

A Study of Organizational Management and Business Guidance of Taiwan Farmer's Associations

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ABSTRACT

The Farmers' Association is an important design in the Taiwan agricultural finance system. In the initial stage of the economical development in Taiwan, the Farmers' Association, whose branches are widely installed in the villages therefore, is capable of spread and being rooted in the village. They take the responsibility to help agricultural development and serve to stabilize farming village and society, improves farmers' livelihood, and benefits a great deal in the local finance. The existing the Farmers' Association provides tremendous contribution to the financial and economic development of the farming village.

In this time of recession where the government already has heavy economical burdens as well as the changes in social values, the Farmer's Associations are now facing vigorous competitions, lack of resources and restrictions for long-term development. As such, it has become necessary for the Farmer's Associations to enhance its management skills, to reinforce its mission, goal and performance to sustain long-term growth and development.

Hence, objective assessment should be objectively made; the leadership coordination and planning should be well conducted by the relevant administration departments to solve the operational predicament of the Farmers' Association. To hope the result was expected to provide some NPOs and the Farmer's Associations as reference when making the strategy.

Keywords: Farmer's Associations, Organizational Management, Business Guidance

1. Introduction

The Farmer's Associations in Taiwan is a non-beneficial farmer autonomous organization with multi-purpose and multi-objective. It has become with the richest resources and most organizational structure farmer association under guidance and the assistance of government. The Farmer's Associations is holding the post of communication between government and farmers for a long time. It also plays the quite important role in the agricultural development and carrying out in the assistance agricultural policy (Lu, Yong-Xiang and Fu, Zu-Tan, 2005). With the economies not booming gradually in 1990s and the influences of many new banks opening, the Farmer's Associations also meets many management crises unceasingly.

The enterprise of Farmer's Associations may be divided into four departments. They should be credit department, supply and sales department, insurance department, and promotion department these four main enterprise departments. There were many researches about the management crisis of Farmer's Associations in the past. Most of them discussed about the credit department. But in fact, the services and the importance of other departments were not inferior to the credit department.

According to the above, Executive Yuan Council of Agriculture of Taiwan and Taiwan Agricultural Extension Academic Society proceeds inventory survey of the management, the credit service, the supply and sales service and the promoted service of Farmer's Association's organization every year. This research also takes advantage to figure out the association relations between organization of management and its credit service, the supply and sales service, and the promoted service of Farmer's Association's in various places.

2. Literature Review

2.1 Definition of Farmer's Associations

Wu, Rong-Jay and Chou, Bai-Long (2000) had made a definition. It says that the Farmer's Associations is made up by farmers with mutual cooperation spirit join freely. Under the surveillance of government legislation safeguard, budget subsidy, manpower support, enterprise tax-free, and so on, it entrusts with goal of the existence and certain civil rights strength the existence by the country. It composes by widespread and thorough the rural villages as a public welfare juridical association with the basis related law, to safeguard the farmers' rights and interests, to improve the farmers' living quality, to promote agriculture modernization, and to develop the rural economy as its objectives

2.2 The Services of Farmer's Associations

According to fourth regulation of the Farmer's Associations law, the Farmer's Associations duties are as below, (1) To safeguard the farmers' rights, to disseminate farming law, and to mediate farming disputation. (2) To assist about improvement of the land irrigation and water conservation, maintenance of the water and soil, and raising of maintenance and the forest. (3) Promotion of fine seeds and fertilizer. (4) It helps to instruct, demonstrate, and reproduce the improved seed. And it also helps to promote the management of agriculture in specialized area. (5) It helps to promote and training agriculture. It also helps and rewards the agricultural production. (6) The mechanization of agriculture and promotes the labor efficiency related item. (7) It helps guidance, assistance and carrying out pooling of interests, the request management, the family farm development, and the generation plow the service. (8) It helps to manage the transportation and sale, the warehousing, the processing, the manufacture, outputs into and wholesales, and the retail market of the livestock product. (9) It helps the import, export, the processing, the manufacture, the sell on ration, and supply and sales of the member daily necessities of the agricultural production materials and equipment. (10) Field storage and common enterprises of members. (11) Finance enterprise for members. (12) It accepts the request to handle the agricultural insurance enterprise. (13) It accepts the request to assist the farmer insurance business and the farmhouse auxiliary constructs. (14) Rural cooperatives and social service business. (15) It helps the sideline in the countryside and initiatives of the village industry. (16) Countryside culture, health, welfare and rescue work. (17) Improvement the usage of farmland. (18) Prevention and relief the agricultural disaster. (19) It's the proxy of public treasury and accepts the government or the public and private association request of item. (20) Agricultural traveling and countryside leisure business. (21) It can execute cases with special permits from the Controlling organization.

The Farmer's Associations provides four major services which are the credit, the supply and sales, the insurance, and the promotion. Its purpose is to expand the packing loan for farmers, to enhance the percentage of agricultural production, to safeguard the farmer rights, and to promote the farmers' incoming. Each service of them is close with every rural economy. There is about 80% business what Farmer's Associations handles, including the food grains purchase, the feed and the fertilizer sells on ration, the agricultural chemicals sale, the agricultural product supply and sales and so on, belongs to the efficiency. With the cooperative economy principle and the coordinate government policy, the Farmer's Associations makes the rural economy better. We can't ignore its achievements to the Taiwan economic development (Huang, 2003).

3. Methodology

3.1 Research Model and Hypotheses

H1_GOrganizational Management of the Farmer's Associations has significant different in Credit Service.

H2_GOrganizational Management of the Farmer's Associations has significant different in Supply and Sales Service.

H3_GOrganizational Management of the Farmer's Associations has significant different in Promotion Service.

3.2 Sampling

Executive Yuan Council of Agriculture of Taiwan and Taiwan Agricultural Extension Academic Society proceeds inventory survey of the management, the credit service, the supply and sales service and the promoted service of Farmer's Associations every year. It is not census because of the limited budget. It only precedes the investigations with six Farmer's Associations randomly in Taiwan. One of these six Farmer's Associations doesn't provide credit service therefore it doesn't include it in this research. This research altogether provides 301 questionnaires to staffs

of the five Farmer's Associations filling. The valid response is 277 and the valid response rate is 92.03%.

4. Data analysis and tools

Because when Taiwan Agricultural Extension Academic Society proceeds the investigation, they only took the characteristic and present situation as condition to conduct and discuss the Farmer's Associations to draw up the organizational management, the credit service, the supply and sales service, and the promoted service these four perspectives as question options. According to the above, this research uses the descriptive analysis, the exploring factor analysis, reliability analysis, ANOVA analysis as the following material to carry analysis out.

4.1 Descriptive Analysis

Most of the one who accepts this test are female (n=168), primarily age by 36-45 years old (n=126), primarily educational background by high school (n=157). Most of the one who accepts this test are served in Credit department (n=134). Most of them serve in present department are below 5 years (n=94) and total seniority of service are above 25 years (n=70).

4.2 Exploring Factor Analysis

It extracted 6 factors from the exploring factor analysis in the organizational management and it explained that the amount of variation is 70.176%. It extracted 2 factors from the credit service and it explained that the amount of variation is 62.033%. It extracted 2 factors from the supply and sales service and it explained that the amount of variation is 75.107%. It extracted 6 factors from the promotion service and it explained that the amount of variation is 70.264%.

Table 1 Exploring Factor Analysis

	Factor	Items	Variation	Amount of Variation	KMO
Organizational Management					
Factor1	encouragement & communication	11	22.070_	70.176_	0.943
Factor2	individual growth	9	16.216_		
Factor3	team work	7	11.184_		
Factor4	identification of the change development	3	7.739_		
Factor5	ability of supporting change development	3	6.823_		
Factor6	trust & containing	2	6.144_		
Credit Service					
Factor1	the ability of credit service	9	45.774_	62.033_	0.899
Factor2	the competitive advantage of credit service	3	16.260_		
Supply and Sales Service					
Factor1	the supply and sales product unifies of the local characteristics	5	37.779_	75.107_	0.916
Factor2	the ability of supply and sales products	7	37.328_		
Promotion Service					
Factor1	the effect of the promotion service	9	41.601_	70.264_	0.910
Factor2	the resource of the promotion service	3	19.374_		
Factor3	the duty of the promotion service	2	9.290_		

4.3 Reliability Analysis

This research uses the reliability analysis to test the stability of the measure. It counters the extracted factors of each four perspectives to carry on the reliability analysis. After the analysis, we found that only the reliability of the third factor of "The Duty of the Promotion Service" of promotion service is extremely low because the value of

Cronbach's α is 0.247. It stands for the reliability of this perspective is too low to be deleted so that we ignore this perspective.

Table 2 Reliability Analysis of the variable

Variables		Cronbach's α
Organizational Management		0.966
Factor1	encouragement &with communication	0.943
Factor2	individual growth	0.927
Factor3	team work	0.917
Factor4	identification of the change development	0.793
Factor5	ability of supporting change development	0.712
Factor6	Trust & containing	0.741
Credit Service		0.893
Factor1	the ability of credit service	0.920
Factor2	the competitive advantage of credit service	0.612
Supply and Sales Service		0.950
Factor1	the supply and sales product unifies of the local characteristics	0.915
Factor2	the ability of supply and sales products	0.939
Promotion Service		0.929
Factor1	the effect of the promotion service	0.942
Factor2	the resource of the promotion service	0.800
Total		0.979

4.4 ANOVA Analysis

4.4.1 The relationship between Descriptive Information and Other Variables

There are significant differences in the cognition of four variables from testers in “different period of service in present department” and “educational backgrounds”.

There are significant differences in the cognition of organizational management ($F=2.277$; $p=0.024$) and credit service ($F=3.100$; $p=0.002$) from testers' genders. The cognition of male testers is higher than female testers in both organizational management and credit service.

The cognition of testers with different age gets significant difference in organizational management ($F=8.310$; $p=0.000$), credit service ($F=5.638$; $p=0.000$), and the supply and sales service($F=2.444$; $p=0.047$).

There are significant differences in the cognition of organizational management ($F=3.078$; $p=0.004$) from testers in different positions.

Testers from different departments have significant differences in the cognitions of organizational management ($F=2.439$; $p=0.015$), credit service ($F=2.200$; $p=0.028$), and supply and sales service ($F=1.971$; $p=0.05$).

Testers with different periods of services have significant differences in the cognitions of organizational management ($F=5.227$; $p=0.000$), credit service ($F=2.797$; $p=0.018$), and promotion service ($F=2.261$; $p=0.049$).

4.4.2 The relationship between organizational management and other variables

According to ANOVA analysis, we can see that there are significant differences between organizational management and credit service ($F=4.651$; $p=0.000$), supply and sales service ($F= 3.862$; $p=0.000$), and promotion service ($F=4.377$; $p=0.000$). Therefore, we have to discuss variation relations of all factors in accordance with each variable further.

4.4.3 The relationship between encouragement & communication and other variables

After ANOVA analysis, we can see that there are significant differences between encouragement & communication to the ability of credit service ($F= 5.966$; $p=0.000$), the supply and sales product unifies of the local characteristics ($F= 3.950$; $p= 0.000$), the ability of supply and sales products($F= 4.750$; $p= 0.000$), the effect of promotion service($F= 4.179$; $p= 0.000$), and the resource of the promotion service($F= 1.840$; $p=0.002$). As for the competitive advantage of

credit service ($F=1.074$; $p=0.361$), there is no difference between encouragement with communication of Farmer's Associations.

4.4.4 The relationship between individual growth and other variables

After ANOVA analysis, we can see that there are significant differences between individual growth and the ability of credit service ($F=8.643$; $p=0.000$), the competitive advantage of credit service ($F=1.694$; $p=0.013$), the supply and sales product unifies of the local characteristics ($F=6.502$; $p=0.000$), the ability of supply and sales products ($F=6.206$; $p=0.000$), the effect of promotion service ($F=7.164$; $p=0.000$), and the resource of the promotion service ($F=2.621$; $p=0.000$).

4.4.5 The relationship between team work and other variables

After ANOVA analysis, we can see that there are significant differences between team work and the ability of credit service ($F=10.684$; $p=0.000$), the competitive advantage of credit service ($F=2.271$; $p=0.001$), the supply and sales product unifies of the local characteristics ($F=7.316$; $p=0.000$), the ability of supply and sales products ($F=7.181$; $p=0.000$), the effect of promotion service ($F=8.980$; $p=0.000$), and the resource of the promotion service ($F=3.408$; $p=0.000$).

4.4.6 The relationship between identification of the change development and other variables

After ANOVA analysis, we can see that there are significant differences between identification of the change development and the ability of credit service ($F=6.411$; $p=0.000$), the competitive advantage of credit service ($F=9.983$; $p=0.000$), the supply and sales product unifies of the local characteristics ($F=3.077$; $p=0.001$), the ability of supply and sales products ($F=4.377$; $p=0.000$), the effect of promotion service ($F=6.113$; $p=0.000$), and the resource of the promotion service ($F=3.739$; $p=0.000$).

4.4.7 The relationship between ability of supporting change development and other variables

After ANOVA analysis, we can see that there are significant differences between identification of the change development and the ability of credit service ($F=5.075$; $p=0.000$), the competitive advantage of credit service ($F=10.588$; $p=0.000$), the supply and sales product unifies of the local characteristics ($F=3.817$; $p=0.000$), the ability of supply and sales products ($F=2.919$; $p=0.001$), and the effect of promotion service ($F=3.564$; $p=0.000$). As for the resource of the promotion service ($F=1.767$; $p=0.061$), we can't see significant difference between them.

4.4.8 The relationship between trust & containing and other variables

After ANOVA analysis, we can see that there are significant differences between trust & containing and the ability of credit service ($F=18.693$; $p=0.000$), the competitive advantage of credit service ($F=2.585$; $p=0.007$), the supply and sales product unifies of the local characteristics ($F=11.267$; $p=0.000$), the ability of supply and sales products ($F=14.880$; $p=0.000$), the effect of promotion service ($F=13.393$; $p=0.000$), and the resource of the promotion service ($F=7.634$; $p=0.000$).

5. Discussion and Conclusion

According to the result of this research, it shows that elder testers have better cognitions of organizational management, the credit service, and the supply and sales service than younger ones. We suggest that we can let elder staff share their experiences to younger ones in internal training to enhance the promotion department staffs' knowledge and skill that is agriculture machinery and quality engineering. The farmers' urgent planting skill is how to using the machine to transplant rice seedlings and fertilization. As soon as to carry out transplant rice seedlings and fertilization in the same place, and to enhance about the agriculture quality Inspection like organic agricultural products, innocuous agricultural products, diseases and pests diagnosis and so on so that they can understand and realize the policies, agriculture promotion and occupational activities of the companies. Furthermore, the younger and elder testers obviously know better about organizational management. This research is about the inheritance and management of Farmer's Associations. Because the staff with periods of services between is the engagement with the staff has longer periods of services, they are also the main human capitals which the present Farmer's Associations manages. Therefore we can focus on education courses to the staff with periods of services between the younger and elder staffs of Farmer's Associations. Let Farmer's Associations services can work more efficient.

Above all, as the result of this year investigation, we suggest that Taiwan Agricultural Extension Academic Society can do not only investigate the present situation of the organizational management, the credit service, the supply and sales product unifies of the local characteristics, and the development resource of the promotion service.

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