

DIAGNOSIS OF ADMINISTRATIVE MANAGEMENT IN AGRICULTURAL SMEs, PROVINCE OF LOS RÍOS, ECUADOR

¹*Paula Marisol Plaza Zambrano, ²Blanca Blanco Campins

¹Quevedo State Technical University, Ecuador

²University Havana, Cuba

*Corresponding Author

ABSTRACT

Agriculture is one of the main strategic areas for the development of countries; the products and derivatives of agriculture are destined to satisfy the food needs of the human being worldwide and contribute to the economic and social growth of the countries.

In Ecuador, agriculture is considered a strategic objective for the country's growth and development: agricultural SMEs are a component of this objective because of the specificity of their assets (soil, water, and climate) valued as unique resources for the transformation of the local productive apparatus and economic growth of the country.

Agricultural SMEs are made up of natural resources, human talent and capital, as well as internal and external factors that condition their production. The administrative management is the process of planning, organization, command and control undertaken by one or more people to coordinate the activities of the different functional areas of the company. Administrative management plays an important role in the efficient management of these resources through the application of a set of rules and techniques that contribute to business performance.

The study of how producers use resources (land, labor and capital), how they plan changes in resource use and how they can improve that use, belongs to the field of administrative management of the agricultural enterprise. The administrative management is the discipline that is dedicated to the study and training of specialists in directing human work as a team in order to raise the competitiveness and sustainability of the company.

The agricultural activity that takes place in SMEs follows the same rules of organization of the productive process as in other companies of different activity, however the management of

production is conditioned to the environment of the company, due to the biological nature of its process, The dependence of the climate and the conditions of each particular soil; Entails heterogeneous technical and economic holdings subject to risk and uncertainty.

The agricultural SMEs in Latin America, the administrative management developed by agricultural SMEs does not respond to a planning process, Defined organizational structures, the command is centralized and have few control systems, adopting tools and management techniques in isolation that does not allow them to grow and develop in a highly competitive market.

The importance of agriculture in the world economy and especially in Ecuador as a strategic objective for the growth and development of the country, agricultural SMEs are a major component to achieve this goal, which is why it is important to realize A diagnosis that allows to know if in the administrative management that the agricultural SMEs of the province of Los Ríos, Ecuador make use of the planning, organization, control and control in the business management.

Keywords: Agricultural SMEs, administrative management, SME management, planning, organization, I send, control

1. INTRODUCTION

Agriculture is one of the main strategic areas for the development of countries, agricultural products and derivatives are destined to meet the human food needs at the global level (Knochenhauer G., 2008) and contribute to economic growth and Countries.

The trend in world agricultural trade not only points to tariff elimination, but also increases the demands for issues of health, food safety and biosafety. The Ecuadorian agricultural sector, in its multiple functions as a food supplier, employment generator, export currency, is immersed in a scenario of openness and globalization, becoming a strategic objective for the growth and development of the country to be able to face the Challenges and challenges of international competition (ECUADOR MAGAP, 2013).

Agricultural SMEs are a strategic component in the growth of the economy of Ecuador, as they are made up of natural resources, human talent and capital with internal and external factors that condition their production.

Administrative management is fundamental for the operation of companies, to achieve competitiveness in a globalized world, because it simplifies work, establishes principles, methods and procedures to achieve greater productivity and efficiency.

The agricultural production that takes place in the production units follows the same rules of organization of the productive process as in other activities, however the production management is conditioned to the environment of the company, due to the biological nature of its process, Wide extension, access to land, dependence on the climate and the conditions of each soil in particular; Entails heterogeneous technical and economic exploitation.

Studies by (M., Gibb A. & Scott, 1985), cited (Palomo Miguel, 2005: 27), indicate that SMEs lack formal strategic planning procedures of the type prescribed by traditional schools, nor do they Of precise projections about the goals to be achieved, lack of: Organization, poor management of human resources, lack of marketing knowledge, lack of techniques to plan and control production, obsolete technological innovation, scarce accounting records and poorly determined costs , Lack of knowledge to analyze financial statements and lack of knowledge of fiscal policies. Because the productive processes that are developed in SMEs have a low level of technology, it is difficult to incorporate management and organizational systems into the activities that are developed.

The importance of agriculture in the world economy and being considered as a strategic objective of Ecuador, agricultural SMEs are a major component for the country's growth and development, which is why a diagnosis is made to know if SMEs Agricultural workers in the province of Los Ríos, Ecuador apply administrative management in business management.

2. THEORETICAL FRAMEWORK

Administrative management is to get things done efficiently and effectively, through and with others (Robbins & De Cenzo, 2009: 5), through the set of values and resources that are undertaken to achieve the goals. Goals of the company (Anzola Servula, 2010: 52), this does not mean that managers can do what they want, whenever and however they want (Robbins & Coulter, 2005: 7). Management is the process of making decisions about goals and resource utilization. It covers five main types of decisions, called functions: planning, organization, direction, control. (Amaru Antonio, 2009: 6), whose knowledge is essential to apply the method, principles and techniques of this discipline correctly (Munch Lourdes 2010: 8)

Planning is the most important of administrative management, it tries to decide what to do, how to do it, who will do it and when to do it (Anzola Servulo, 2010: 62); With the establishment of strategies to achieve the goals of the organization, by developing a hierarchy of plans to integrate and coordinate activities. (Robbins Stephen, 2009: 7). Planning activities include analysis of the current situation, anticipation of the future, determination of objectives, resources needed to achieve organizational goals (Bateman & Scott, 2009: 19-20), as well as the definition of results And the strategies to achieve them minimizing risks (Munch Lourdes, 2010: 27).

The organization is the design and determination of the structures, functions and responsibilities as well as the establishment of methods and the application of techniques aimed at the simplification of work (Munch Lourdes, 2007: 45), which allows employees to perform their work efficiently And effectiveness (Robbins & Coulter, 2005: 234), to achieve the objectives efficiently (Anzola Servulo, 2010: 94). Through the division of labor, attribute responsibility and authority to people (Amaru Antonio, 2009: 255). To determine what tasks will be carried out, how they will be carried out, who will execute them, how they are grouped, who depends on whom, and where decisions will be made. (Robbins Stephen, 2009: 7). With the methodical use of all the resources that make up the administrative system (Certo Samuel, 1992: 15).

The command is the ability to guide and motivate workers to achieve the objectives of the company (Anzola Servulo, 2010: 110). This component of management includes motivating employees, guiding others' activities, choosing the most effective communication channel, and resolving conflicts (Robbins & DeCenzo, 2009: 7), encouraging people to perform better. It includes motivation and communication with employees, individually or in groups, as well as close and daily contact with people and guidance and inspiration towards team and organizational goals. Leadership occurs in teams, departments and divisions, as well as at the top of large organizations (Bateman & Scott, 2009: 20).

The control is the measurement of the performance of the company's components (Anzola Servulo, 2010: 122) oriented towards the objectives, (Amaru Antonio, 2009: 376) and correcting the deviations (Robbins & De Cenzo, 2009: 8), for Ensure that the organization's resources are used according to the plans (Bateman & Scott, 2009: 20). The effectiveness of a control system is determined by the extent to which it facilitates the attainment of objectives (Robbins & De Cenzo, 2009: 412-413).

For Llinares, Montañana and Navarro 2001: 181, the companies are a set of human, material, financial and technical factors, organized and driven by the management that tries to reach an objective according to the purpose previously assigned. While (Robles and Alcerreca 2003: 147) considers the company as the place where wealth is created, because it allows to put into operation intellectual, material and financial resources to produce, extract, transform or distribute goods and services in accordance with fixed objectives By an administration, investing in different degrees, the motives of profit and social utility.

From the above statements, the company can be defined as the organization constituted by human, financial and technical factors that combine to fulfill a stated objective, playing an important role in the economy of a country.

For (Guillermo Guerra, 1992: 33), the administration of the agricultural enterprise is the decision-making process by means of which scarce resources are distributed in a number of alternatives for the purpose of organizing, directing and controlling the business for the achievement of The stated objectives. According to (Terranova, 2002) They are all the material and technical elements dedicated to producing and obtaining goods or services to satisfy economic, social and service needs.

The term SMEs comes from the acronym of small and medium enterprises, are organizations that combine capital, labor and productive means, obtain a good or service, meet various needs.

Agricultural SMEs are the set of companies formed by natural resources and capital that have external and internal factors that condition production, generate employment, supply the demand for agricultural products in the market and face the increasing globalization of markets. They are developed in the primary sector, they are characterized by being individual companies or societies, directed by the owners, its component is familiar.

3. METHODOLOGY

Ecuador is a Latin American country with an extension of 256370 Km², with a population that surpasses the 14 million inhabitants has been divided in four regions: Coast, sierra, east and Galápagos islands, constituted in 24 provinces. Agriculture in the last twelve years contributes to Gross Domestic Product (GDP), with an average of 8% per year and generates 26% of employment to the economically active population (EAP).

The province of Los Ríos is located in the Costa region, with a population of 778115 inhabitants, 48% of the population live in the rural area, the province is the third largest in agricultural production at the national level, 42% Economically active population is engaged in agriculture and 43% of the economy of the province is based on agriculture.

The methodology of the research is based on the socio-critical paradigm, because it is a current situation or reality of the environment; Which allows identifying the factors of incidence with respect to the object of study, and thus to know if in the administrative management carried out by the agricultural SMEs of the province of Los Ríos, Ecuador they use the planning, organization, control and control in their business activity .

In addition, a set of theoretical methods is used, using the inductive-deductive method, for the analysis, use, treatment of information and data used in research, and the systemic-structural approach to holistically approach the object to Study and the processes that comprise it.

In the research, a population (8 Hernandez S., 2003) of 840 agricultural SMEs that possess similar characteristics is observed in table 1, by means of simple random sample, was chosen at random 317 Agricultural SMEs of the province of Los Ríos, Ecuador ; We used a survey aimed at owners or managers as a tool for the collection of information that allows us to compare the results obtained.

The selected owners or administrators were given a questionnaire of 65 items, using the scale: largely, to a large extent, to a small extent, I do not know; Which provides information about the planning, organization, command and control that the agricultural SMEs perform in their administrative management.

Table 1. Characteristics of Agricultural SMEs

| Details | Feature |
|------------------|--|
| Size | 20 to 75 Has |
| Permanent crops | Banana, oil palm, cocoa, pineapple |
| Fallow crops | Maize, rice |
| Associated crops | Plantain / cocoa, being the most implemented |
| SMEs | Legally constituted and registered before SRI3 |

4. RESULTS

The analysis and interpretation of data was based on the surveys, directed to the owners, managers of the agricultural SMEs of the province of Los Ríos, Ecuador, the same ones that served to carry out the internal and external analyzes, obtaining the following results, which Interpreted as follows:

4.1 Planning

The questions raised analyze the possibilities that agricultural SMEs have to develop, execute and evaluate plans, make decisions and adopt strategic planning based on their objectives, the questionnaires applied showed the information shown in Figure 1.

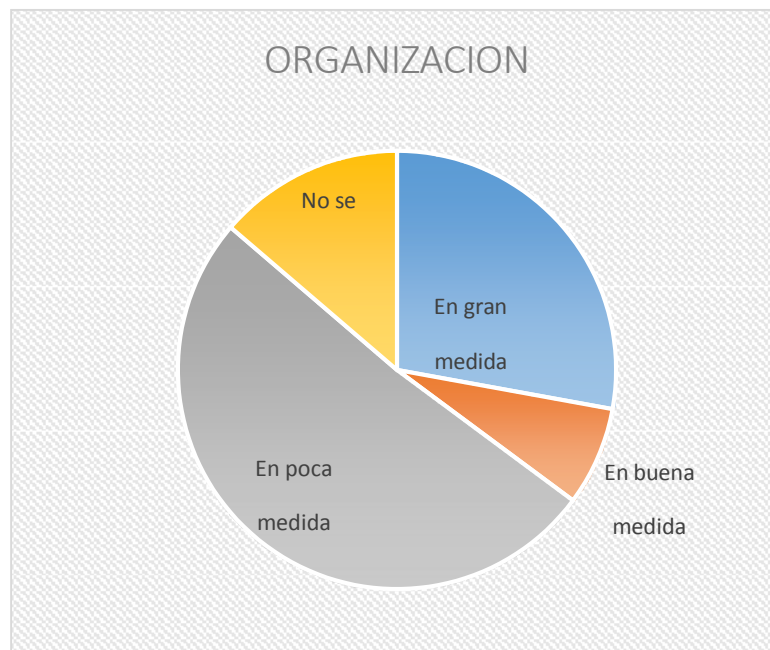
Figure 1. Planning Pymes agricultural province Los Ríos - Ecuador

Source: Survey results

As shown in Figure 1, 49% of planning questions responded to a small extent and 21% did not plan, respectively, representing 70% of the object under study, showing that the agricultural SMEs in the province of Los Ríos do not have a mission and vision of the company, it does not have defined general policies, the objectives are not established, in the little planning that they do not consider the internal analysis nor the external medium of the company and do not elaborate budget; Of the SMEs surveyed do not know in advance who will sell the products, nor do market studies to establish the sales plan. In the little planning that realize consider the equipment and the technology.

4.2 Organization

The organization involves elements associated with the structure, organizational design, departmentalization, formalization of activities, internal and external communication, technology used and the human resource with which every company must count. In this sense, the results obtained from the surveys carried out are presented in Figure 2.

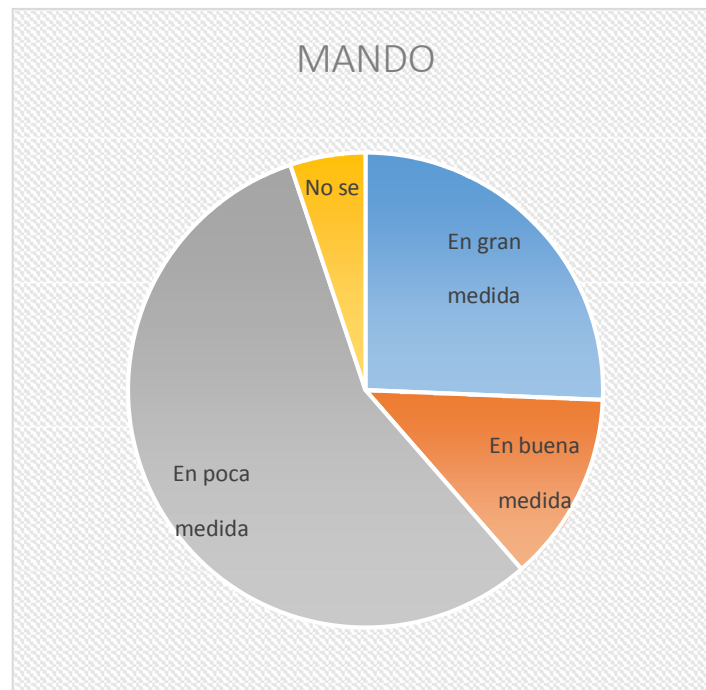
Figure 2. Organization Pymes agricultural province Los Ríos - Ecuador

Source: Survey results

The organization is a fundamental element in any company, that is why in **Figure 2**, it is appreciated in a percentage of 51% corresponding to a small extent and 14% responds not to know. As a result, 65% of the information provided indicates that in the agricultural SMEs in the province of Los Ríos there is not an updated organizational chart, where the departments that the organization should be defined, or the physical space to develop Activities do not have a function manual that reflects the positions and responsibilities of staff working in SMEs, making it difficult for them to determine whether the number of staff, material and technical resources are sufficient. The coordination of the activities carried out in the company; There is no trained personnel or in charge of the planning of the company. It is important to rescue the agricultural SMEs have computers for the development of activities.

4.3 Command

The command is related to the leadership that is developed in the company, the decision making, the work performance of the personnel, the media employed and the incentives that the company grants to its employees and workers, the instruments applied to the managers of The agricultural SMEs under study showed that they can be observed in figure 3.

Figure 3. The Command in the agricultural SMEs province Los Ríos - Ecuador

Source: Survey results

The process of command in a company can be a very complex task, considering that there must be leaders, with the knowledge and ability to keep employees satisfied. In the case of agricultural SMEs in the province of Los Ríos - Ecuador, 56% of the total respondents, as shown in Figure 3, the performance of the command is to a limited extent, the decision making has been centralized, It does not prioritize and selects alternatives in decision-making, the lack of stimulus does not allow to foment the interest, initiative and participation of the personnel; The use of inadequate communication channels prevent the fulfillment of activities by the personnel working in agricultural SMEs.

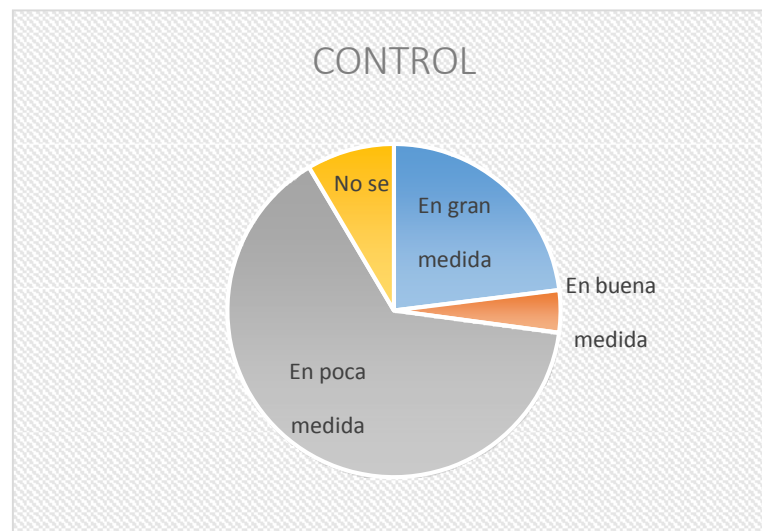
The 76.97% of the personnel that is in charge of the agricultural SMEs considers not to be qualified for the performance of the administrative management, its subordinates are honest and reliable people in the work.

4.4 Control

The control function in the administrative management is intended to detect in due time deviations that may exist in agricultural SMEs, for it is necessary to permanently evaluate the

performance of the staff, established standards or patterns used in the daily processes of the organization . For this, the data obtained in Figure 4 will be analyzed.

Figure 4. Control in the agricultural Pymes province Los Ríos - Ecuador



Source: Survey results

All processes in an entity need to be controlled. In the case of study, it can be observed in Figure 4 that those in charge of agricultural SMEs responded in 64% the control they have to a small extent allows them to detect difficulties in a timely manner and is not effective.

5. CONCLUSIONS

The results obtained from the surveys carried out to the people who are in charge of agricultural SMEs in the province of Los Ríos, Ecuador, show that.

- Agricultural SMEs do not have a mission and vision of the company, do not have defined general policies, the objectives are not established, in the little planning that they do not consider the internal analysis and the external environment of the company and do not elaborate budget.
- They do not have an organizational chart showing the departments that the organization must have, they do not have a function manual that reflects: positions, responsibilities, number of personnel, material and technical resources necessary for the development of the company's activities; There is no trained personnel or in charge of the planning of the company.

- Decision-making has been centralized, there is a lack of leadership in SME control, staff incentives and inadequate communication channels.
- The control they have is not effective and does not allow timely detection of difficulties.
- Lack of openness to national and international markets.
- 76.97% of the people in charge responded that they were not trained to carry out the administrative management of agricultural SMEs.

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