The Framework of Plantation Leadership: An Insight from Indonesia

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Abstract

The complexity of the business environment today becomes a factor behind the evolution followed by traditional leadership due to no longer effective and should be changed. Planters who are the spearhead of the palm oil plantation have not been able to provide the maximum role in a plantation and losing their effectiveness. This qualitative research aims to develop the framework of plantation leadership in the global era and technological development. Thirty-three informants in the palm oil plantation industry in Indonesia were observed and interviewed then verified to a detailed and in-depth exploration of documents. The framework is defined by adjusting the leadership evolution process. It encourages the leadership capability in task orientation with a people-oriented approach and improves the competencies, which consist of managerial competencies, functional competencies, and leadership competencies. It is necessary to formulate and detail action plans to fill stakeholder expectation gaps on planter’s leadership, a thorough evaluation of field training curriculum or assistant trainee programs and immediately formulate and agree on planter competency standards that will become a reference for the palm oil plantation industry.

Keywords

1. Introduction

Indonesia is well known for being rich in natural resources, labor, technology, and human resources. That is the reason why palm oil agribusiness is the potential business in the country. Leaders in plantation perform an important role to ensure the business successfully. Planters are the professionals who work on the plantation operation by planning, organizing, implementing, and involve in the process of monitoring and evaluating as well. Purwadi (2016) mentioned that planters should have specific competencies and being flexible at the same time.

The plantation strongly required an effective leader who could be flexible and firm at the same time, regrettfully, the ability of most leaders in plantation degraded, both in performance and productivity. Moreover, leaders in plantation have weak leadership, unaware of changes, and slow in the adaptation process. This condition causes the planters to lose respect from employees because of their low accountability. The adaptation relates to future global issues and technology development.

Many kinds of research studied the leadership, but very limited which identify the framework of leadership that effective in the plantation industry. The plantation leadership was strongly influenced by authoritarian leadership. It has been widely rejected, but not many planters realized and changed their leadership style to be more effective.
Whereas Katoppo and Pane (2008) stated that the early period as internee becomes the learning time of technical skills and develop the working intuition.

In a competitive environment in a plantation industry, the organizational culture has a prominent role for this industry to grow and survive. Wirawan (2013) argued the leaders' influence is depending on the leadership style when actualizing the vision. Organizational culture has an important role in the business environment (Nam and Kim 2016; Bangun et al. 2010). The leader has interdependencies relationship with the follower to create a followership relation (Blackshear 2004; Kelley 1998).

In the plantation industry, leadership is more practical compared to others. It empowers resources, such as labor, funds, materials, machinery, system and technology, instead of coordinating the business in achieving the business goal. The plantation leadership has been evolved. The focus of the research developed the framework of plantation leadership which searched (1) the fundamental change in the evolution of leadership, (2) the leadership capability, and (3) leadership competencies in the context of technology development and globalization.

1.1 Objectives
This qualitative research aims to develop the framework of plantation leadership in the global era and technological development.

2. Literature Review

2.1 Leadership Evolution
Evolution in plantation proved in the triangulation of historical construction theory. In the past, feudalism is the leadership style that commonly used in plantation (Aprianto 2009) even still applied after the independence of Indonesia (Muttaqien et al. 2012). Suriyankietkaew (2013) found that feudalism does not longer exist when the business environment becomes more complex. It has replaced by participatory leadership which subordinates involve in all process, not only depending on the leader.

2.2 Leadership Capability
Leadership capability is a mandatory skill and very valuable. Companies need people with leadership capability as a competitive advantage value in the organization (Jones and George 2018; Carnes et al. 2015). The effective leaders able to lead followers have high motivation, commitment and have high performance (Jones and George 2018; Andersen 2016). They do not only leading but also influencing the performance of an organization (Mahdi et al. 2014; Asrar-ul-haq and Kuchinke 2016; Semuel et al. 2017) and getting involved in the crisis and problem-solving process (Petan and Bocarnea 2016).

The plantation leadership is very broad, diverse, involves many resources, and occupies a wide operational space. The leaders interact with followers in the leadership process (Wirawan 2013) consist of task-oriented style and people-oriented style. Both styles are oriented towards development or change. Concept of leadership as a joint relationship developed by Kelley (1998), otherwise followers are only following the vision and goals without any commitment.

2.3 Leadership Competency
The leaders must have special competencies which supported by good work attitudes, good skills, and advanced knowledge to earn the respects from their subordinates (Riggio et al. 2008; Benyamin 2014; Djohan 2016; Wibowo 2017). The plantation leaders must realize to improve their competencies and ignore the colonial ways because they are no longer effective and applicable for today's environment (Bogahalande et al. 2015).

Being good at work and become an expert is not suitable anymore in technology and globalization era. Innovation has an important role (Setiawati 2015; Tapscott 2015) because technology offers the proper solution to reduce cost, make time effective and produce more benefit (Aldillah 2016).
3. Methods

This research was conducted at PT Eagle High Plantations Tbk, the Indonesian palm oil plantation public-listed company which is a subsidiary of the Rajawali Group. The plantation leadership is needed to bring the business unit successfully.

This research applied qualitative methods with a case study approach. Data collection was carried out in detail and in-depth sources of information: direct observation, in-depth interviews, document analysis, and focus group discussions. Thirty-three plantation leaders as informants were chosen by purposive and snowball sampling procedures. They had more than 20 years of experiences, started from a low level to top management level.

4. Results and Discussion

4.1 The Fundamental Change in the Evolution of Leadership

The informants show the leadership evolution, traditional leadership is no longer applicable and becomes ineffective. The findings are supported by Tobing (2013) that plantation leadership must leave the traditional leadership style. Participatory leadership fits best with the complexity of the plantation industry. Plantation leadership has been changed to be very tolerant as the main focus of evolution. Plantation environment has been shifting that forced leaders to be innovative in managing and responding to the needs of the new working culture by changing their behavior and leadership style. It because of job involvement for the process and development in the plantation industry. Thevanes and Dirojan (2018) found that employees who involved in the process will have a high commitment as well as a positive attitude and perform more productive. Jones and George (2018) and Gilkar and Darzi (2012) agreed that giving more responsibility to the subordinates will support leaders to run the organization optimally.

There are some main factors of leadership evolution in plantation: (1) leadership superiority extensification, (2) increasing of employee's bargaining position, (3) the change of work culture, behavior and social relation in the plantation industry. Planters are suggested to lead people in different ways (Casse and Claudel 2011; Arsendatama 2016). Authoritarian leadership is ineffective in the current complexity of the plantation environment, but superior-inferior hegemony is still required for optimal operation. However, plantation leaders are convinced to prepare a comfortable working environment as Atmojo (2012) suggested. Katoppo and Pane (2008) and Schriesheim et al. (1999) trusted that the leader-follower relationship creates solid teamwork.

In recent years, the plantation industry has been expanding rapidly; unfortunately, it does not have sufficient human resources. The key factors of the leadership evolution in the plantation are the increasing of employees’ bargaining position and employee realize as well (Suwignyo 2012; Nasution 2015). This research found that the personal approach is the effective methods in plantation leadership. Leaders should know how to listen to the employees' desire and handle them carefully. Katoppo and Pane (2008) and Nasution (2015) suggested that being a good listener is the quality value of a plantation leader and they should know how to do a humanitarian approach.

The plantation industry has a unique culture and environment than other industries. The plantation is where the planters work and live. Keep the organizational culture in the plantation is important to operate optimally in complexity. Culture in plantation becomes a series of interrelated activities that cannot be separated (Figure 1).
Getting involved in the process and development of plantation is the key success of the leader. Thevanes and Dirojan (2018) and Karavidic et al. (2016) have a similar argument that leaders should get involved to achieve the goals and target of the company, they should not expect the final achievement without any assistance in whole processes by giving direct examples. The organization will be in a potential risk if the leaders do not maintain the culture seriously (Branson 2015).

Culture in the plantation industry tends to have the primordial mentality as a paternalistic pattern as argued by Meladipa et al. (2013). It is the culture which fully depends on the leaders (Tobing 2013). The plantation leaders should adapt the controlled hegemony by integrating the work and social environment to provide an enjoyable environment.

4.2 The New Paradigm of Effective Plantation Leadership

The research found that culture in the plantation industry progressively changes, losing respect and discipline. The plantation leaders must stop the changes by adapting and transforming the leadership style. Atmojo (2012) found that transformed leaders in plantations influence work behavior, job satisfaction and organizational commitment of employees. Employees will be inspired and achieved their best performance when a leader effective.

The research found that senior leaders are too comfortable with what they have been doing which comes from the feudal era and ignoring the new work behavior in plantations. They want to keep their comfort zone and do not want to change it. Mudiyono (2006) stated that plantation industries which are commonly formed since the feudal era and has been formed a strong company culture and not easy to change. Meanwhile, the younger generation does not prefer to work in the plantation industry because of the unpromising future (Amizi et al. 2015).

The leaders strongly need to realize and prepare the continuous training programs to upgrade the capabilities and competencies to fit with the new work behavior in plantations. It is recommended to prepare the future effective leaders. Unfortunately, the research found that plantation leaders only focus on agronomic matters instead of having abilities for leading the plantation industry. The plantation leaders must have the capability in agronomic together with organizational culture, social relationship, employment behavior, work safety, and government policy. Figure 2 shows the elements of plantation leadership to be an effective leader in the plantation industry.
The mindset is the main key to plantation leadership. The leaders must commit to work and live-in plantation, and passionate as well. Technical skills created the leader's capability because it supports to identify the possible matters and articulate the work instructions. In the plantation leadership, technical skills are determined by (1) deep understanding of plantation technical aspects and its work philosophy, (2) ability to plan and manage all plantation activities in detail, (3) using working tools effectively, (4) implementation the plantation organization culture properly, (5) know the physical condition of the plantation very well, (6) set the priority and do work efficiently.

The behavior should be adjusted by plantation leaders by adapting the changes of working behavior. They are: (1) leading by examples, (2) coaching the team, (3) developing and educating employees, (4) motivating employees to be initiators, (5) making the team as a business partner, (6) acting as a servant leader, (7) communicating effectively, (8) upgrading and developing skills and knowledge continuously, (9) having the integrity, (10) working consistently. This research develops the approach method for plantation leadership are: (1) leaders should manage the team member personally, (2) leaders should pay close attention to all influenced environment aspects such as local culture, local wisdom, and community custom, (3) leaders should directly get involved in all the processes from the decision making until the execution, (4) leaders responsible to have a target and prepare the strategy to reach it.

The plantation leaders must invest and allocate their time to gather with their followers, both formally and informally, to discuss the progress and solve all occur matters. If plantation leaders want to have productive and loyal employees, they should make them feel happy and get involved to the process, responsible to the work plan and effort to reach the target (Branson 2015). The research found that the combination of task-oriented and people-oriented as the uniqueness of plantation leadership. Those who can combine both task-oriented and people-oriented optimally are considered as a successful plantation leader because they will be great in managing both field and human. Plantation leaders prioritize both orientations, meanwhile, task-oriented is more dominant than people-oriented. There is a long process in collaboration of family life, education background, working condition, work ethic, and spirit in the process of plantation leadership. Katoppo and Pane (2008) encouraged leaders to learn and adapt every time.

The plantation leadership is leading by example, becoming a role model, to lead by respect by avoiding the feudal culture with superior-inferior hegemony. Katoppo and Pane (2008) and Rabeea et al. (2014) stated that leaders must adopt the behavior and current situation, persuasive communication becomes the important thing to build trust instead of fear from employees.

The research found that plantation leaders are forced to take more part of the social portion instead of the technical function. They should understand the knowledge of human relationship as well as networking business. The technical function takes most of the part in the lower or middle management level, but it progressively decreased when the leader stepping up to the top management level. Casse and Claudel (2011) suggested for leaders to lead by doing, lead by teamwork, led by inspiring and lead by empowering. Another finding of this research is the relationship between leader and follower should be conducted in both formal and informal situation. It is in line with Satriago (2014) who...
argued that the leadership capacity is highly supported and depend on follower capacity, and Kelley (1998) who believe that without followers, a leader is meaningless, and the leader will not exist. Riggio et al. (2008) agreed that leaders and followers should always be involved with each other in running the organization. Hassel (2016) also stated that high organizational performance requires leaders who work based on influence rather than power. It is the shared awareness of plantation leadership.

4.3 Leadership Competencies in Global Issues and Technological Development

Globalization and technological developments are unavoidable things in the plantation industry. Plantation leaders must have passion, willing to learn, sensitive to environmental issues, aware of labor and human rights, and quick response to all the existing issues. However, some plantation leaders are too focusing on internal process instead of the changes of globalization and rapid development in technology. Bogahalande et al. (2015) found that leaders who started their career from a low managerial level expert in operational process, but they need to learn more about strategic aspects through experience.

Incompetence leaders may decrease the company's profitability and performance. Leaders must sensitive and adapt the global developments then optimize the operational by utilizing the relevant technology and innovation (Setiawati 2015; Tapscott 2015; Aldillah 2016; Istiqomah 2010). Technology application is the most important thing in the current plantation industry. Unfortunately, this research found that plantation leaders do not realize the effects and benefits.

To achieve the goal successfully, the plantation leaders should involve in the whole processes. Involvement is not only in plantation management but also in people management. Experiences will increase the leaders' competency. To deal with the complexity of business in the plantation industry, continuous training and development program is required to keep competencies always relevant with corporate strategies and the present global trend (Bogahalande et al. 2015).

The research findings encouraged plantation leaders to know theoretically, able to implement it, evaluate periodically, and create related innovations. Table 1 is a summary of the required competencies of plantation leaders. To achieve the competencies, a plantation leader should concern with the global environment, always learn then coach the team, have an open-minded orientation.

<table>
<thead>
<tr>
<th>Strata of Competencies</th>
<th>Attributes of Competencies</th>
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<tbody>
<tr>
<td>Core Competencies</td>
<td>Understand the company’s vision, mission, and values</td>
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<td></td>
<td>Creating a positive self-mindset</td>
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<td></td>
<td>Open mind</td>
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<td></td>
<td>Not selfish</td>
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<td></td>
<td>Have a successful investment: books and work tools</td>
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<td>Managerial Competencies</td>
<td>Skilled in PDCA Cycle</td>
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<td></td>
<td>Mastering the field supervision</td>
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<tr>
<td>Functional Competencies</td>
<td>Having work implementation techniques</td>
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<td></td>
<td>Mastering and using technology and devices</td>
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<td></td>
<td>Hold the role as a trainer</td>
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<td></td>
<td>Possess in excel and word processing program</td>
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<td></td>
<td>Know and using social media</td>
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<tr>
<td>Leadership Competencies</td>
<td>Use effective communication</td>
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<td></td>
<td>Hold negotiation skill</td>
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<td>Mastering direction ability</td>
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<td>Have a good grip of change management</td>
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<td>Mastering and having social sensitivity</td>
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<td></td>
<td>Grow and create awareness</td>
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<td></td>
<td>Maintaining the spirit of learning and sharing</td>
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<td>Empathy, involve, and embrace the team</td>
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5. Conclusion

The evolution of leadership in the plantation industry was started from authoritarian leadership in the beginning period of the industry, followed by democratic leadership after the transformation era, and participatory leadership at this moment. The capability of plantation leadership depends on a leader-follower relationship. Task-oriented in the plantation leadership is needed without ignoring the people-oriented approach. It needs a long process and integration of the background of family and education, working condition and environment, work ethic and passion. The plantation leaders adapt in mindset, technical abilities, leadership behavior, and approach methods.

The plantation leader must sensitive and aware of global issues which are technology and innovations development. It is the required competency related to the complexity in the plantation industry besides core competencies, managerial competencies, and functional competencies.

The research has some limitations, only three focuses to develop the framework of plantation leadership. To have more accurate findings, future research can develop with other focuses on similar industries.

References


**Biographies**

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