Farm Management Skills, Entrepreneurial Bricolage and Market Orientation

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Abstract:

Statement of the Problem

Most smallholder farms operate in a resource-constrained environment and are normally less financially endowed than other farms. It has also been argued that many of the skills associated with running a successful business are not necessarily skills that the farmers have. In the smallholder farming context, the management function is obscure given the complex interface between family, farm and business. Unfortunately, the strong social orientation often overshadows the need for profitable market participation. Whereas the need to attain greater market orientation in the resource-constrained smallholder farming is well acknowledged, few studies have explained how smallholder farms do with the limited resources to transit from subsistent production systems to market-oriented farms.

Methodology and Theoretical Orientation

The study used quantitative approaches to survey 378 smallholder farms in Uganda. Data were analysed using Structural Equation Modeling to establish the relationship between farm management skills, entrepreneurial bricolage and market orientation.

We premise the study on the theory of entrepreneurial bricolage to explain the relationship between farm management resources, entrepreneurial bricolage and market orientation. The theory explains how entrepreneurs start and grow their businesses in scarce resource. It argues that entrepreneurs render unique services by recombining existing elements for new purposes irrespective of institutional limits. Farms are able “to create something from nothing” by applying combinations of resources at hand to new problems and opportunities.

Findings

The study sample shows that 64% smallholder farms occupy between one and five acres of land of which 79% of the farms were operated on owned land. Of those that operated on owned land, 69% were family-owned and 91% were established to meet both the food security and income needs. The

study revealed that farm management skills enhance market orientation of smallholder farms, and entrepreneurial bricolage is a conduit through which farm management skills improve market orientation. This study confirms that farm management fosters market orientation of smallholder farms. The study further reveals that market orientation emerges as an outcome of entrepreneurial bricolage. This implies that smallholder farms that are able to "make do with whatever skill is available" are more likely to enhance their market orientation.

Conclusion & Significance:

The study reveals that market orientation of smallholder farms can be attained through improved farm management skills based on recombining and utilizing the available, inexpensive resources. Enhancing market orientation of smallholder farms will require (1) acquisition of farm management skills and (2) sharpening the farmers' capacity to utilize existing farm resources, including human resources and materials for new uses and addressing new obstacles. Strategies for enhancing market orientation should also entail bricolage as a complementary behaviour to farm management.

A comprehensive programme to develop farm management skills is necessary to enhance the market orientation of smallholder farms. Its key ingredients should include (1) financial management skills training with emphasis on farm production and financial record-keeping; (2) a household approach that brings on board farm owners, available household family members and farm workers; and (3) integrating entrepreneurial bricolage as a complementary farm management skill. Interactive behaviour enables smallholder farms to extend beyond their resource limits; hence, interventions that are socially oriented will improve entrepreneurial bricolage and foster market orientation of smallholder farms. Strategies premised on social interactions with different stakeholders may be more effective in imparting the necessary skills.

Biography

Catherine Komugisha Tindiwensi holds a Doctorate in Entrepreneurship; a Master in Business Administration and a Bachelor of Science in Agriculture. She is a researcher and Senior Lecturer in the Department of Projects and Small Business Management at Makerere University Business School. She is an Agribusiness Development Consultant and Founder/ Managing Director of Feasts Consultants International Limited and other social enterprises.

About Research Topic

Agriculture is poised to remain a key driver for economic development in most of Africa. Contrary to the large-scale production farming models prevalent in developed countries, African agriculture is predominantly smallholder. Close to 70% of Africa's population is involved in agriculture as smallholder farmers working on parcels of land that are, on average, less than 2 ha (Alliance for a Green Revolution in Africa (AGRA), 2017). Quite often, smallholder farming is considered synonymous with subsistence farming with inherent low market orientation. It is estimated that roughly 80% of the world's extreme poor live in rural areas and depend largely on farming to make a living. Despite this appalling state, smallholder agriculture is seen as a promising path to prosperity especially since empirical evidence shows that commercialization of smallholder farms can be attained.

About Institution:

Makerere University Business School (MUBS) is a leading institution of higher learning located in Kampala, Uganda. Established in 1997, MUBS is a constituent college of Makerere University, the oldest and most prestigious university in Uganda. MUBS is specifically dedicated to providing quality business education and research to students aspiring to excel in various fields of business and management. MUBS offers a wide range of academic programs at undergraduate, postgraduate, and doctoral levels. It offers bachelor's degrees in fields such as business administration, accounting, finance, marketing, entrepreneurship, human resource management, and international business, among others. The school also provides specialized master's programs in areas like business administration, finance, marketing, entrepreneurship, and project planning and management.

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