

## A Case Analysis of Syarikat Pertanian Tropikal Utama in the Agricultural Sector

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### Introduction

Syarikat Pertanian Tropikal Utama is a farm that operates 19 hectares of land to produce several crops including their famous products, Coffee crops and oranges which are better known as Limau Labi. The farm has already distributed its products to markets in China, Jordan, Kuwait, Singapore, and Korea for Arabica and Robusta coffee products. The owner of the farm, Awang Khian Fook, received recognition and award, ‘**The Most Honourable Order of Setia Negara Brunei 4th Class (PSB)**’. Despite the farm has received high demands of their products and recognition, there are challenges that Awang Khian Fook faced: **Financial issues** and **Pricing**. This report uses the Fombrun model, the model which concluded that the human resources system and the structure of the company should be handled in a manner that is consistent with the organizational strategy, to cover the case study and gives alternatives to solve issues.

### Challenges and Suggestions from Kian Fook

Financial issues and pricing are common challenges that all businesses need to face. Khian Fook has problems with finance, especially taking loans from banks as they do

not have information and knowledge regarding agriculture, thus they cannot give recommendations that agripreneurs might find useful. Giving prices to products also issue as the farm competes with import products from neighbouring countries and Europe. Marketing and advertising are important factors that all businesses need especially for expanding business including Khian Fook's farm and he hopes that he will be supported by the government in order to export his products. Khian Fook suggests that the government must continue to optimise efficiency like land clearing. Even though the government provides land for agriculture, this land needs to have a proper management and they need to know which areas are suitable for farming. Other than that, the same goes with Khian Fook financial issues make agripreneurs unable to resources in order to set up their farms. The only solution suggested by Khian Fook, the government needs to provide sufficient income so the people have interest to do a business in agriculture. Financial security is the main priority for young people. Young people remain unwilling to do agriculture if the government does not offer sufficient compensation for agricultural jobs. In addition, another problem is that young people are not aware of the way of work within the agricultural industry. Khian Fook believes that education can play an important role in order to inspire the young generation and he suggests that young people should be exposed to lower education levels by visiting farms so that they have interest in the agricultural sector during the development stage as they enter into adulthood. By giving them exposure from an early age, they may be interested to have skills for building their careers in the agriculture sector. He also suggests that places like Taiwan and China should be used as references where their government provides incentives to young people so they would want to pursue agriculture.

## **Discussion**

The Fombrun model is one of the four models which are commonly used in Human Resource Management. Fombrun model is the first and very simple model as a heuristic framework to explain the purpose and importance of the key HR activities. This model focuses on four functions which are selection, appraisal, development and reward. This model can be used by Awang Yong Khian to manage 8 local employees in operating the farm and enterprise. In terms of selection, it is a process of selecting a qualified person for a particular position who can make a valuable contribution to the

organisation successfully. Khian Fook should select qualified people to their task successfully. In terms of appraisal, it is a routine analysis of the employee's job performance and overall contribution to a company. Khian Fook can use this analysis method to give feedback and encouragement to the employees in order to improve his business. He can also give activities so that employees can develop their skills, abilities and knowledge of farming even further to increase productivity. Also giving them rewards according to their job performance can make employees loyal to the company. However, this model may not be useful for Khian Fook as he does not have many employees with 8 locals and even though he only selects qualified people there are not many young people interested in agricultural sectors. If the business owner gives feedback about his employee's job performance, the employees may be discouraged and may give resignation to their boss which may decrease productivity. The solution to get more qualified employees and increase productivity is by involving the government to support the agricultural sector which already stated the above.

## **Conclusion**

There are challenges being faced by Khian Fook, Financial issues and Pricing. Also, hiring more young people to expand his business. The government should support the agricultural sector in terms of finance and education which was suggested by Khian Fook and the government should use Taiwan and China as references.

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