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Agro-Food Sector in Tunisia: Towards a Greater Valorization of Managerial Practices

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Abstract

Management is a key driver of business performance and sustainability. In recent decades, there has been a constant genesis of new managerial concepts that complement or even replace the older ones. In fact, this tide of new concepts has completely changed management by integrating revolutionary ideas. These new tools are frequently presented as an imperative progress. Agro-food companies have made significant progress in recent decades. So, what about their managerial practices? Have they benefited from the tide of new managerial concepts? The results of the survey, conducted among 91 agro-food businesses in Tunisia, showed that management tools are used in a differential way and that a growing interest should be given to tools contributing in particular to the improvement of the quality, the key factor to success in the agro-food sector.

Key words: *managerial practices, management tools, agro-food sector.*

1. INTRODUCTION

Nowadays, managing is about meeting multiple challenges, realizing ambitions, overcoming constraints, exploiting room for maneuver, negotiating contradictions, dealing with dilemmas and paradoxes as well as operating in a fast-moving or even turbulent environment.

The managerial action is now deployed in an environment of turmoil and crisis, upheaval and change, increasing complexity, exacerbated competition, globalization of markets, and also technological breakthroughs; in other words, endless changes. The upheavals have thus interfered to increase the complexity and the turbulence of the environment and to accentuate the paradoxes.

Forces of an economic, political, technological or social nature create significant pressure on businesses by constantly questioning how to manage them and also consider their development. Business viability depends on their ability to increase responsiveness and agility in the face of uncertainties.

Reactivity, flexibility, creativity, performance and competitiveness require new responses and impose new managerial orientations. The management was the subject of a continuous dynamic resulting in a succession of management schools and a constant proliferation of new management tools.

The agro-food sector is a key sector of the Tunisian economy, which has seen significant progress in recent decades, notably in terms of improving quality and diversifying the range of products. Attention has been focused on improving competitiveness both in the local and international markets through the modernization and restructuring of the sector, the automation of production lines, the quality labeling and the strengthening of product safety as well as the adoption of international standards.

Have the progress achieved accompanied by changes in managerial practices? Has this sector benefited from the tide of new managerial concepts? This research aims to focus on the managerial practices of agro-food companies in Tunisia that will be apprehended by the management tools used by managers.

2. LITERATURE REVIEW

2.1 Management Tools: New Managerial Trends

Management tools represent concepts proposed by practitioners or consultants. In fact, these tools cover different areas, from shop floor management, human resources management, organization and company structure to inter-firm relationships. Some tools are broader in scope and affect many aspects of the business operation.

Aktouf (1999) associated the development of these tools with the fact that "rapid and maximal gain remains the driving force of Western companies dynamics in general". Hence, a systematic orientation towards the short term and a search for quick solutions to the dysfunctions observed in companies.

Managers are increasingly attracted to these tools due to a couple of factors. Firstly, environmental changes have made the once-effective methods obsolete. Secondly, they are relatively simplistic tools and offer a response to the sense of the urgency experienced by managers in dealing with the complexity of the problems to be solved and the turbulence of the environment.

The enthusiasm of managers for any new management tool also reflects their desire to align with competitors' practices so as not to lag behind them if this tool proves effectiveness. Giroux (2008) considered that “there are many advantages for managers to follow the modes, regardless of the effectiveness of the management methods they put forward: facilitating rapid decision-making in the context of uncertainty, reduce the risk of being overtaken by competition, improve the image of the organization among its stakeholders, motivate employees with stimulating and innovative ideas”.

The management tools were spread by mimicry effect. Di Maggio and Powell (1983) noted the importance of mimicry, as a behavior of companies facing a problem whose causes are obscure or solutions unknown. In this case, mimicry is supposed to generate effective solutions at lower costs. The response of

these companies generally takes the form of imitation of the behaviors mostly used by companies perceived as performing.

Allouche and Huault (2001) also noted that "the logic of imitation also uses the notion of fashion i.e. the attractiveness of managers for new tools, new methods, and new management practices", the managerial fashion accentuates the mimetic behavior of companies. The new tools are often presented as progress needed. In other words, their large-scale use, under the influence of high media coverage and the attractiveness of managers for novelty, transforms them into standard practices (Abrahamson, 1996).

The cost of such an approach can, however, be too high for the company. In addition to consultants' fees, keeping up with new trends entails high costs of implementation. Also, the rapid and frequent change of tools can have a negative impact on staff.

The consideration given to management tools has led some to call them "managerial innovations". Kimberly was the first one to use this concept in 1981. Earlier, the focus seemed to be on other types of innovations, especially the technological. Since the 2000s, however, there has been renewed interest in managerial innovation and there is plenty of work to emphasize its strategic importance (Le Roy et al., 2012). Managerial innovations are adopted with a view to improving performance (Mol and Birkinshaw, 2009), creating value for the organization (Damanpour and Aravind, 2012) and upgrading efficiency as well as effectiveness organizational processes (Abernathy and Utterback, 1978). Hamel (2006) went so far as to consider that this is the main factor explaining the company's performance. More than that, Hamel and Breen (2008) believed that technological innovation produces only short-term competitive advantages given the continuous reduction of its lifecycle, while managerial innovation can create long-term competitive advantages.

Management tools are methods used to increase competitiveness. Their use has allowed many companies to make substantial improvements in terms of quality, cost, time and services. Managers combine different management tools to improve the performance of their businesses. This quest for improved performance, measured by cost reduction, revenue growth, or service improvement, is caused by the multiple environmental changes resulting from increased competition, rising power customers, chaotic economic cycles, etc.

The managerial universe has never been so loaded with tools. Therefore, the challenge for companies is to distinguish between tools that constitute real development opportunities and those that reflect simple fashions without real significant contribution and which are only a step in the range of tools of managers. Rigby and Bilondeau (2007) classified management tools into four categories:

- Rudimentary tools with both low utilization and satisfaction rates;
- Used tools that have a high utilization rate but provide low satisfaction;
- Specialty tools that are not widely used but that generate high satisfaction;
- Powerful tools that are widely used and provide high satisfaction.

It remains to be noted that very few tools are "good for anything"; most of them achieved high levels of satisfaction in only one or two performance categories, namely: maximizing financial results, increasing client capital, improving competitive position, ensuring organizational flexibility or maximizing execution capabilities (Rigby and Bilondeau, 2005).

Managers must creatively combine the tools that fit their needs. A management tool is considered effective if it reveals unmet customer needs, builds distinctive capabilities, exploits competitor weaknesses, or develops breakthrough strategies (Rigby and Bilondeau, 2005).

There is an immense list of these management tools which, like Reengineering, Total Quality Management, Benchmarking, Outsourcing, etc., have been innovative in remedying existing deficiencies and allowing companies to consider possible development opportunities.

Many other tools were quickly abandoned by companies due to various reasons such as: the tool has achieved its objective and the business needs are changing. We can say also in other cases that managers are unhappy with its efficiency and believe that its cost is higher than its benefits. Otherwise, he has not received enough support from senior management and / or staff (Rigby, 1999).

3. RESEARCH METHODOLOGY

3.1 Selected Management Tools

The managerial practices of companies will be apprehended by the management tools used by managers. In this research, we do not claim to be exhaustive; the main tools that have marked the world of business and the tools currently in vogue will be retained (Table 1).

Table 1. Selected Management Tools

•*Benchmarking*: It is a continuous process to evaluate the products, services and methods of the company compared to those of the leaders.
•*Customer Relationship Management:* It is a process that allows companies to collect and manage large amounts of customer data in order to understand their customer groups and respond to their changing desires.
•*Delayering:* This is a technique that involves reducing the number of hierarchical levels.
•*Downsizing:* This is a technique that consists of either downsizing or restructuring processes.
•*Empowerment:* It is a technique that encourages accountability and delegation to enable employees to liberate their faculties of innovation and change.
•*Just in Time:* It is a technique that involves producing and delivering finished products just in time on the market. It aims to reach zero stock, zero defect and zero delay.
•*Lean Management:* This is a technique that consists of a careful and economical use of all the available resources to eliminate the sources of waste within the company.
•*Open Innovation:* This is a technique that allows efficient allocation of R&D resources through collaboration with customers, sellers and even competitors.
•*Outsourcing:* This is a technique that involves entrusting certain activities of the company to external service providers.
•*Reengineering:* This is a technique of redirecting activity, reconfiguring processes, revitalizing the distribution circuit and regenerating the soul.
•*Strategic Planning:* This is a technique that consists of setting the strategic direction, long-term goals for the entire company.
•*Total Quality Management:* This is a technique that aims to improve quality based on the participation of all the company members to improve processes, products, services in order to satisfy its customers.

3.2 Choice of the Investigation Field

The emphasis is placed, first, on the selection of activity sector and, secondly, on the criteria chosen for the choice of population to be studied. Concerning the sector of activity, our alternative stopped on the agro-food sector:

- First, because it represents a key sector of the Tunisian economy;
- Secondly, this sector has made significant progress in automating manufacturing lines, increasing the size of companies, diversifying and expanding the variety of product lines, so it would be interesting to study the evolution of managerial practices of agro-food businesses.

Taking into account the objectives of the research and the main themes addressed by the latter, the target population includes agro-food companies verifying the following criteria: companies must be totally

non-exporters (the companies surveyed must be confronted with the same environmental strengths), the minimum staffing of selected businesses is 100 employees (the majority of companies with less than 100 employees have non-formal management). Furthermore, companies must be in the sector for at least 5 years (a newly created company or a company having only a few years of activity has not yet had the opportunity to modify his managerial practices).

3.3 Data Collection

The parent population including non-fully exporting agro-food firms, with more than 100 employees and operating in the sector for at least 5 years, is estimated at 104 enterprises. As the size of the targeted population is small, we chose using the census for better results credibility (Henry, 1990). To optimize the response rate, we chose to combine two methods of data collection as recommended by Malhotra (2007), namely the face-to-face survey to which we associated the survey by e-mail. The final sample of the research is made up of 91 companies, representing a response rate of 87,5%.

The data collection method selected is the questionnaire developed taking into account both the objectives of the research and the information needs. Emphasis was placed on the degree of use of the twelve management tools selected and on the contribution of their use.

To measure the degree of tools use, four proposals were retained: the tools are either continuously or randomly used by the companies, either on a trial basis or still ignored. As for evaluating the contribution of the tools used, the questions were administered in the form of a 5-point Likert scale (secondary, limited, valuable, important, and primordial).

3.4 Data Analysis

The analysis of the data was based on a descriptive analysis carried out using SPSS software version 25. This analysis made it possible to note the assessments and the opinions of the managers interviewed on various aspects related to the evolution of managerial practices in the agro-food sector.

4. RESULTS AND DISCUSSION

4.1 Degree of Management Tools Use

The degree of management tools use reflects the importance given by companies to these tools and their desire to modernize their range of managerial techniques.

Survey results (Table 2) showed that Total Quality Management is the mostly used tool by the agro-food companies, successively followed by Strategic Planning, then Benchmarking, then Empowerment and lastly Lean Management.

Table 2. Management Tools Use Degrees

Management Tool	***Used***		***Under testing***	***Ignored***
	Always	***Randomly***		
Benchmarking	46,1%	30,8%	16,5%	6,6%
Customer Relationship Management	18,7%	40,7%	28,6%	12,0%
Delayering	4,4%	14,3%	50,5%	30,8%
Downsizing	30,8%	48,3%	16,5%	4,4%
Empowerment	39,5%	17,6%	33%	9,9%
Just in Time	24,2%	15,4%	46,1%	14,3%
Lean Management	37,3%	23,1%	22%	17,6%
Open Innovation	0,0%	13,2%	40,7%	46,1%
Outsourcing	28,6%	48,3%	15,4%	7,7%
Strategic Planning	69,2%	14,3%	16,5%	0,0%
Total Quality Management	76,9%	15,4%	7,7%	0,0%
Reengineering	18,7%	7,7%	51,6%	22%

- Concerning Total Quality Management, quality is a key success factor in the agro-food sector. This explains the commitment of the majority of companies in a quality approach (especially by promoting quality culture), particularly since quality problems can undermine a consumer confidence and therefore have a negative impact on the brand image of the company.
- The importance of Strategic Planning is explained by the fact that it is inconceivable today for an executive not to set future directions for the development of the activities and products of the company, especially for the most competitive branches.
- Regarding Benchmarking, it is above all that internal benchmarking is practiced by companies because of the difficulty in obtaining information on competitors, on the one hand, and the fact that the majority of the companies surveyed belong to groups, so it has the possibility of establishing internal comparisons between the different production units.
- The practice of Empowerment reflects the interest given by the companies surveyed, which are mainly private companies, to the empowerment of their employees, their motivation to retain and develop their loyalty and, above all, to benefit from their skills. Empowerment is, however, practiced only for higher hierarchical levels.
- Countering the wastage, and therefore Lean Management, is important especially for companies whose products have a reduced margin (the prices of several basic foodstuffs are fixed by the State so companies have to be very careful regarding costs to maximize the profit margin) and firms operating in highly competitive industries.
- The tools used randomly are Outsourcing, Downsizing and Customer Relationship Management, respectively, in order of importance.
- Concerning Outsourcing, outsourcing operations will only be considered as transactions outside the group (transactions between companies belonging to the same group are more likely to be integration strategies). The reluctance to this technique is explained by the risks incurred by the company if the subcontracted products were not compliant in terms of quality.
- Downsizing is mainly used to cope with difficult economic times. Managers also use it during restructuring that requires workforce reductions.
- Despite the importance of varying and evolving their offerings so that they meet the needs of different customer groups, companies practice Customer Relationship Management at random because of the difficulty for industrial companies to manage a database customer data.

The tools tested are Just in Time and Reengineering.

- Despite the importance of Just in Time, for some agro-food industries (especially those where raw materials or finished products are rapidly perishable), the adoption of this tool remains difficult. Indeed, for it to bear fruit, it must also be adopted by suppliers to deliver just in time. Similarly, vendors must be very responsive to meet the business needs.
- Reengineering also faces a major obstacle to the complexity of its implementation since it requires "a fundamental challenge and a radical redefinition of operational processes" (Hammer and Champy, 1993).
- Finally, Open Innovation and Delayering are tools ignored by most surveyed executives.

4.2 Contribution of Management Tools

To evaluate the contribution of management tools, the tools carried out or under testing will be taken into consideration, and the ignored ones will be excluded. The results of the survey (Table 3) showed that the most widely used tools have the most significant contribution. For example, Total Quality Management (96,7% of the managers interviewed believe that their contribution is essential or important), Strategic Planning (89%), Benchmarking (82,4%), Empowerment (78%) and Lean Management (71,4%). Moreover, their continued use by companies indicates that companies are convinced of their usefulness. It should be noted that the Customer Relationship Management, despite being used randomly, has a significant contribution (78%). This reflects that its random use is not due to its utility but rather to the difficulty of its implementation by companies.

The other random tools have a lower contribution while the tools tested have the least significant contribution, which explains the reserve of companies for their use. Finally, Downsizing (36,3%), even if it is used in a random manner, has a reduced utility for companies because of its multiple negative consequences (it makes employees less confident, more stressed and therefore more inclined to leave the company).

Table 3. Relative Importance of the Contribution of Management Tools

	Relative significance (%)				
Tool	**Secondary**	**Limited**	**Valuable**	**Important**	**Primary**
Benchmarking	2,2	6,6	8,8	37,3	45,1
Customer Relationship Management	1,1	2,2	18,7	35,2	42,8
Downsizing	20,9	37,3	5,5	23,1	13,2
Empowerment	2,2	3,3	16,5	30,8	47,2
Just in Time	6,6	9,9	26,3	35,2	22,0
Lean Management	0,0	5,5	23,1	46,1	25,3
Outsourcing	5,5	8,8	19,8	37,3	28,6
Strategic Planning	4,4	2,2	4,4	25,3	63,7
Total Quality Management	0,0	0,0	3,3	15,4	81,3
Reengineering	13,2	8,8	30,8	18,7	28,6

The results of the survey (Table 4) also showed that the most important contribution of management tools was found in terms of competitiveness (83,5% of the managers interviewed believe that this

contribution is essential or important), followed respectively by profitability (80,2%), responsiveness (76,9%) and flexibility (74,7%).

Thus, tools such as Total Quality Management, Benchmarking or Customer Relationship Management allow companies to better face the competition.

Improving quality, offering products that meet the requirements of consumers, empowering employees and combating waste inevitably lead to improved profitability.

Management tools also have an important contribution to the responsiveness of companies. Customer Relationship Management or Strategic Planning makes companies more aware of the changing needs of their consumers and the likely changes in their environment.

Finally, the contribution of these tools is considered valuable in terms of flexibility. Moreover, the tools known to improve the company's flexibility are either ignored (Delayering) or randomly used (Outsourcing) or tested (Just in Time).

Table 4. Nature of the Contribution of Management Tools

	Relative significance (%)				
Contribution in terms of:	**Secondary**	**Limited**	**Valuable**	**Important**	**Primary**
Flexibility	2,2	3,3	19,8	53,8	20,9
Reactivity	1,1	1,1	20,9	54,9	22,0
Profitability	1,1	1,1	17,6	39,5	40,7
Competitiveness	0,0	2,2	14,3	58,2	25,3

The study of the practice of management tools, within agro-food companies, has shown that management tools are used differentially. Some tools are used by the majority of companies, others are still being tested and others are simply ignored.

However, a growing interest should be given to some of these tools. Total Quality Management, for example, despite being the most widely used tool, should normally be generalized to all of these firms as quality is the key success factor of the agro-food industry and the quality certification offers companies real export opportunities. Similarly, Strategic Planning should be more used as long as companies can no longer live on a daily basis and the majority of agro-food industries are highly competitive and therefore have long-term orientations and action plans being indispensable.

Tools ignored by the majority of companies can be interesting to strengthen the competitiveness of companies. In fact, we mainly cite Open Innovation. This tool enables the company to benefit from existing skills beyond its borders, to take advantage of innovations without being behind them and also to reduce the costs and delays of developing new products (Isckia and Lescop, 2011). Thus, this model of innovation ensures a continuity of innovation and thus strengthens the competitiveness and responsiveness of the company compared to its competitors.

5. CONCLUSION

The environment in which businesses operate is increasingly complex and requires scope, speed and decision-making to maintain their competitiveness.

Management tools translate strategies to obtain competitive advantages in terms of quality and innovation in the complex and turbulent environments; where rapid adaptation or anticipation capacities are essential to assert themselves against competitors.

Allouche and Schmidt (1995) considered that many management tools have been innovative in providing solutions to problems and leading to significant improvements. They are now parts of the standard practices of any organization even if they experience latency. The successful use of these tools requires the ability to integrate the right tools.

The agro-food sector has undergone a clear and constant modernization and restructuring, but despite the progress made, this sector has not reached its full potential in terms of production, exports and value-added. Efforts must be made, particularly at the agro-food management level. Managers must use more tools that are likely to increase their potential for action and optimize their ability to manage. The use of tools such as Total Quality Management, Benchmarking or Customer Relationship Management should be more widespread especially since the agro-food sector is increasingly competitive, hence the need to strengthen the competitiveness of companies operating in it.

The managerial practices were apprehended in this research by the management tools used by the managers. This research could be enriched by apprehending the managerial practices either by the decision-making system, the organization mode or the management style.

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