The Use of Private Enterprise Within a Public University Environment: A Case for a Student Unit Manager Team Approach

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When it comes to employing free enterprise techniques in agriculture departments, public universities are many times constrained by state laws that prohibit them from using the most cost efficient method to achieve the desired result, or so it seems. The forces of competition are normally not found in a public entity.

Agriculture in and of itself is one of the most competitive fields in the world, and numerous economic textbooks, periodicals, and other economic authorities (McConnell, Campbell and Brue, 1990, 490) recognize it as such. But lacking the competitive productivity and profitability found in real-world farming operations, agriculture departments at the university level manage their farms primarily as laboratories for the study of animal science and horticulture. Applying real-world team unit management techniques to farming operations, with actual short-term and long-term goals aimed at production and revenue goals set by the students themselves, breaks with the established traditions of top-down, single line management. But would students embrace such a change, or would the traditional technique prove itself in the long run?

The case we will examine is in a university situated in a heavy agricultural region of the Bible Belt. The average yearly enrollment during the five-year period analyzed in this study was approximately 2,200. Of that number, there were approximately 150 students pursuing degrees in one of two agriculture majors, business and education, and 50 students were concentrating on pre-animal science,

pre-forestry, or pre-horticulture degrees. Since its inception, the university has continuously maintained an agriculture program. Of the campus= 753 acres, 654 (almost 87 percent) are dedicated to farm production and agricultural/animal science study. The school=s agriculture department utilizes its student labor pool for farming operations.

Two different management styles are compared: top-down, departmental management; and student unit manager teams. The study is made over a five-year period with revenue from the various farm production units being the unit of measurement.

Prior to the student unit managerial program, farm management was done through the agriculture department chair (Figure 1). The students were assigned specific jobs in the various units of the farm and were managed by two farm managers. Students could not offer input into the decision-making process for the farming operations.

Following the resignation of the department chair, an interim department chairperson made the decision to divide the farm into six respective units, with the manager of each complex having three unit managers underneath him or her (Figure 2). The interim chairperson=s selection of the unit managers was based on previous farming experience and ability to work with peers. The unit managers then selected assistant unit managers.

An initial meeting was held to present the team management approach. Students were told they were being placed in charge of the university=s farming operations for the remainder of the fiscal year and

the revenue goal, set by the administration, was $173,500. The group was told that if they stayed on the course already established by the previous top-down management, the farm would produce $128,253 in revenue, $45,247 less than the administration=s goal. The students would have to institute major changes in the way the farm was to be run to achieve the revenue goal. In order to get them to buy into the program, the interim chairperson invited all the students to give three hours of free labor to clean up the farm, believing that giving the farm a good appearance would create pride and instill a certain amount of ownership in each student. Once the buy-in phase of the program was completed, each student manager and assistant student manager was instructed to form his or her own team. Each student could work for any team they wanted, and they could transfer in and out of teams. It was understood that there would be a certain amount of turnover at the end of each semester. Due to this anticipated turnover, a system was implemented whereby a person had to apply for the position of unit or assistant unit manager. Each student was required to submit a resume and transcripts and be interviewed for the position. This was done to make the application and selection process similar to what the students would find when applying for real jobs after graduation.

Another Areal-world@ implementation was that of an overall management review team. For the most part, this was done for accountability of the financial aspect of the program. The management review team was made up of the university=s vice-president of finance, the dean of the school of business, and an outside agricultural businessman. Each unit was required to make presentations to the review team and to discuss what the long- and short-term goals of the unit were.

Two other control systems were implemented as part of the program: Procedure manuals, written by each unit as a resource book should a student be unavailable to provide procedural answers; and

an inventory control system, which was especially needed since the university is a state-supported institution and is subject to state audits.

Each of these aspects of the student unit manager program provided a first-hand learning experience about the business-end of agriculture. Students were gaining knowledge on how to track cash flow, prepare inventory reports, and how to sell their unit to their banker.

The university was apprehensive about the project. Initially, the administration was very concerned about putting students in charge of its farming operations. Within six weeks, however, the students had greatly improved the overall appearance of the farm. In addition, the numbers were increasing in the swine and dairy cattle units. The students were also culling the dairy cattle heard to improve both efficiency and product. As each of the units began to look at their respective production numbers, the students started to understand how fine-tuning such things as nutritional values of the rations could increase overall productivity. As the semester progressed, each student became very conscious of the bottom line. By the end of the first four months, the administration had taken notice of the farm revenue as well and became supportive of the student unit manager team concept.

The students supported the concept as well. A total of 82 students were in attendance at the program=s first meeting. By the end of the first semester, 125 students were actively participating.

In order to examine the student unit manager team program, a chart was made to compare the department chair management system=s farm revenues (years 1 - 4 shown in Figure 3) with the revenues achieved during the student unit team manager program (year 5, Figure 3). As the chart indicates, all but the beef cattle revenue item showed increases. To determine the overall percentage increase or decrease of each unit=s revenue under the student unit

team manager system, averages were derived from each unit during the four-year period prior to the student unit team manager program. Each of these averages was then compared to revenues received during the 10-month period the student unit team manager system was in place (see Figure 3).

This project has shown that a student unit team manager system taken from private enterprise practices can be implemented in a public university setting with positive results. Using revenue measurements as a yardstick, overall revenue jumped more than 67 percent as compared
to previous revenues under a department chair, top-down management type system.

The other, thought less measurable, aspect of what a student unit manager team program can bring about is how much the students learned. Using revenue as the instrument of measurement, it can be said that an increase of revenue indicates an increase in learning. Students had to understand farm management techniques to be successful in a real-world setting. Conversely, had there been a decrease in overall revenue using the student unit manager concept, it would be safe to say the students, overall, were not learning and applying the necessary management skills needed to run a successful farming operation. It is here where the program really succeeded. Consider the following two examples.

During the very first night of unit manager presentations to the management review team, a young man stood up to make his unit=s presentation. He froze, unable to go forward with the presentation. The interim chairperson guided him through a series of questions until the student finally regained his composure and went on to give a good presentation. Needless to say, had this young man been in a corporate boardroom, he would have conceivably lost his job. The program, on the other hand, allowed him to make such a mistake in a classroom environment. Today, this student is a highly

successful manager for one of the largest and most successful agriculture business companies in the world.

The other example also indicates the program=s possibilities. A student who grew up on a successful swine farm operation run by his parents was determined to never go back to the farm. His plan was to stay in agriculture but work in some area of agriculture business. He had been selected as a student unit manager and realized in less than a year that by using the proper management techniques he had learned and applied during his tenure as manager, he could be successful in running his own swine operations. It is interesting to note that his future wife, who also grew up on a farm an never wanted to return, was also involved in the student unit manager team program. The two now operate a successful swine and cattle operation and point to the student unit manager team program as the catalyst for brining them back to the farm.

It should be noted here that for all of its apparent success, the program lasted just 10 months. A change in personnel within the university=s administration coincided with the hiring of a new department chair. The department chair was an animal scientist and returned the farming operations to a top-down management style.