

#### Family Business Insight for your Agriculture Company October 2018

"Leadership is an activity, not a position." I first heard this quote at the <u>Kansas Leadership Center</u>, and I invite you to consider it as you read through Bill's summary of leadership theories, Alleah's description of skills and my examples of how leadership is exercised. As a reader of the *Dispatch*, I know you practice leadership every day in our agriculture industry and in your organization or family business. I encourage you to find ways to talk about it, encourage it, and celebrate it. – Lance

## Leadership Today

By <u>Dr. Bill Long</u>

Beginning in the 1970s, three powerful and somewhat contrasting theories of leadership entered American life. They all have eager proponents today. Almost all articles you read or talks you hear on leadership are indebted to one of the three. They are: 1) Servant Leadership; 2) Transformational Leadership; and 3) Transactional Leadership.

**Servant leadership** grew out of a 1970 article so entitled by Indiana native Robert Greenleaf (1904-90). Concerned that an authoritarian or fear-based leadership model that was so prominent in his earlier days was not what American business needed for the future, he emphasized that the primary role of the leader was to serve others, to focus on their needs and desires. A servant leader believes that you get the best out of others through collaboration, trust, empathy, ethical behavior and community building.

Coming out of the same decade was Presidential Historian James McGregor Burns' (1918-2014) theory of **transformational leadership**. According to Burns, a transformational leader is one who is able to articulate a vision that inspires people to act together to realize that vision. The leader him/herself must be fully committed to that vision and be able to motivate, engage, and provide the energy that leads a group forward. Followers will invest more effort if they are motivated by a clear picture of a positive future.

Finally, the theory of **transactional leadership** is one that focuses not on leadership as providing motivation or serving people, but as understanding the incentives that people need in order to do a good job and then providing those incentives. Transactional leadership focuses more on providing employees tangible rewards for performance than on having them buy into a vision or adopt a philosophy of team-building. This type of leadership emphasizes smooth operation of a business day-by-day, believing that managing the tasks of the day is the best assurance of success, both in the short and long term.

As Alleah and Lance point out well in their articles, none of these theories was either developed with agriculture primarily in mind or is fully useful for our industry. Yet, joining in this "great conversation" on leadership as you both ponder and put into effect your own understanding of leadership will give you insight, and hopefully success, for the future.

# Filling the Agricultural Leadership Need of the Future

#### By Alleah Heise

Bill has just outlined three leading theories of leadership in our society today. Though none was developed in the agricultural context, each contains valuable insights for us. Most important, in my judgment, are the following three ingredients.

**Vision**: Imagining the future as our population increases and access to farm ground and natural resources decreases will prove challenging. Leaders who show capabilities in not just articulating vision but also in cultivating collaboration and communication will lead our industry into the future.



**People Skills**: Every business, regardless of industry, is a "people business" first. And while we see the trend toward artificial intelligence increasing every day, agriculture still relies heavily on people. Leveraging the transformational leadership approach to move people toward a shared vision will become increasingly important. The ability to connect your family business story with the experiences people are seeking will be essential.

Adaptive Nature: People are not going away and neither is technology. Automation has slowly crept into agriculture, and will only increase. While this notion is sometimes met with resistance, the <u>oil field</u> provides a unique and relatable case study on how automation creates new jobs for current employees, often setting the stage for increased profitability through decreased reliance on outside vendors. The ability to adapt to new technology and shift team members to higher-value work is just another key to navigating the next generation of agribusiness.

As the Ag Progress team interacts with family businesses across the United States, we have the distinct pleasure of meeting many of you who embody the strong leadership values that will continue to move agriculture forward. In the next piece, Lance introduces us to specific examples of how leadership is practiced in agriculture.

### Your Leadership Challenge

#### By Lance Woodbury

Considering the theories described by Bill, and the industry implications articulated by Alleah, here are a few samples of how agriculture business leaders exemplify leadership. Can you see the theories above demonstrated in the examples below? Think about your own leadership as you consider the following:

- A farm business owner who considers the "off-the-farm" experiences of his staff members to be integral to their creativity and productivity <u>on</u> the farm, and so makes a concerted effort to create great encounters for his staff *away* from the operation each year.
- A producer who, instead of seeing their organization as a "customer" of emerging technology companies, positions the business as an "investor" and "partner" which can test their products and thus be in a position to capture early efficiencies.
- A sibling group of farm and ranch owners who see and explain their business' results in terms of the impact on their rural community, for example, by describing the number of direct and indirect jobs provided, or the payroll and charitable dollars circulated locally.
- A farm family which rewards staff for longevity by giving the employee an off-farm house upon retirement, since employees usually spend their careers living in housing owned by the farm and lack a chance to build equity in a home.
- A livestock producer who goes beyond "showing the business" to guests and uses a tour as an opportunity to explain the science of natural resource conservation.

Different kinds and various components of leadership are unique to each business. Businesses that do best spend some time thinking and talking about their leadership philosophy and the most important skills and perspectives they bring to the enterprise. How would others – your employees, your family, your vendors, your community – describe your leadership philosophy and skills?

