with a capacity of 4,100,000 broiler chicken/year and 400,000 slow-growing chicken/year, with dedication for the quality of their products and market changes, show a flexible and efficient management, making several decisions for optimizing the financial indicators. Domeniile Lungu, that was started in 2006, uses 132 ha to grow several types of wine grapes and inaugurated in 2014 a winery that produces wine at the best standards, with two processing lines of 100 tones/day and a storage potential of 2 million l. A series of leadership styles analysis and organizational structure are studied in this paper, showing the impact of farm management in productivity and efficiency indicators.

**Key words:** leadership, work efficiency, farm management

From a total of 238,000 km<sup>2</sup> that cover the surface of the country, 87% of it is rural. Of this total, agricultural land covers 57%, with 45% of the population living in rural areas. For this reason, the share of agriculture in the country's economy is one of the highest in the EU, 6.6% of the Gross Value Added, that is more than three times the EU average, that represents 1.7% of GVA. With approximate 3.9 million farm holdings, Romania sums one third of all farms in the EU, and farming structures are highly polarized, as medium and large farms are about 7% of the total, but cover about 70% of the total agricultural area, with a clear potential of management and competitiveness.

Increasing farm efficiency involve working on large and compact surfaces as possible, so as to achieve large, efficient and high-performance integrated farms (Brezuleanu S. *et al*, 2017). The present paper aims to analyze the impact of leadership styles in two agricultural units and the way they developed since their establishment. The analysis focuses on their organizational structure and the impact of leadership skills on the economic efficiency, following the production process and

management, which proves to be an efficient one due to the units development since they started and the integrated processes they make.

Group Șerban developed a high-generation fodder factory that serve their own needs and also sells to third parties, with a capacity of 8 tones/hour, meaning 34000 tones/year, with reduced energy use. In 2016 they finished an important investment for cereal and oleaginous storage with a total capacity of 80000 tones, and in 2018 they grew the production capacity of the bakery, improving work efficiency and the financial indicators. The level of the field crops indicates high technology standards and management involvement in the production area, where a wide vision of integrated activities made an articulated and coherent development, with growing indicators and expansion perspectives.

Domeniile Lungu started from their beginning with a solid technical equipment base of performant machinery and made major investments in irrigating systems for 1000 ha of their 2000 ha total. Of these, 132 ha represent a wine plantation with nine varieties, and achieved a capacity of 100 tones/day and a storage potential of

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2 million liters after inaugurating their winery in 2014. They produce approximately 1200000 l/year, and bottle half of the quantity.

## MATERIAL AND METHOD

The necessary studies for the elaboration of this paper were made during 2018-2019, using primary data, direct and indirect observation. A series of interviews took place at the agricultural units bases, in Iași and Bacău, and a leadership questionnaire was applied to employees. Data from the secondary sources, specialized literature have been used, processed and interpreted thoroughly, for highlighting the leadership development in the studied units.

## RESULTS AND DISCUSSIONS

The Șerban Poultry Farm had in 2018 a number of 62 employees, all qualified. Each department has more sectors that are divided in management, so as to preserve product and service quality. The management for each department is rigorously defined, with clear responsibilities and competences that are required for achieving individual and general goals of success. They have a pyramidal organizational chart, and communication is made on the vertical levels.

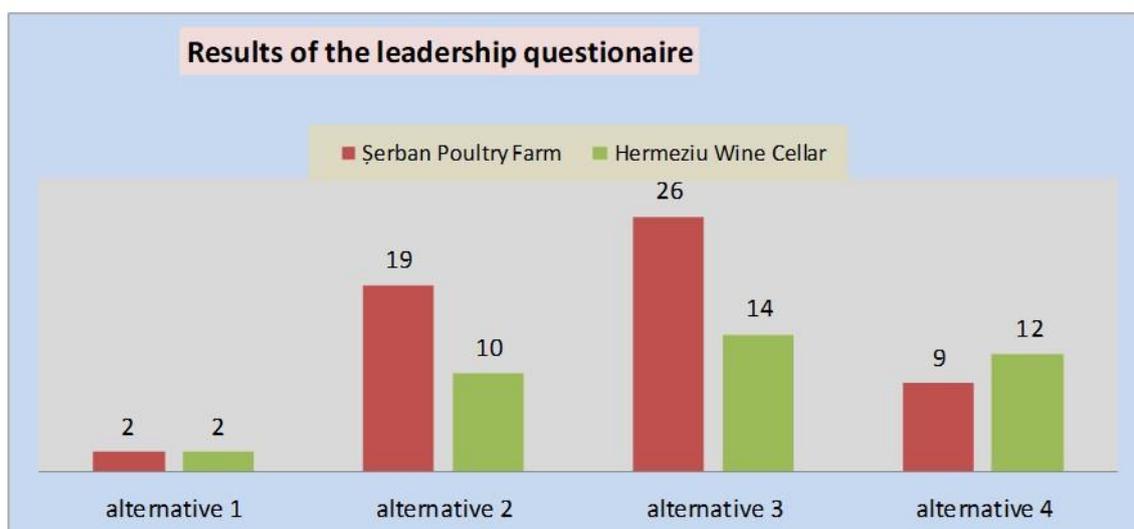


Figure 1 The results of the leadership questionnaire

Hermeziu Wine Cellar from the “Domeniile Lungu” unit has 43 employees, also with a hierarchical distribution, and direct liability to the administrator. The management is made in a decentralized way, with direct tasks, and communication is both horizontal and vertical, and the aim of delegating tasks is time management. Leadership practice in this unit is not based on hierarchic position, but trust and relationships between people, so as each employee has responsibilities and free initiative.

In Grup Șerban Poultry Farm, the chance of expressing leadership individually is big, the administrators offering freedom of action to subordinates, managing relatively low control of the people, as they use high technology techniques that require passionate and well-trained personnel. The unit teaches and support their staff in being creative, in constantly improving procedures, and the result is long-time commitment to the organization and a solid team. Also, this organization understood and used the fact that creating leaders starts with the capacity of

transforming some work in a career. As referring to Hermeziu Wine Cellar, leadership manifestation can be easy as people have all the premises that encourage it: sociability, flexibility, cooperation, communication at all directions, open-minded spirit and the competitive vibe of the organization.

As to determine the leadership abilities in these two studied units, it was used the investigation method and a questionnaire was applied to all personnel that subordinates to the directors of each department. It contained twenty-five questions with one possible answer out of five. Each answer has one point, and the options are: total agreement, agreement, neutral, disagreement and total disagreement. At the end of the questionnaire, the points are summed up and multiplied with a conversion coefficient that differs: total agreement-12 points, agreement- 9 points, neutral- 6 points, disagreement- 3 points and total disagreement- 0 points. Depending on the total score, we can place the investigated personnel in four categories that we call alternative 1- 4.

The total number of people that were questioned was 94, 56 from Șerban Poultry Farm and 38 from Hermeziu Wine Cellar and the employees covered all departments (workers, team

leader, department coordinator and manager) and all types of study levels.

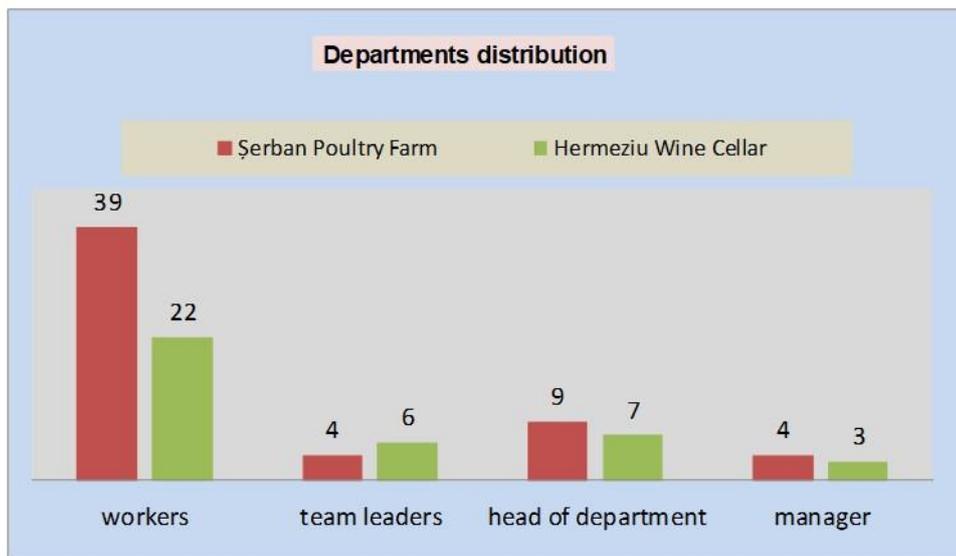


Figure 2 Employees departments distribution

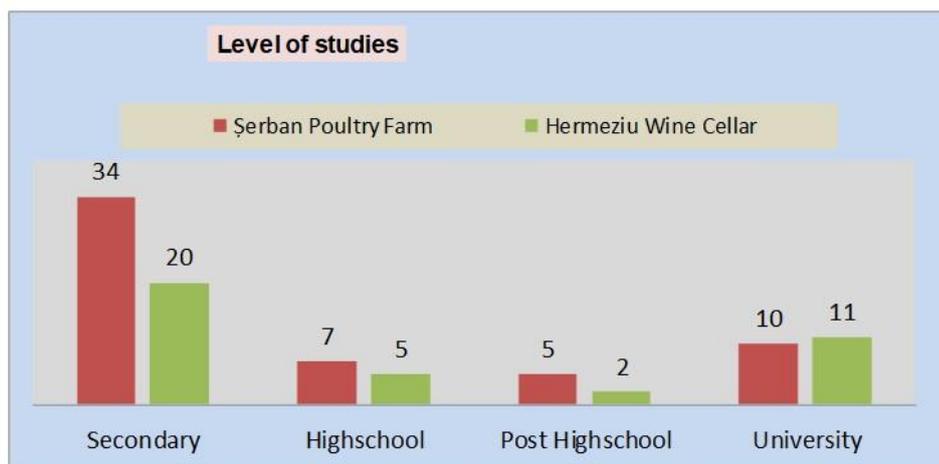


Figure 3 Employees level of study

The centralized results of the leadership questionnaire show us the situation of the employees' leadership skills in the two studied units.

Alternative 1-people in this category, with scores between 0-150 points, have very low leadership abilities. There were 2 employees from Șerban Poultry Farm (Unit 1) and 2 from Hermeziu Wine Cellar (Unit 2). Reported to the total number of people that answered, it is an acceptable result, these persons being either new employees or people close to retirement. They have low motivation, and a suggestion for improving could be participating in trainings and studying additional leadership resources, in a long-term process involving all the team.

Alternative 2-people in this category scored between 151-225 points and have medium leadership skills. There are 19 employees from Unit 1 and 10 from Unit 2.

This shows a balanced situation at the first unit, considering the total number of people interviewed, while at the second unit leadership skills look well-defined, each person having a clear job description and assignments and are capable of good results in team work. As a solution of improvement, setting personal development objectives, a well-defined action plan and intermediate terms could be efficient.

Alternative 3-people in this category scored between 226-268 points and shows good leadership skills. 26 people from Unit 1 and 14 from Unit 2 were placed here, representing mainly

sector coordinators from the two studied units. For Unit 2 this is a good score, but we see a better situation in Unit 1.

That can be justified by a closer approach for developing the human resources sector and facilitating trainings for the employees. The improvements for people scoring here can be punctual, requiring attention and individual study.

Alternative 4-people scored between 269-270 points and show very good leadership skills. There are 9 employees from Unit 1 and 12 from Unit 2 here. People that situated here are department managers and a part of the production sectors coordinators, with better results for Unit 2, where activity is more concentrated and restrained and team work and cooperation well defined. It is recommended for people in this category to teach and mentor new employees, make team distribution and give direction to the whole group.

### CONCLUSIONS

The companies taken into study practice integrate systems so that work efficiency and economic increase are visible in their expansion since they started to present.

The company executive that manage the units practice an efficient leadership and a good management, proven among others by the size of the exploited area and the high- technologized equipment and machinery used.

The high number of employees that scored maximum at the leadership skills questionnaire in both units show a modern and efficient approach in farm management.

Each of the two studied units still have an unexploited potential concerning leadership skills, but an encouraging fact is that leadership skills are found at all hierarchic levels, and mainly at the production sectors where activity is more concentrated, focused on yield, on team spirit, direct and active communication between people.

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