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Human Resource Practices in Agricultural Cooperatives

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Human Resource Management is Emerging as a Major Issue for Agricultural Cooperatives

- Many key employees are at or nearing retirement age
- Cooperatives are becoming larger and more complex
- Difficult to recruit talent in some rural communities
- Many managers have operational background with little formal training in human resource management

Little Previous Research on Human Resource Management Practices in Agricultural Cooperatives

- NonProfit HR conducts annual survey of human resource practices in not for profit firms
- Numerous surveys on HR practices in investor owned corporations
- Obvious need for baseline information on cooperatives
 - Issues
 - Current practices
 - Educational needs

Survey of Oklahoma Cooperatives

- On site survey of all grain marketing, farm supply and cotton ginning cooperatives
- Formal survey instrument
- Informal follow up discussions

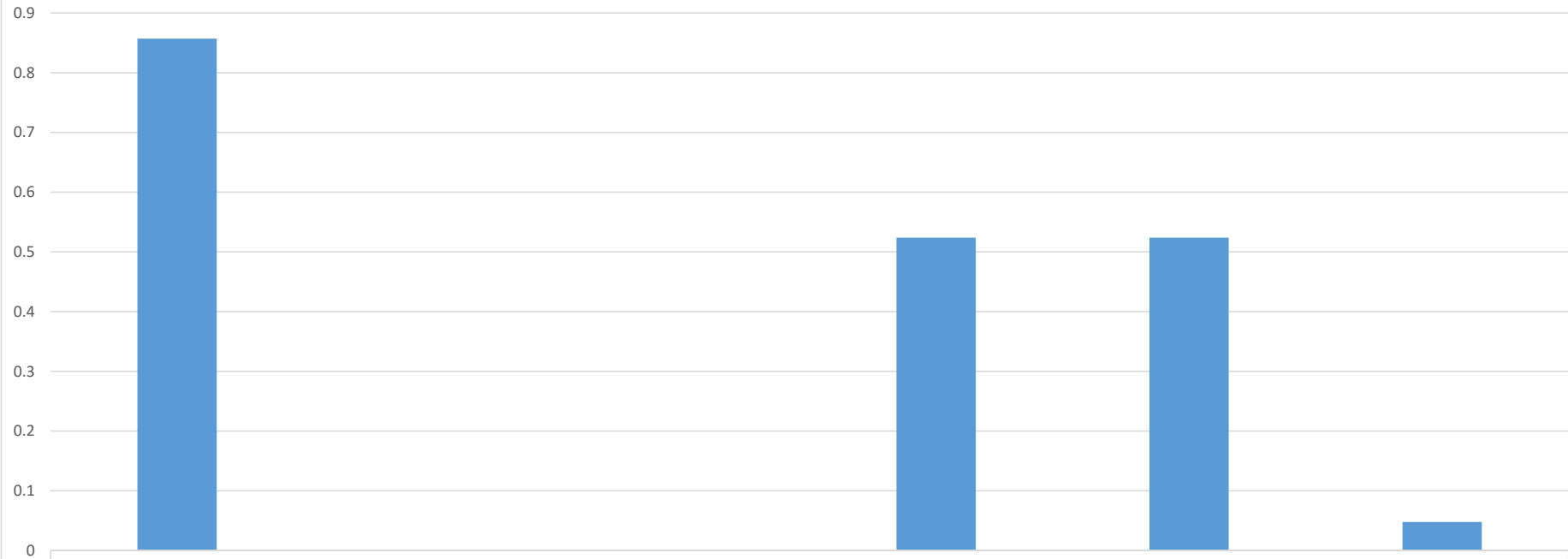
Survey Areas

- Number of employees and structure
- Methods of communication
- Human Resource Challenges
- Recruiting
- Hiring
- On-boarding
- Compensation and benefits
- Training
- Promotion

Cooperative Characteristics (averages)

- 24 full time employees
- 2 part time
- 10 seasonal employees
- 6 employees on salary
- 20% have functional department
- 20% have geographic departments
- 60% have a combination of function and geographic
- 86% of employees have access to email or text

Employer-Employee Communication Channels



Staff Meetings

Newsletter

Bullentin Board

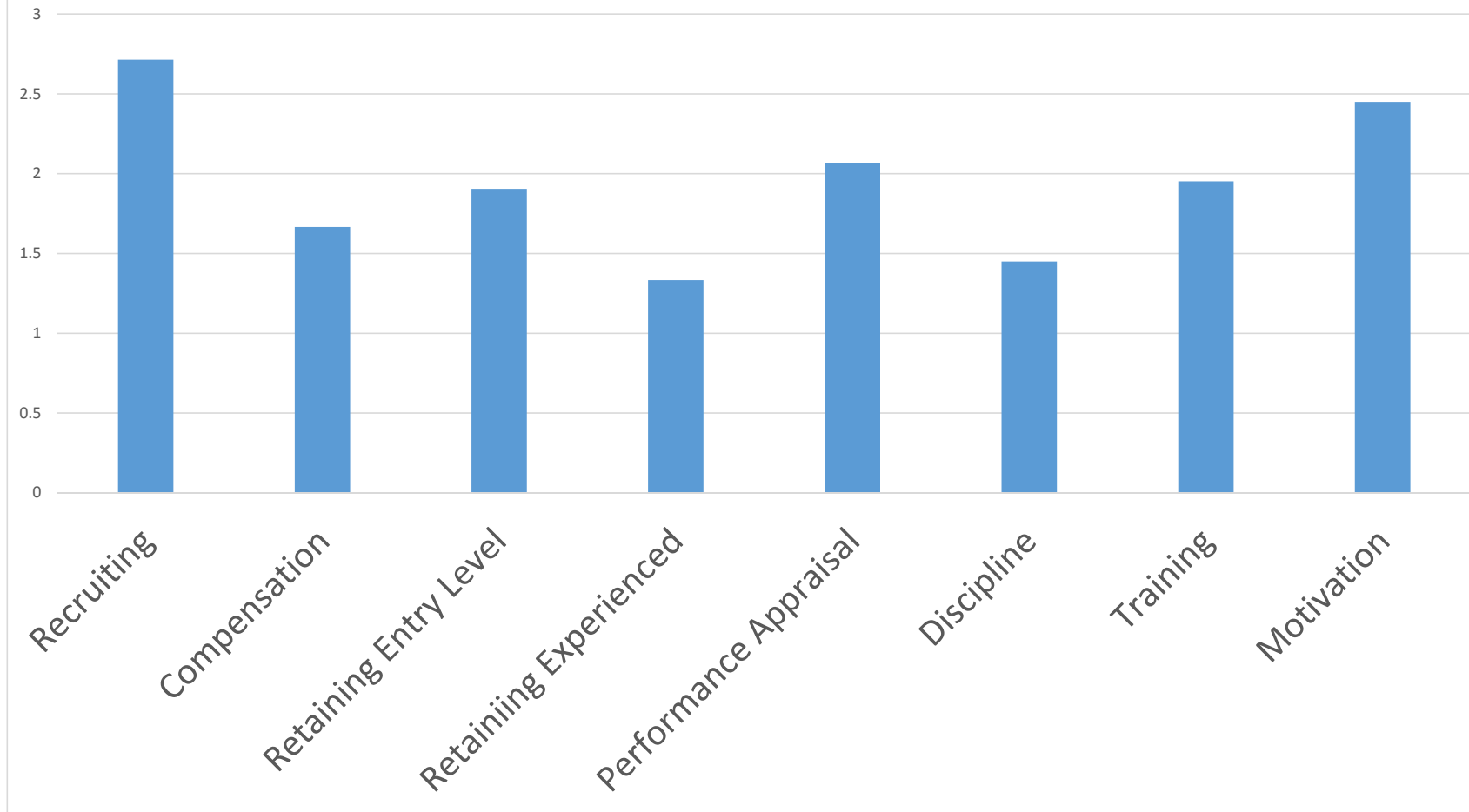
Email

Text

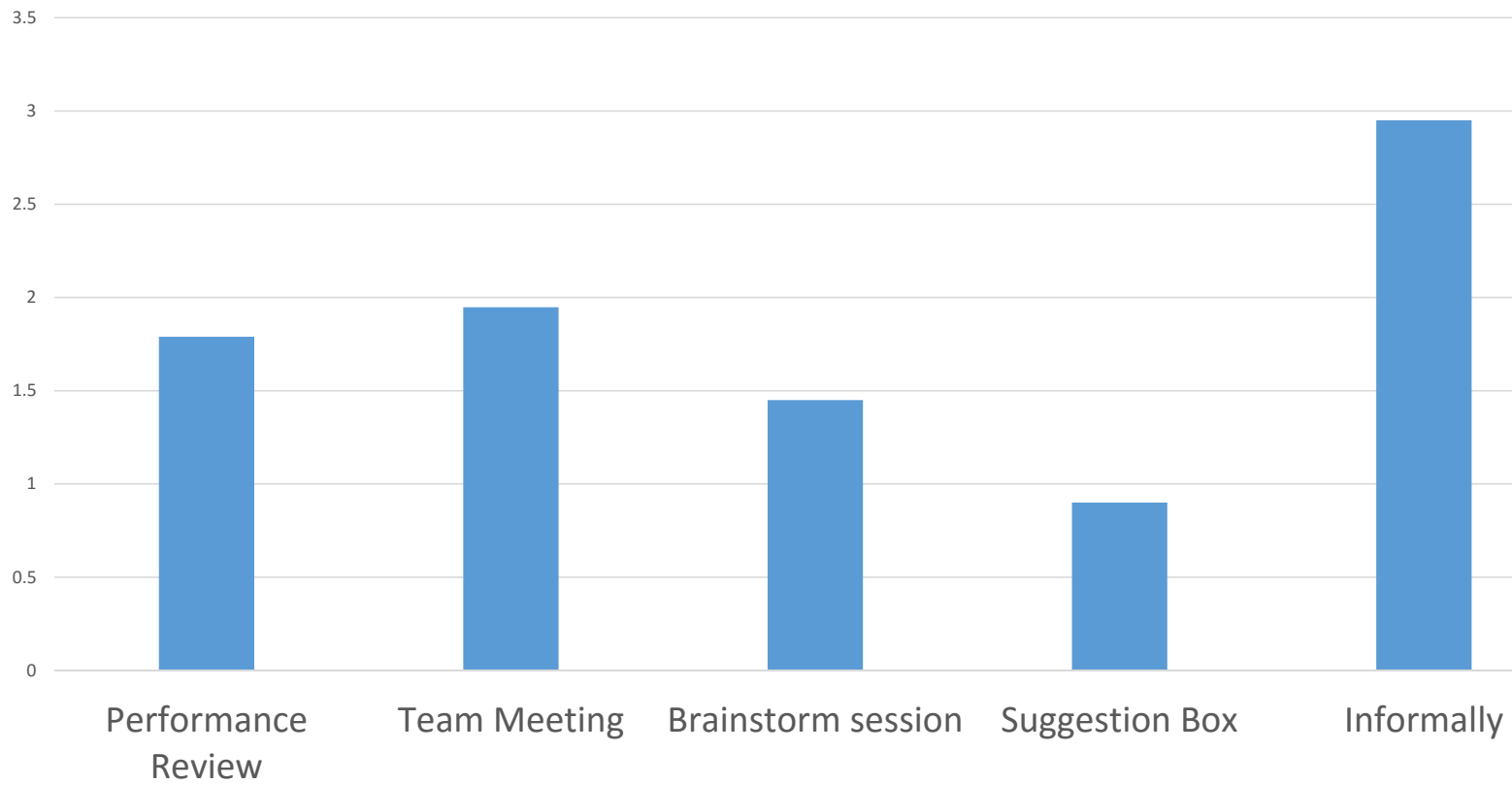
Web Page

Employer-Employee Communication Channels

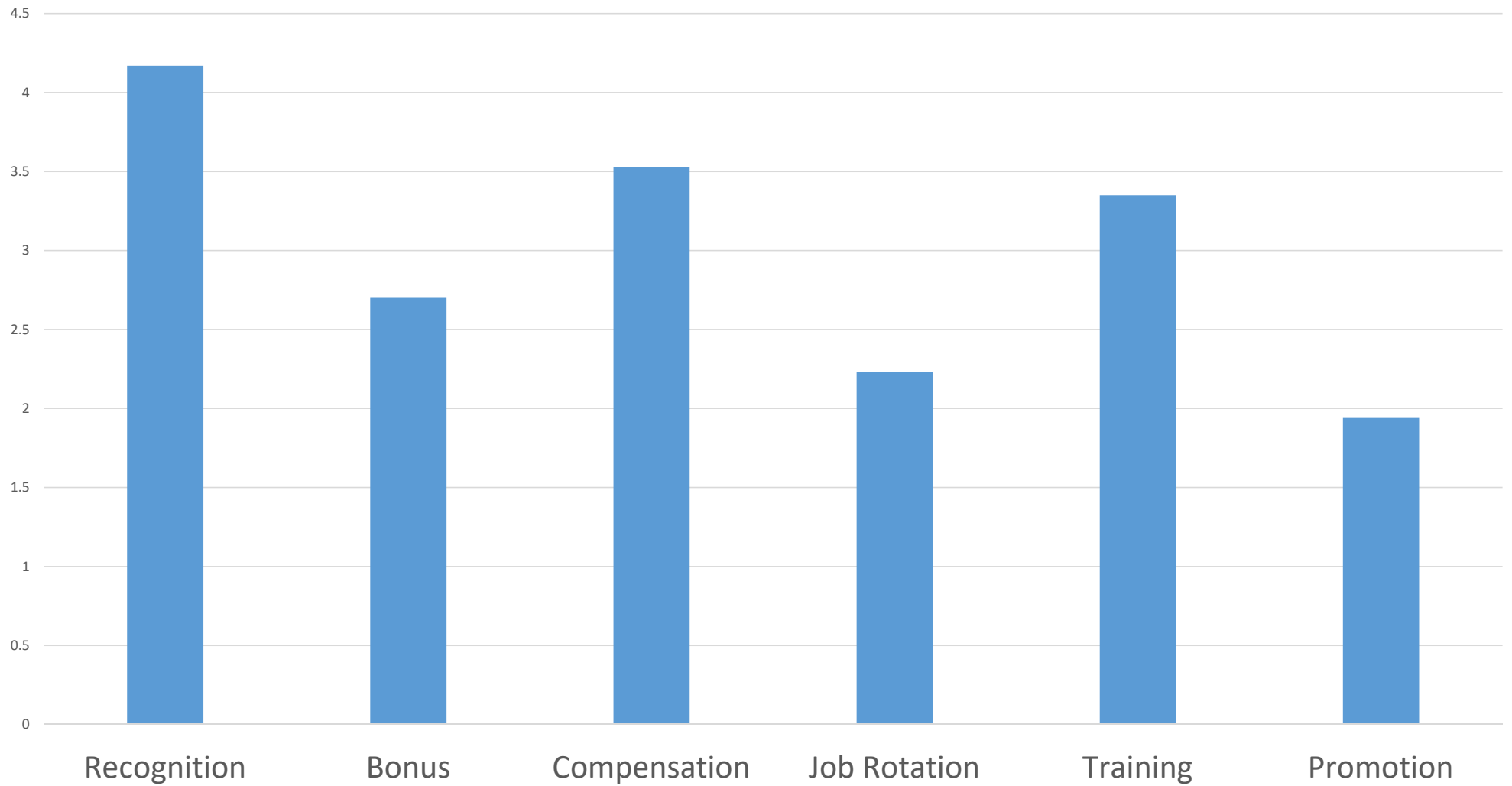
Human Resource Challenges



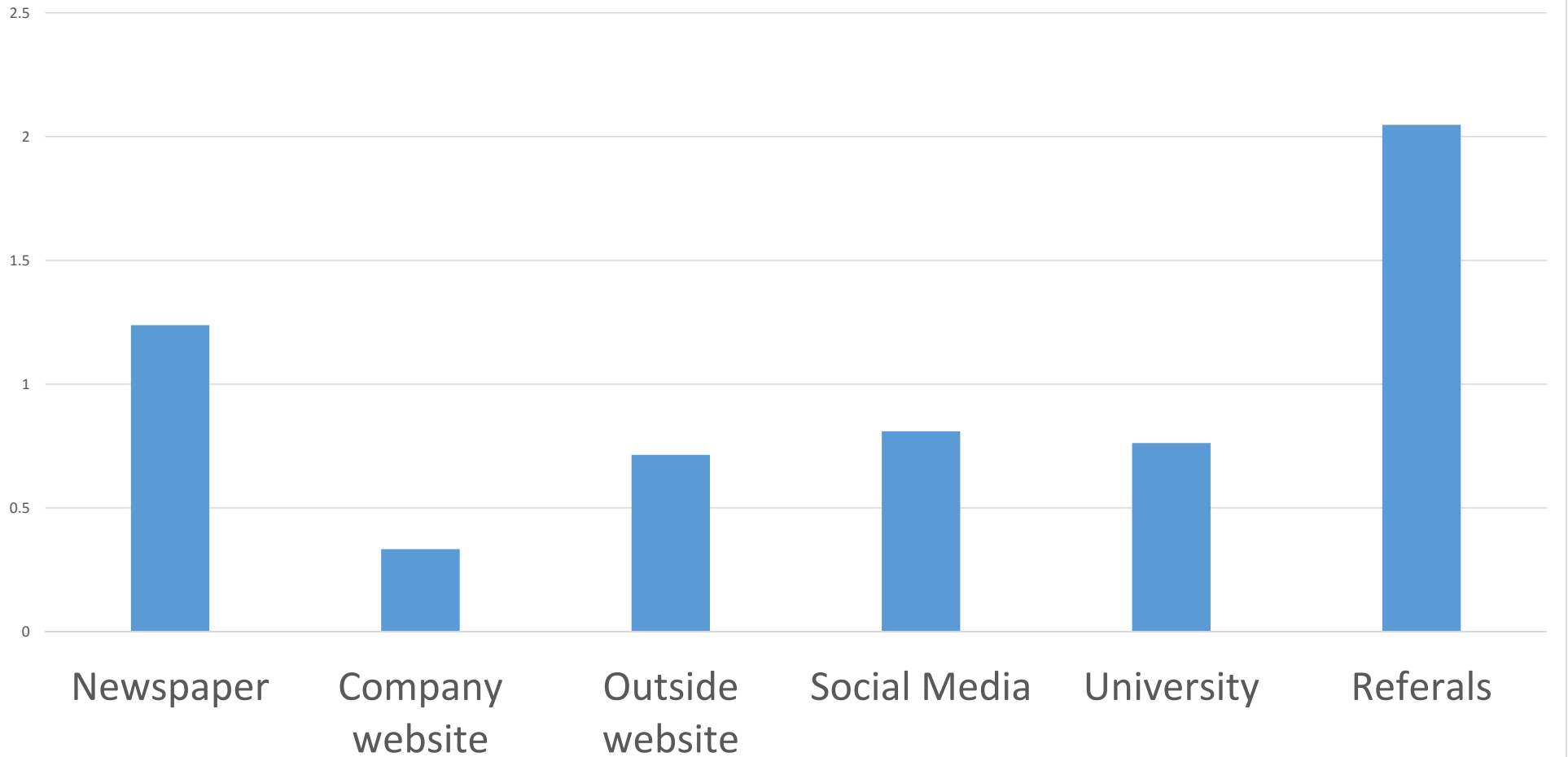
When Do Employeess Give Suggestions



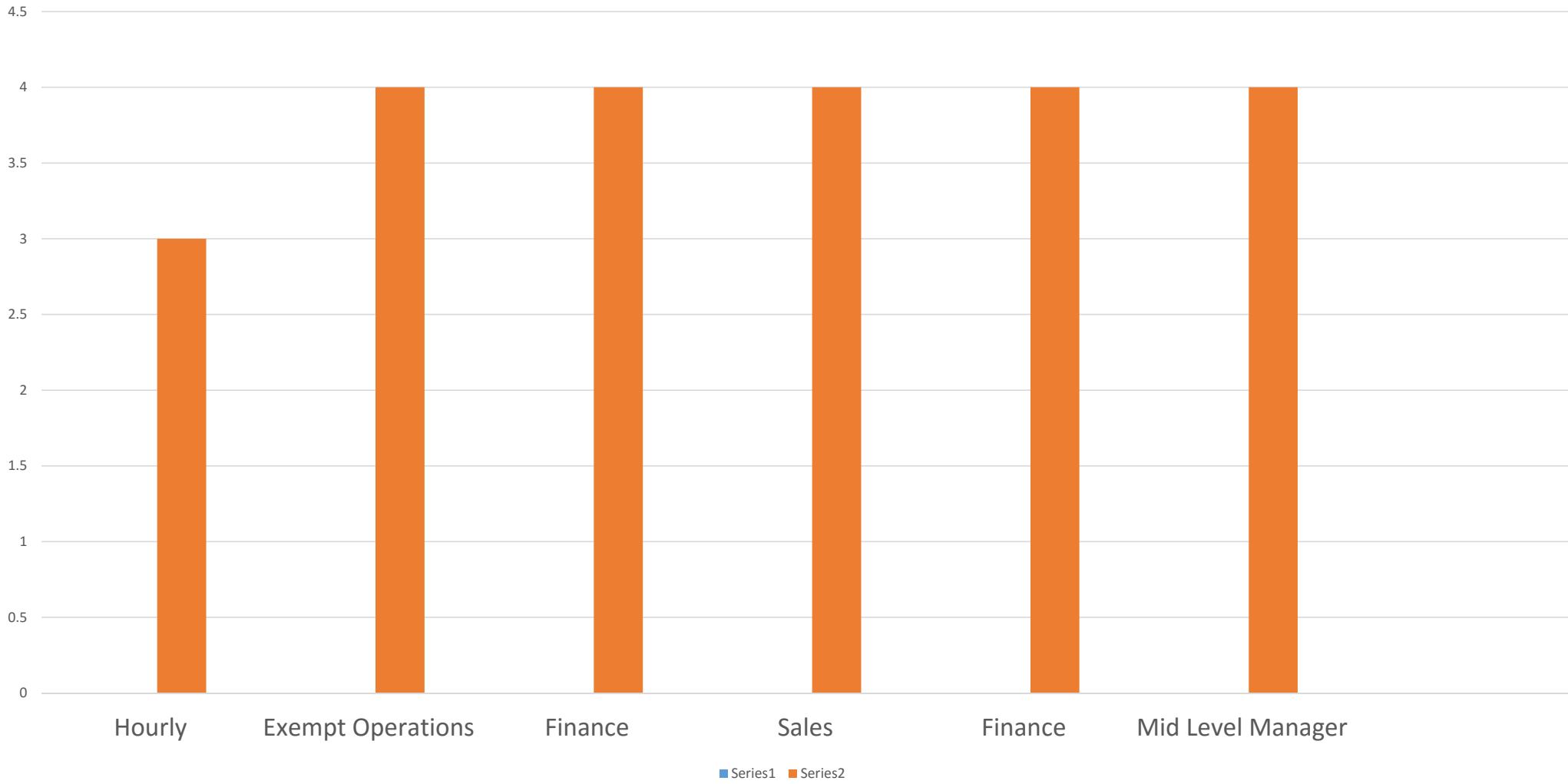
What Motivates Employees?



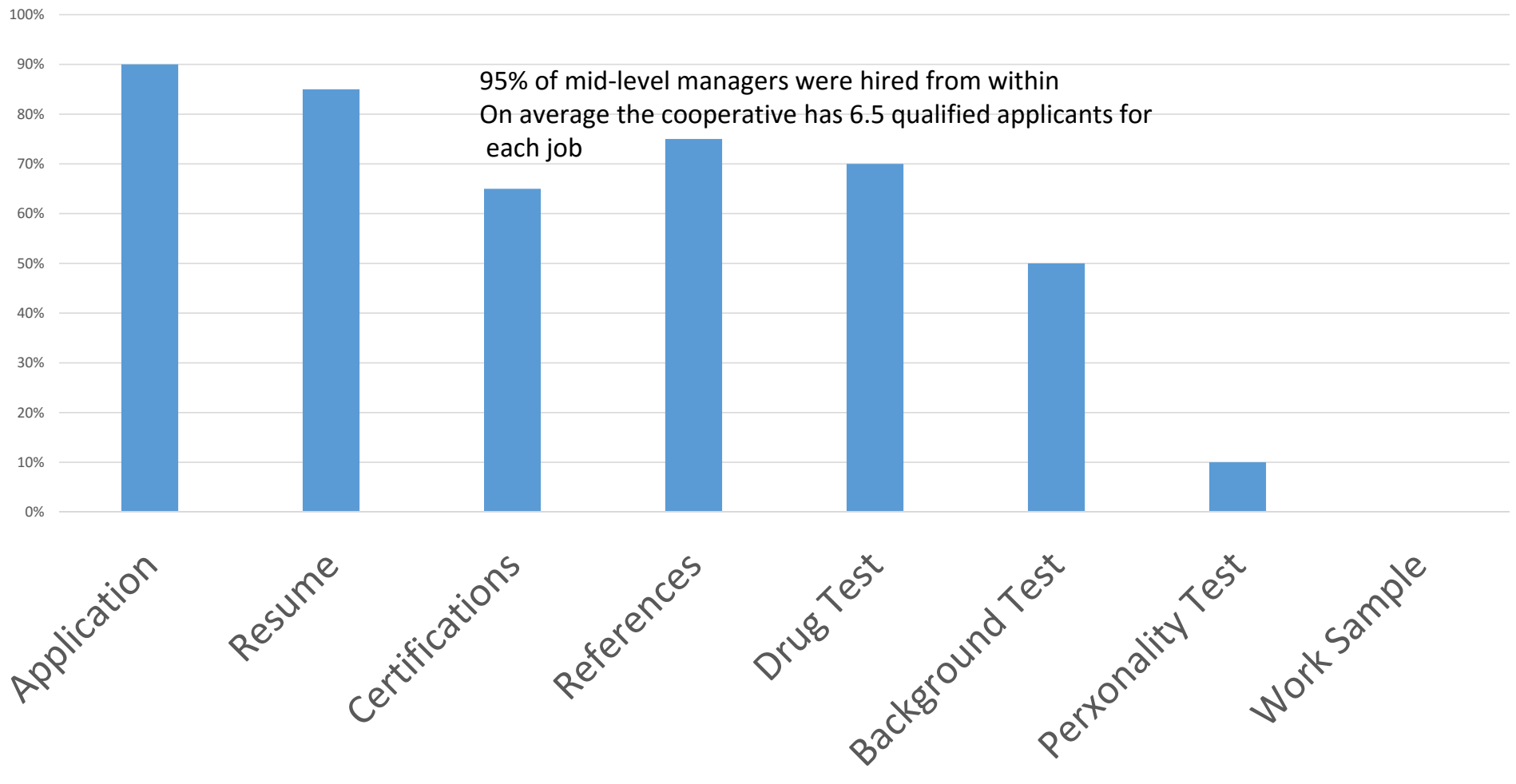
Recruiting Methods



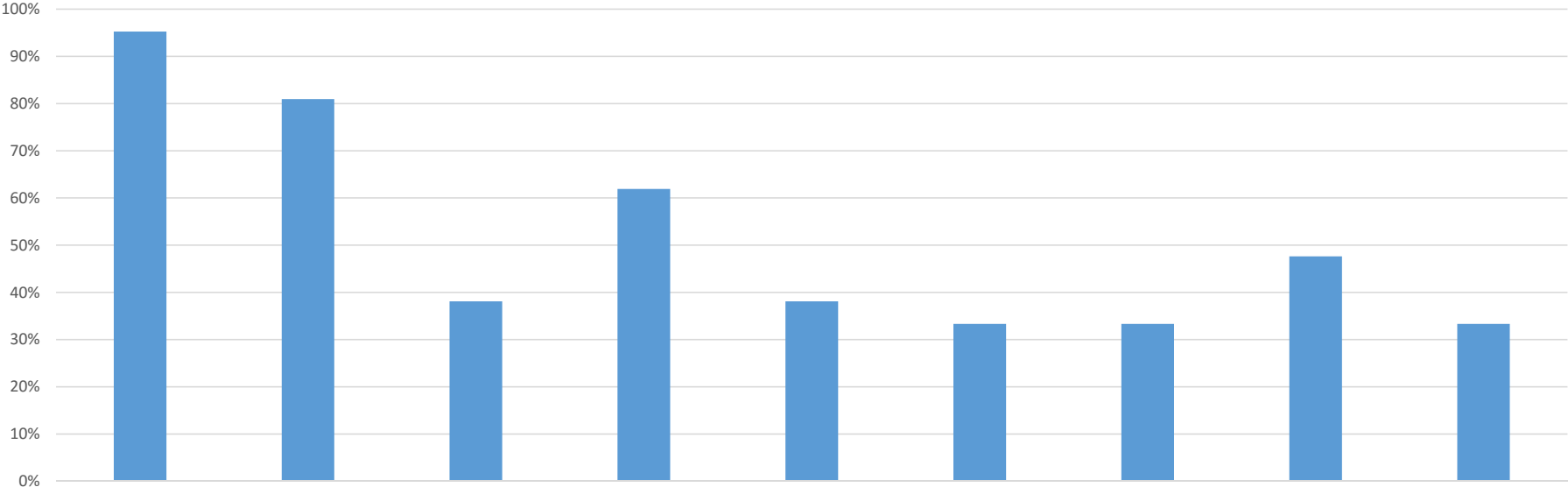
Difficulty in Recruiting for Job Categories



Hiring Practices



On-Boarding Practices



Personnel Manual

Organization Chart

Strategy

Assign Mentor

Performance Appraisal

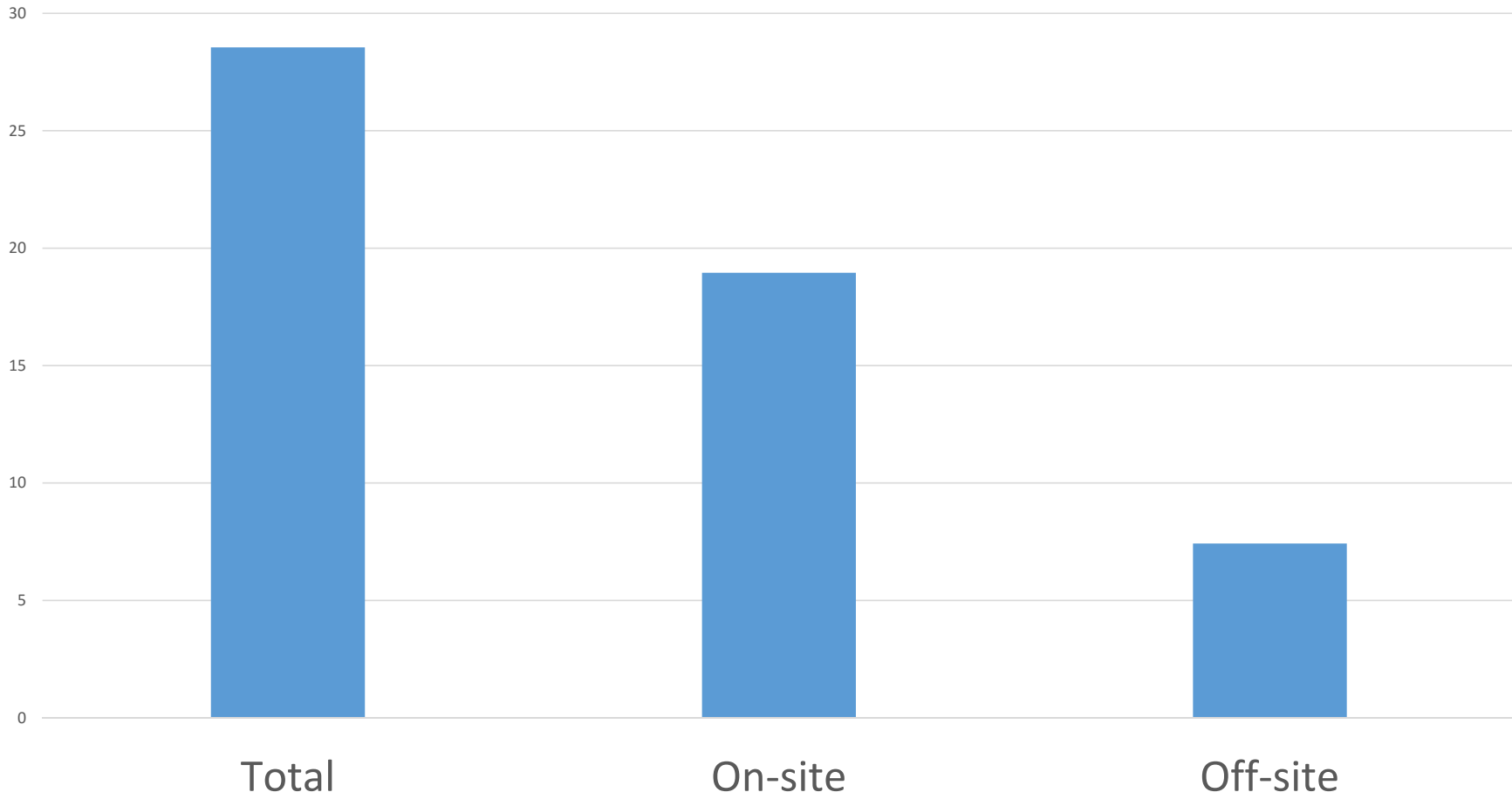
Describe Feedback

Coop History

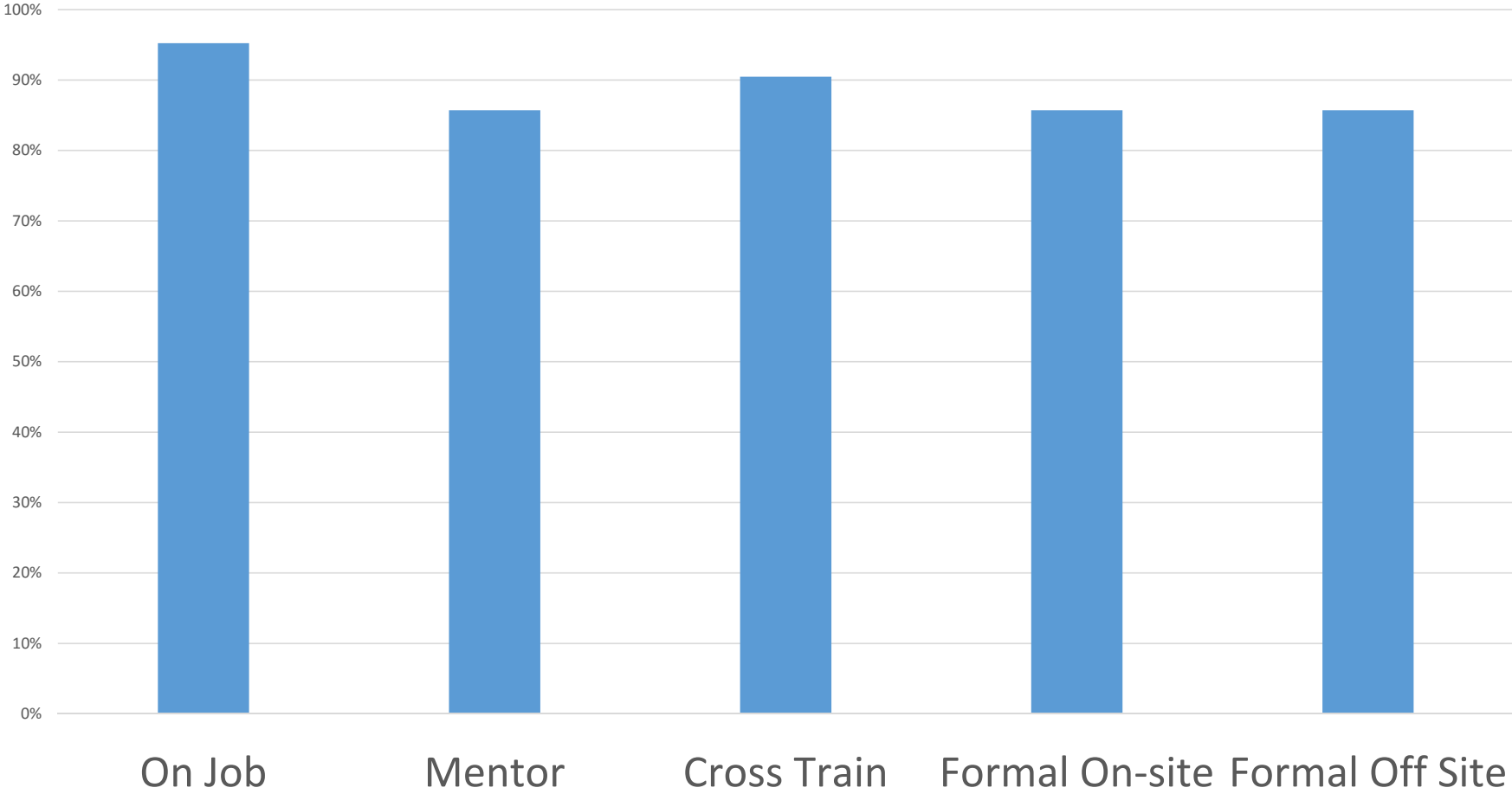
Coop Principles

Equity and Patronage

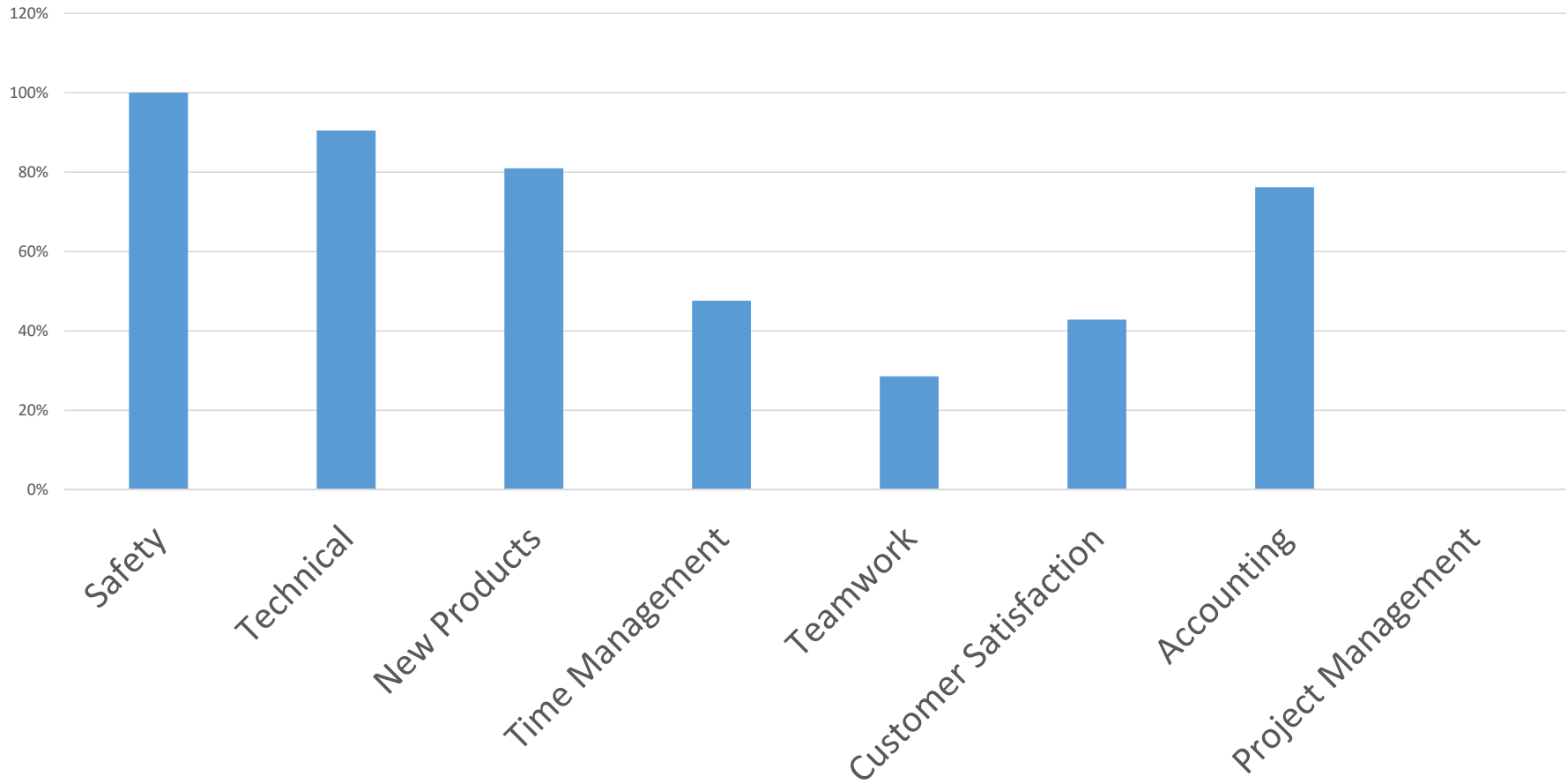
Average Annual Training Hours



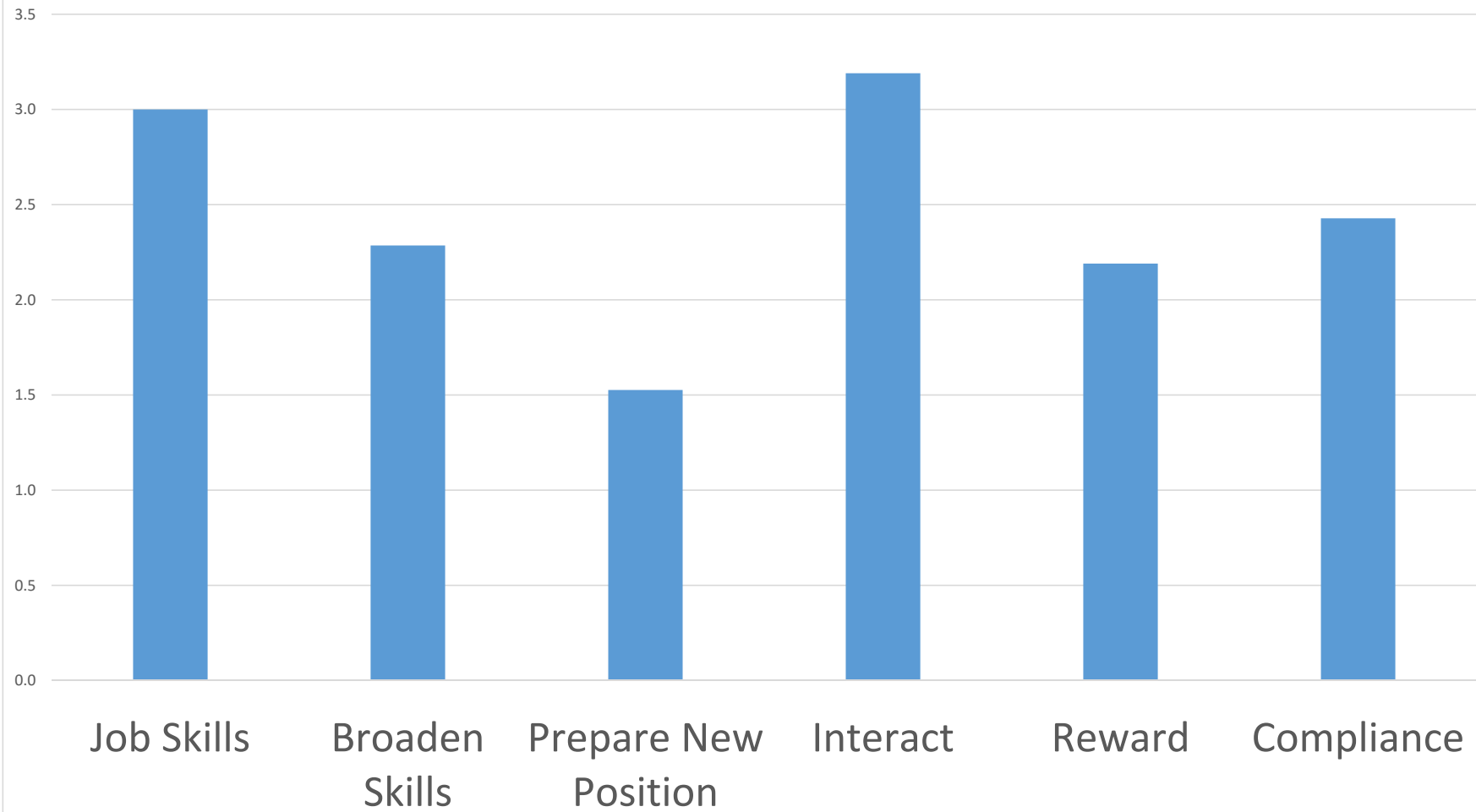
Training Practices



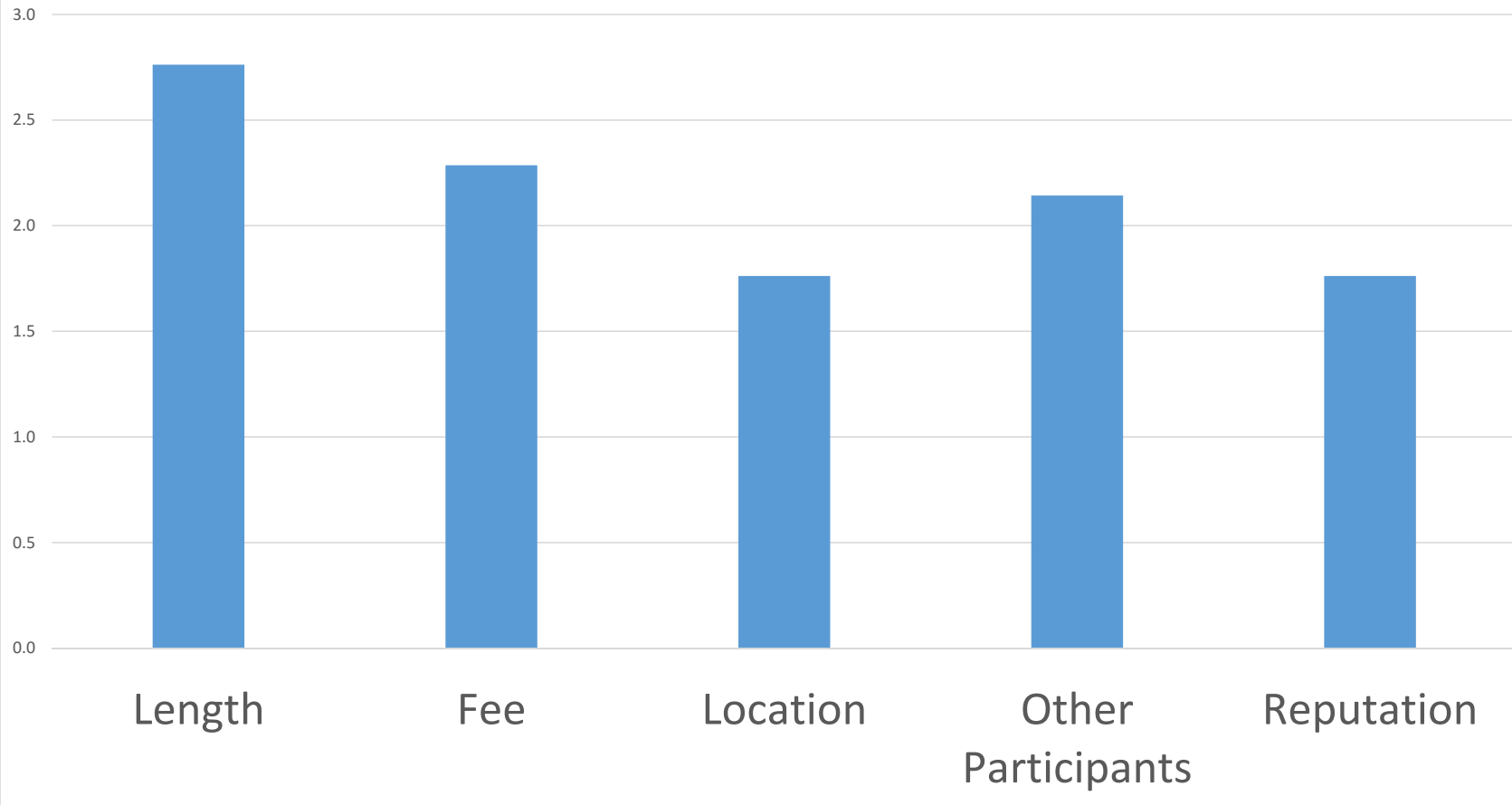
Training Topics



Purpose of Training

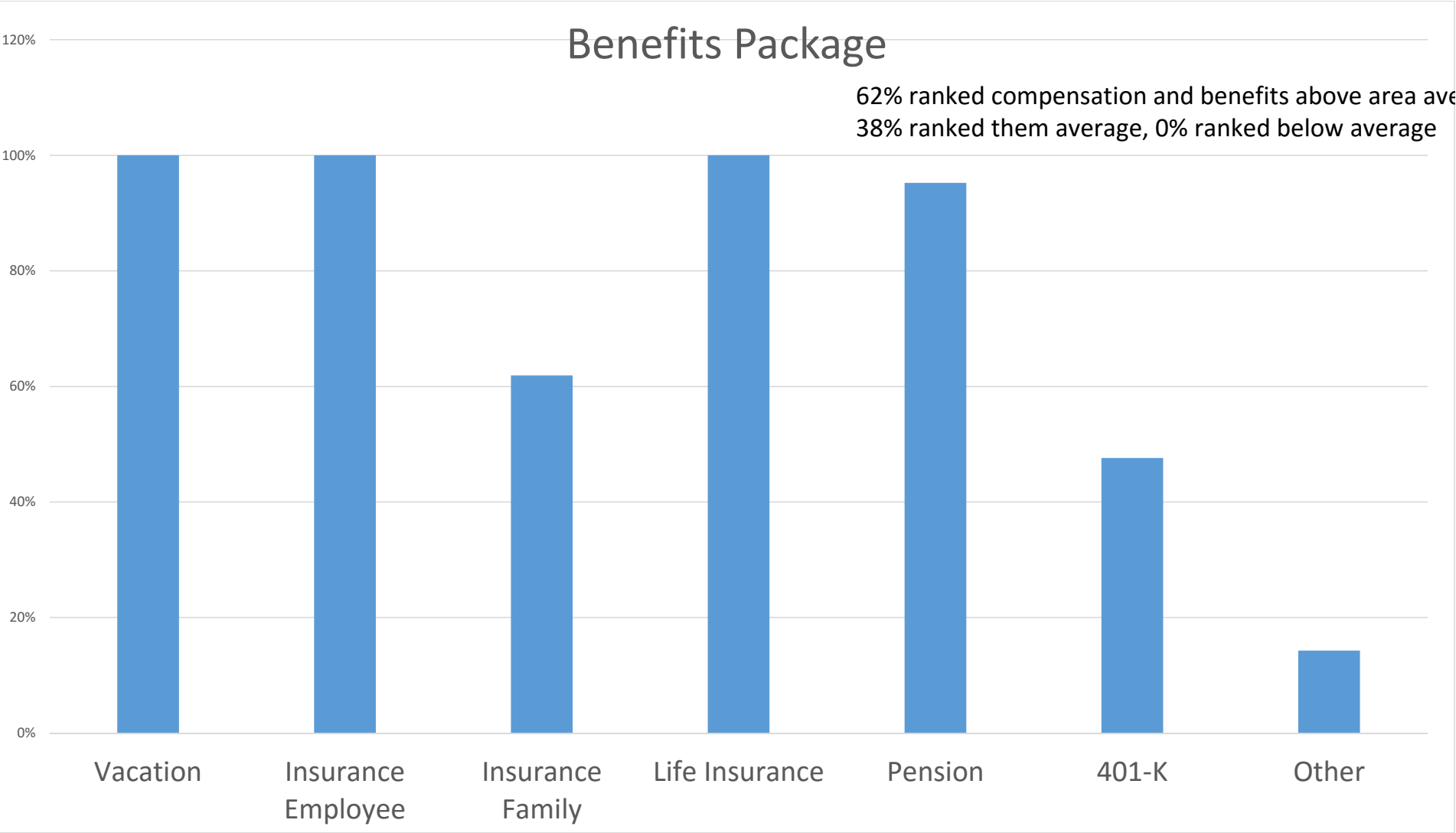


Criteria for Training Program



Benefits Package

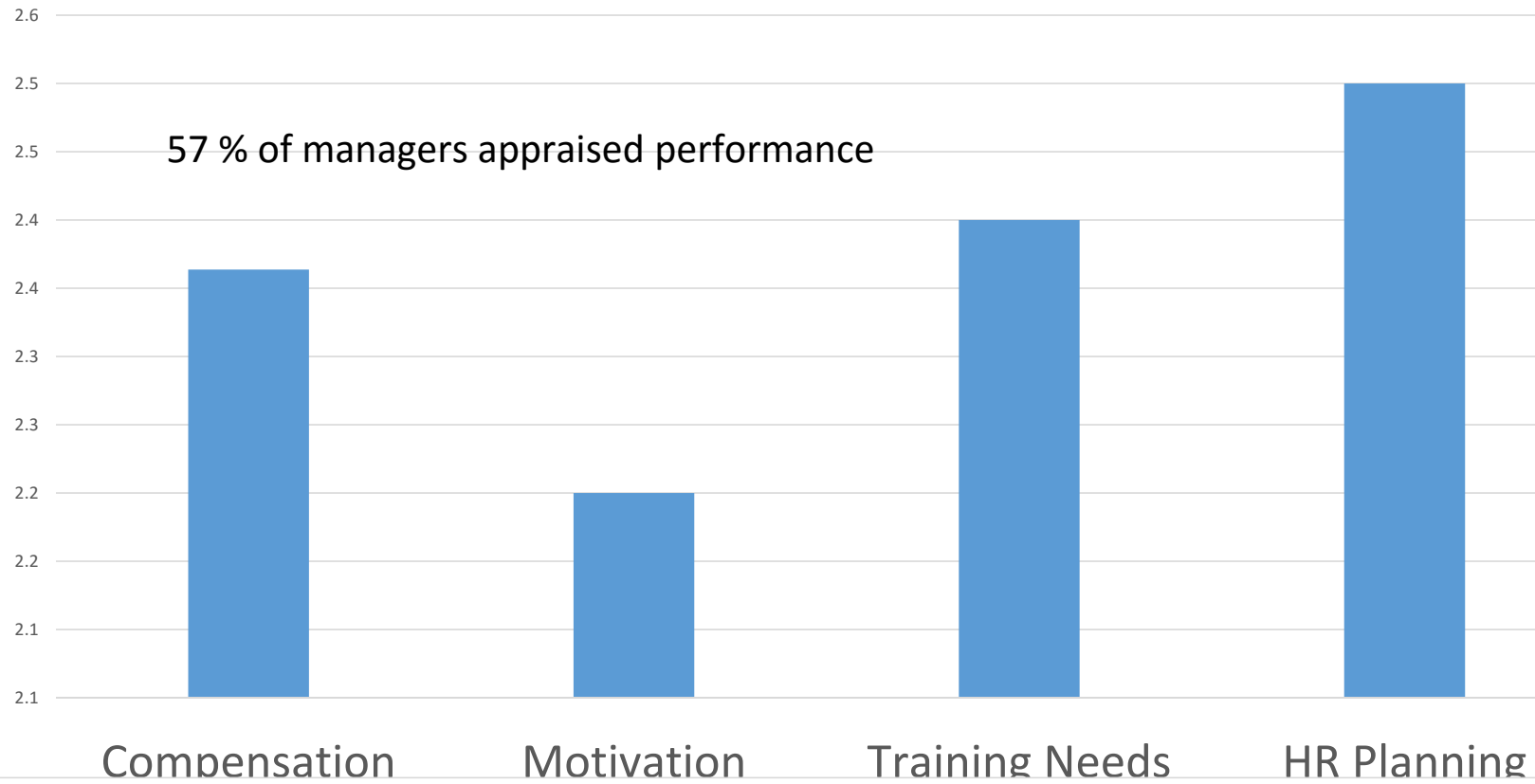
62% ranked compensation and benefits above area average
38% ranked them average, 0% ranked below average



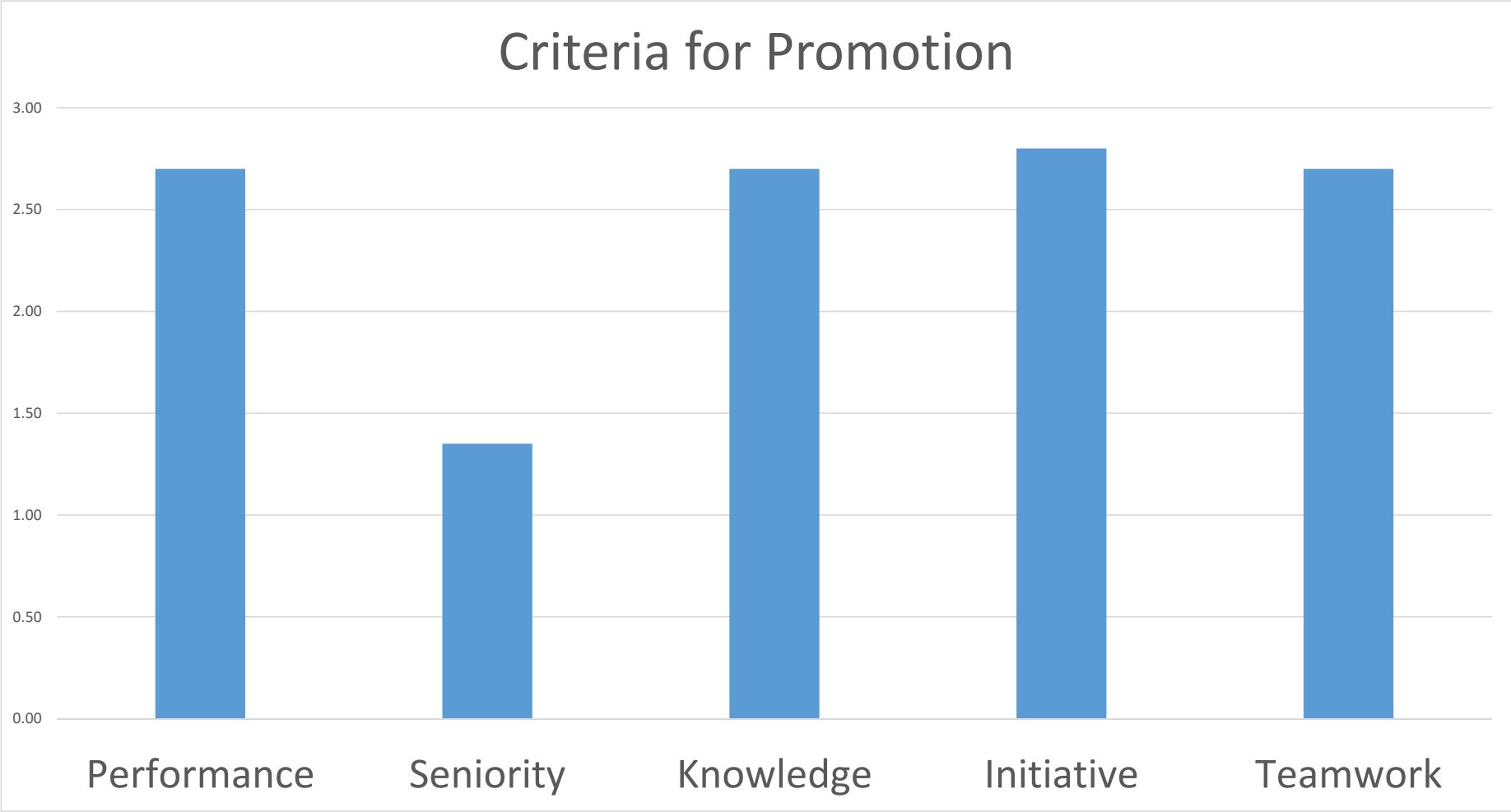
Bonuses

- 68% of employees represented received bonuses
- 58% of bonuses based on overall profit
- 17% based on profit of department
- 8% based on individual performance

Purpose of Performance Appraisal



Criteria for Promotion



Larger Cooperatives

- Less likely to list training as a major HR concern
- More likely to view promotion as a potential motivator
- More likely to use drug and background tests
- Lower percent of middle managers came from within

Other Observations

- Managers have poor idea of annual training
- No apparent relationship between opinion on compensation levels and difficulty in recruiting or retaining employees
- Cooperatives in small, remote communities face different recruiting and retention challenges
- Surprisingly, cotton ginning cooperatives with large seasonal workforces did not report greater human resource challenges

Respondents Comments

- Interacting with members is critical, people skills are essential, every job is a team project
- Cooperative used to require employees to deposit cell phones in the office. Cell phones are now part of the communication system
- Some employees don't want the cooperative to become "more corporate"
- Have to keep the right employees interacting with the members
- Are we going to change today's employees to match the cooperative or are we going to change the cooperative to match the employees?

More Comments

- The CEO's job is to get rid of bad employees
- The toughest part of management is managing the personality types
- Seniority is not important because the skills needed at one level are not necessarily the skills needed for the next level
- Average member age is 65 and that impacts who you hire
- Would like to see multiple cooperatives go together to form an HR alliance
- 95% of the members coming in want to visit with the CEO
- Have to be careful with nepotism which is hard to avoid in a small town

Even More Comments

- For many employees there is a benefit working in their home town
- A cooperative is a service organization and that is the most important thing for employees to understand
- Hard to make the cooperative operate like one company and not three different firms

No Boy at All

- “Be careful hiring high school students who know each other. When you hire one boy you have one boy. Hire two boys that are friends and you end up with “half a boy”. Hire three boys that know each other and you have “no boy at all”