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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

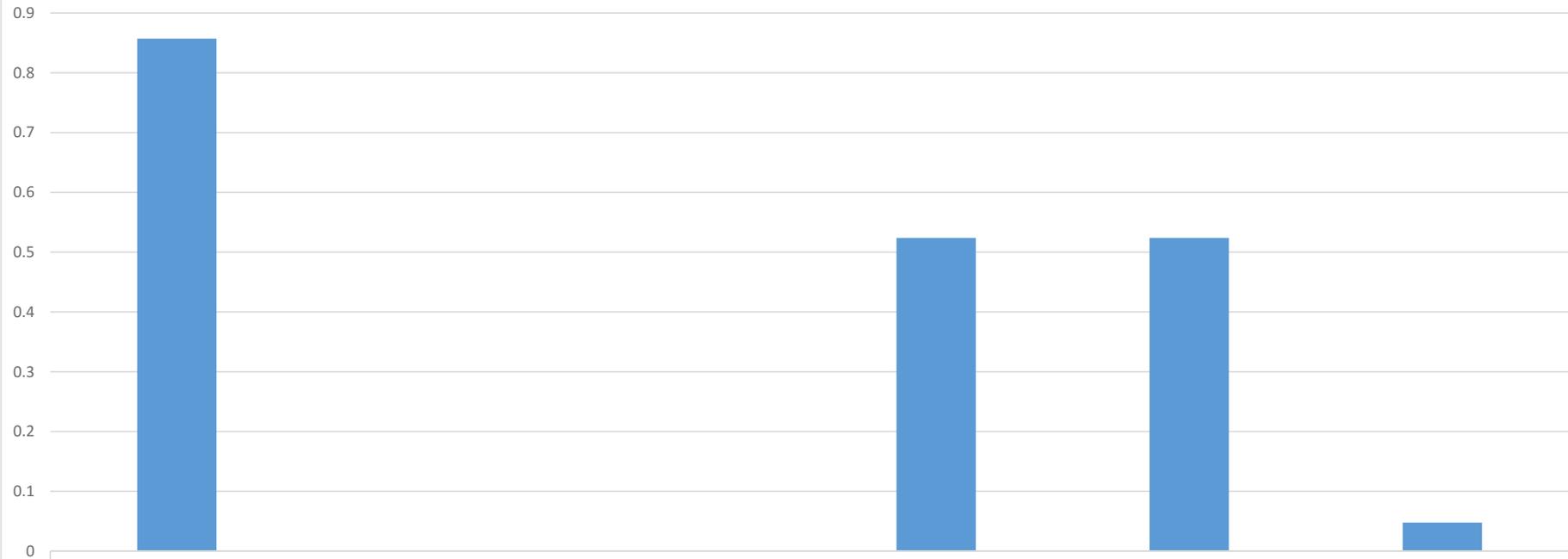
# Survey Areas

- 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

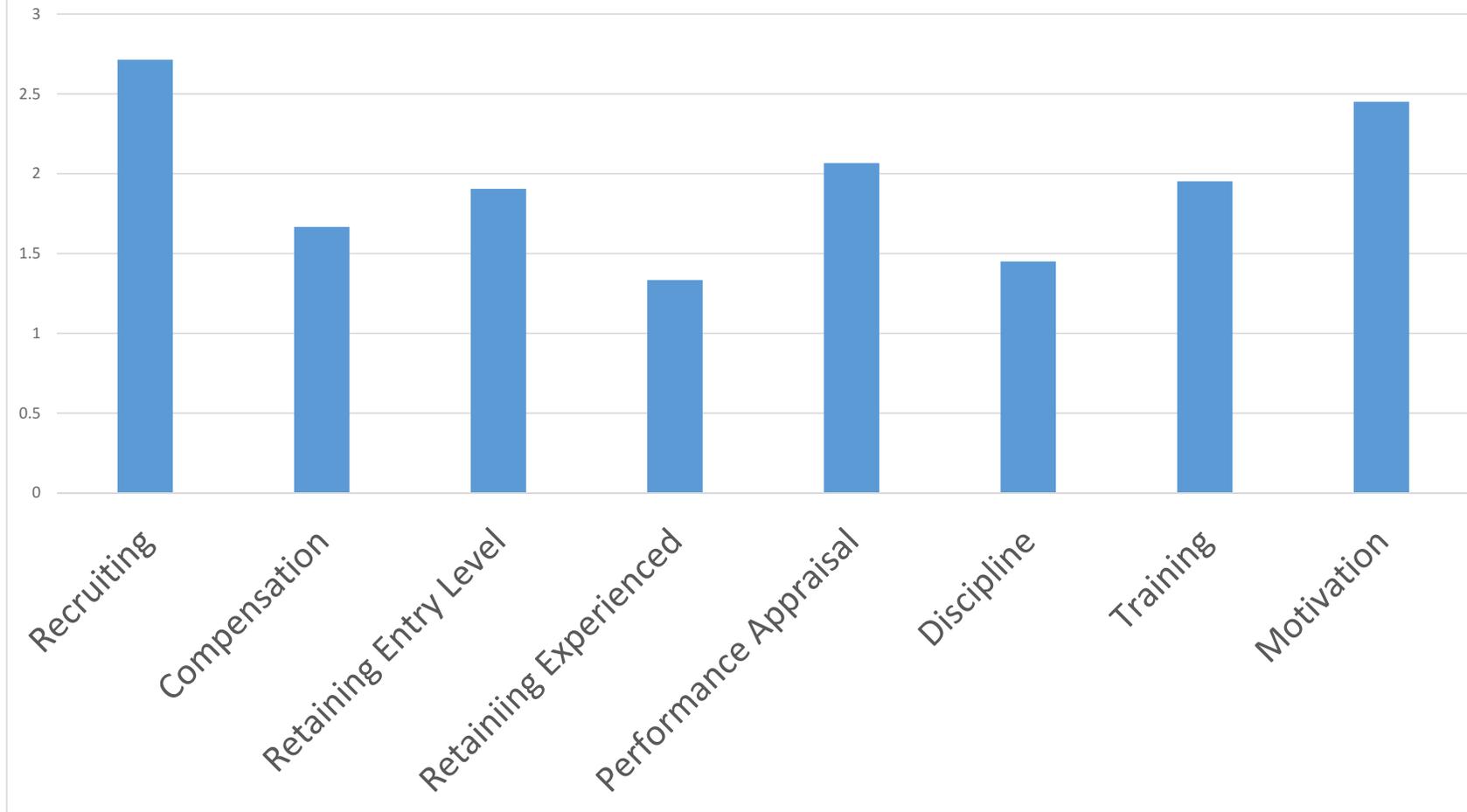
Email

Text

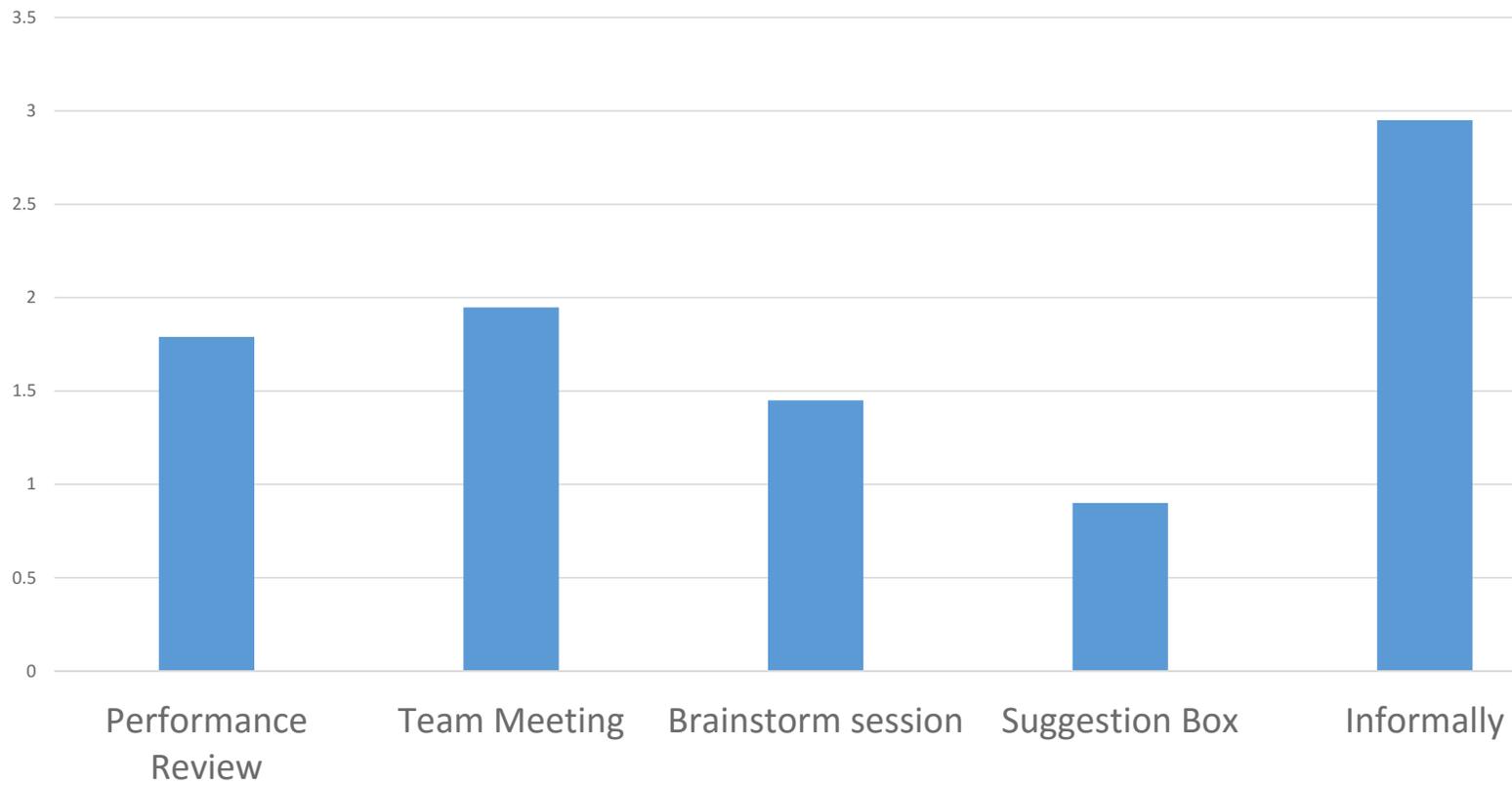
Web Page

Employer-Employee Communication Channels

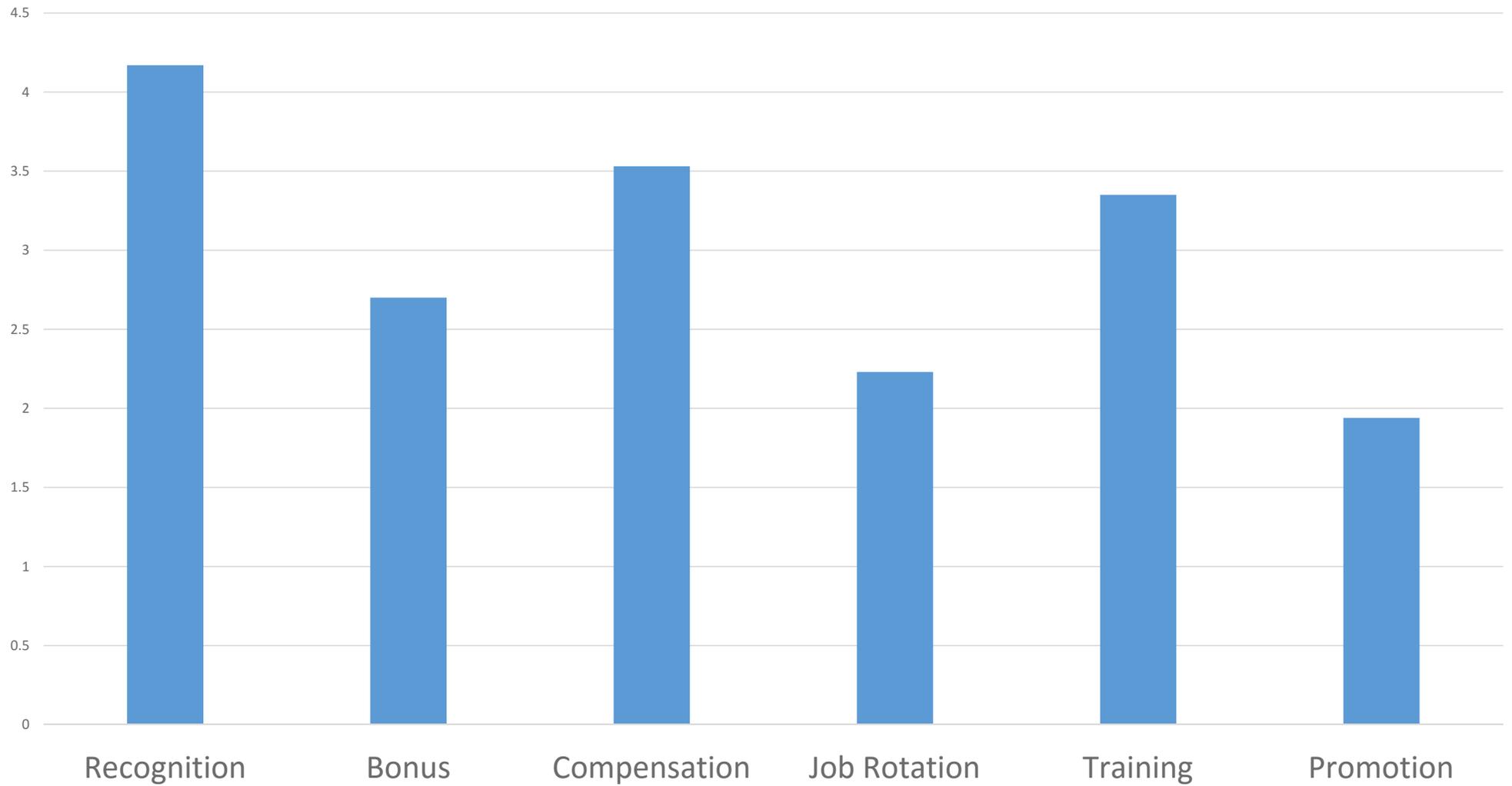
# Human Resource Challenges



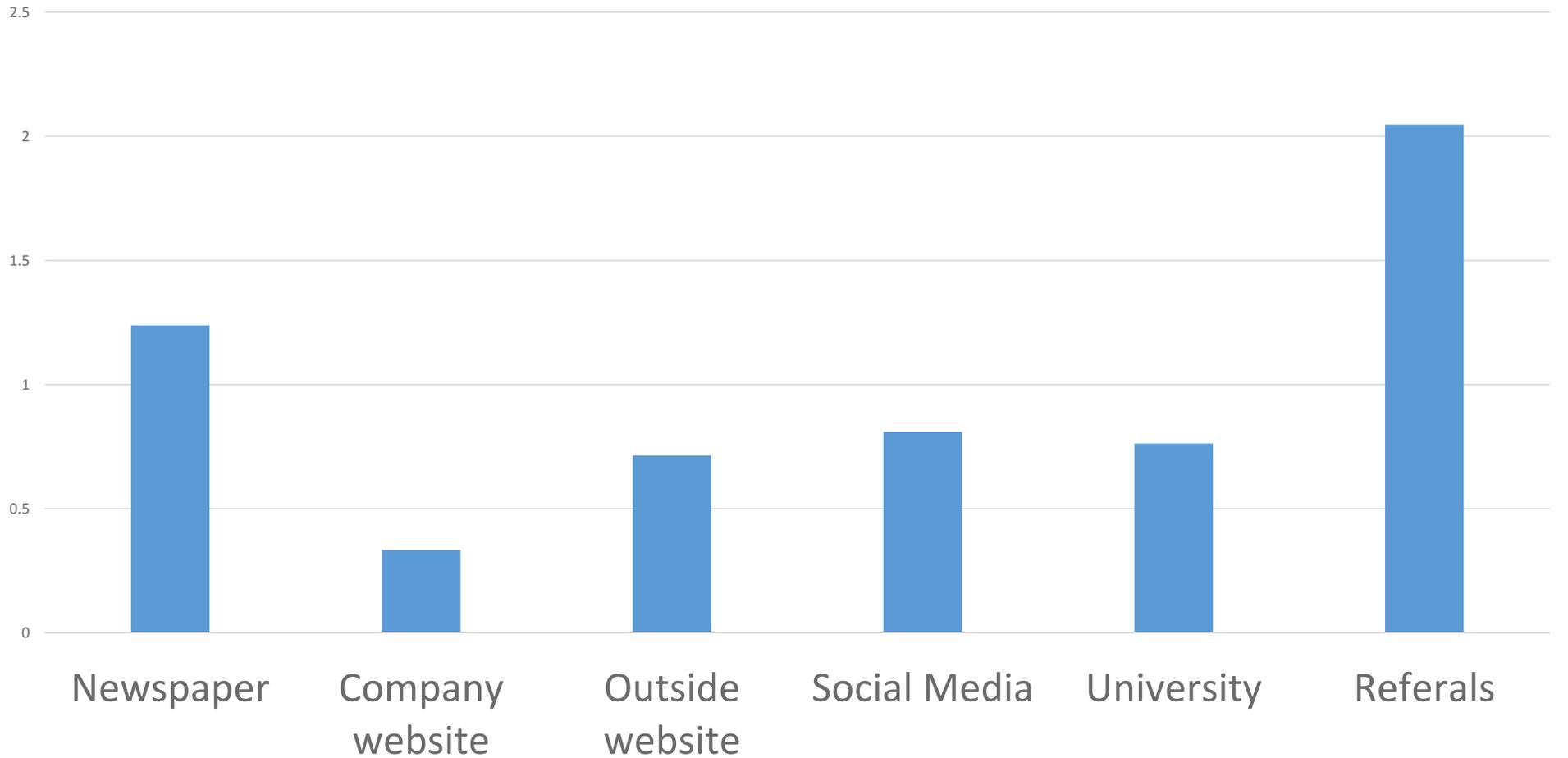
# When Do Employeess Give Suggestions



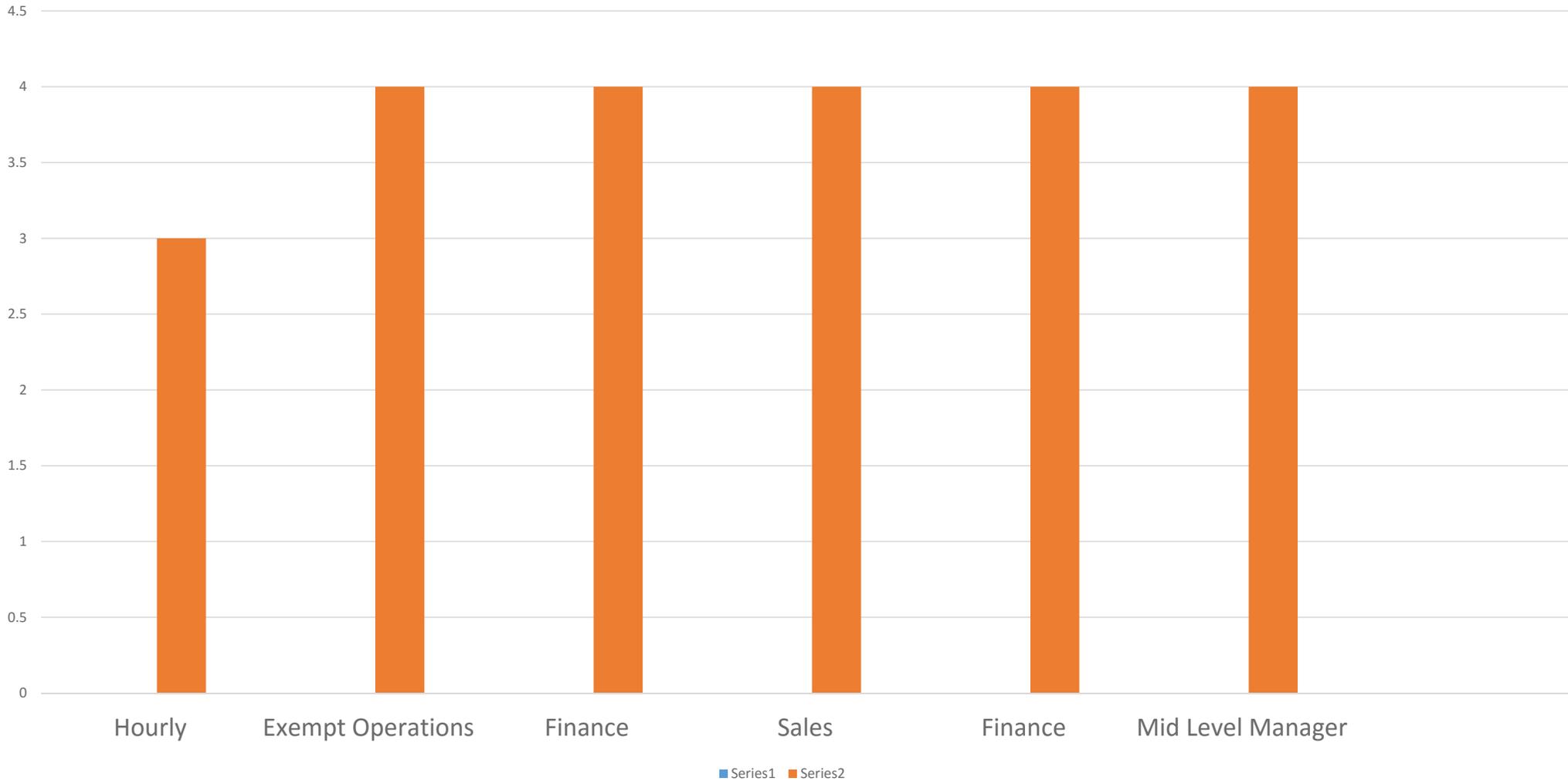
# What Motivates Employees?



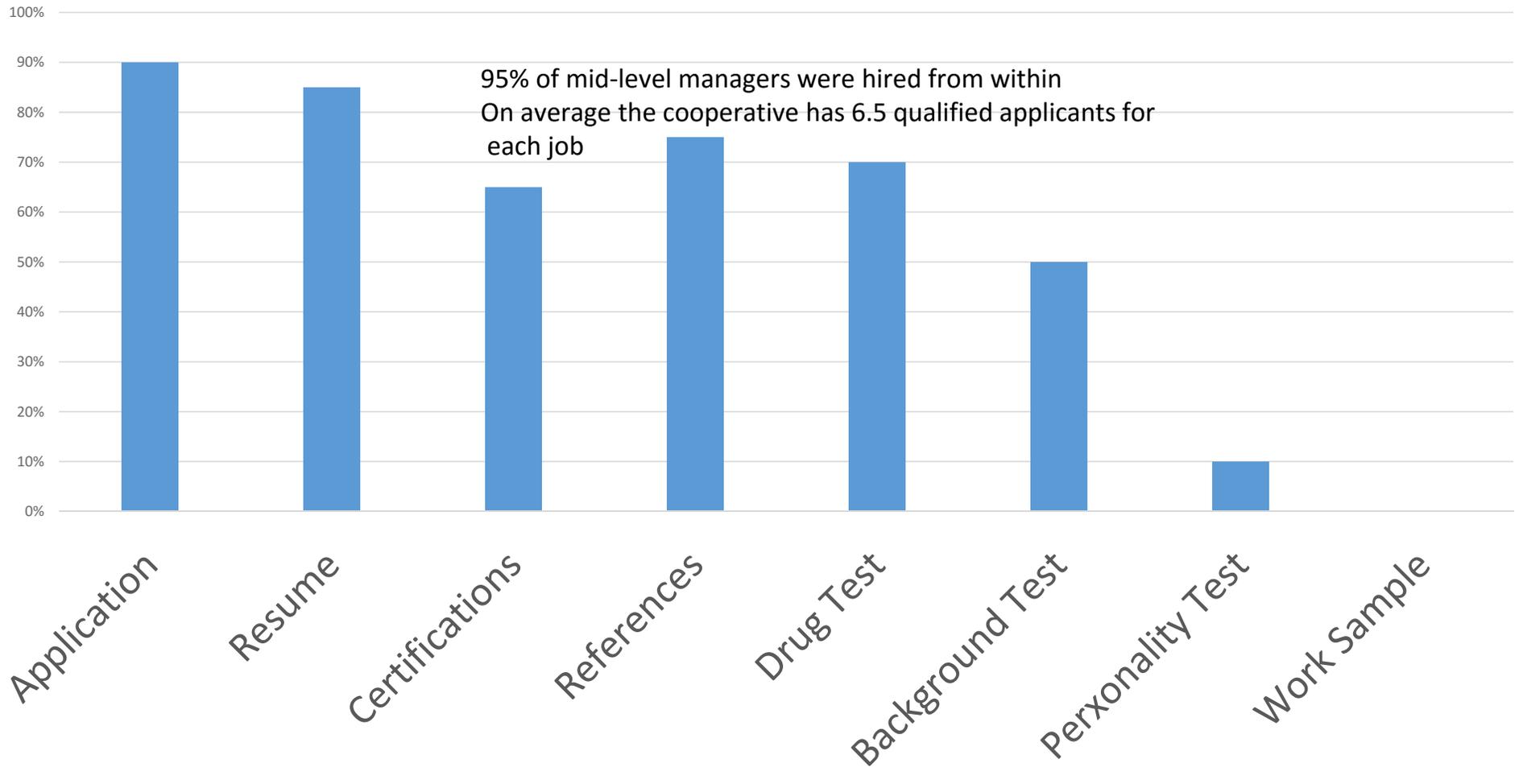
## Recruiting Methods



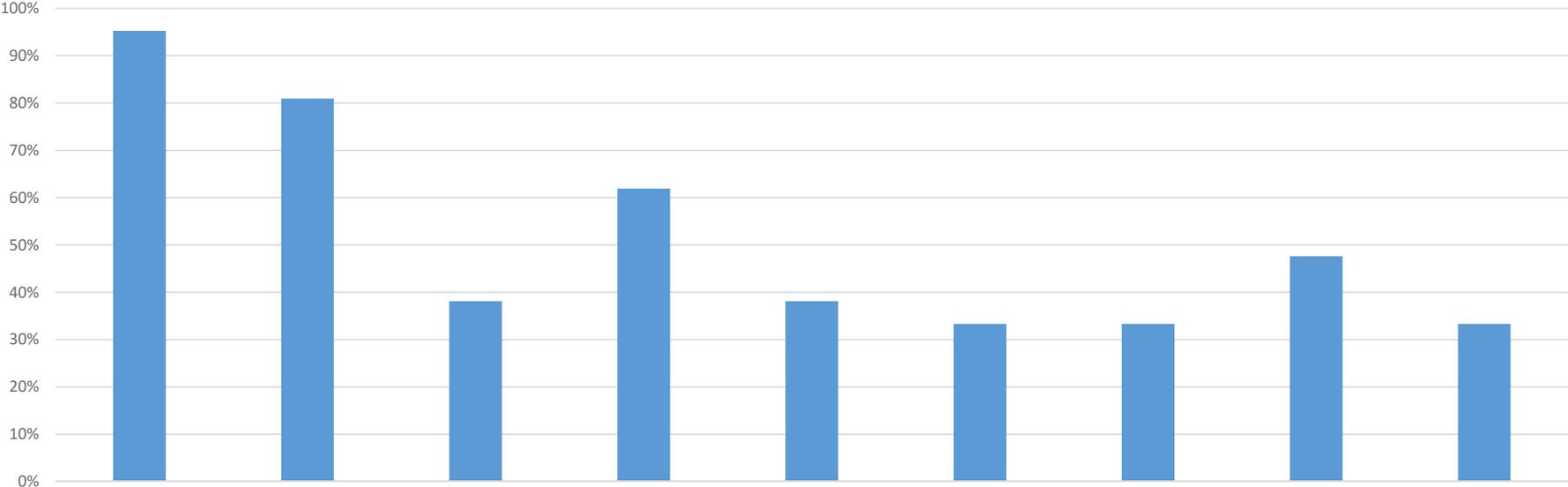
# Difficulty in Recruiting for Job Categories



# Hiring Practices



# On-Boarding Practices



Personnel Manual

Organization Chart

Strategy

Assign Mentor

Performance Appraisal

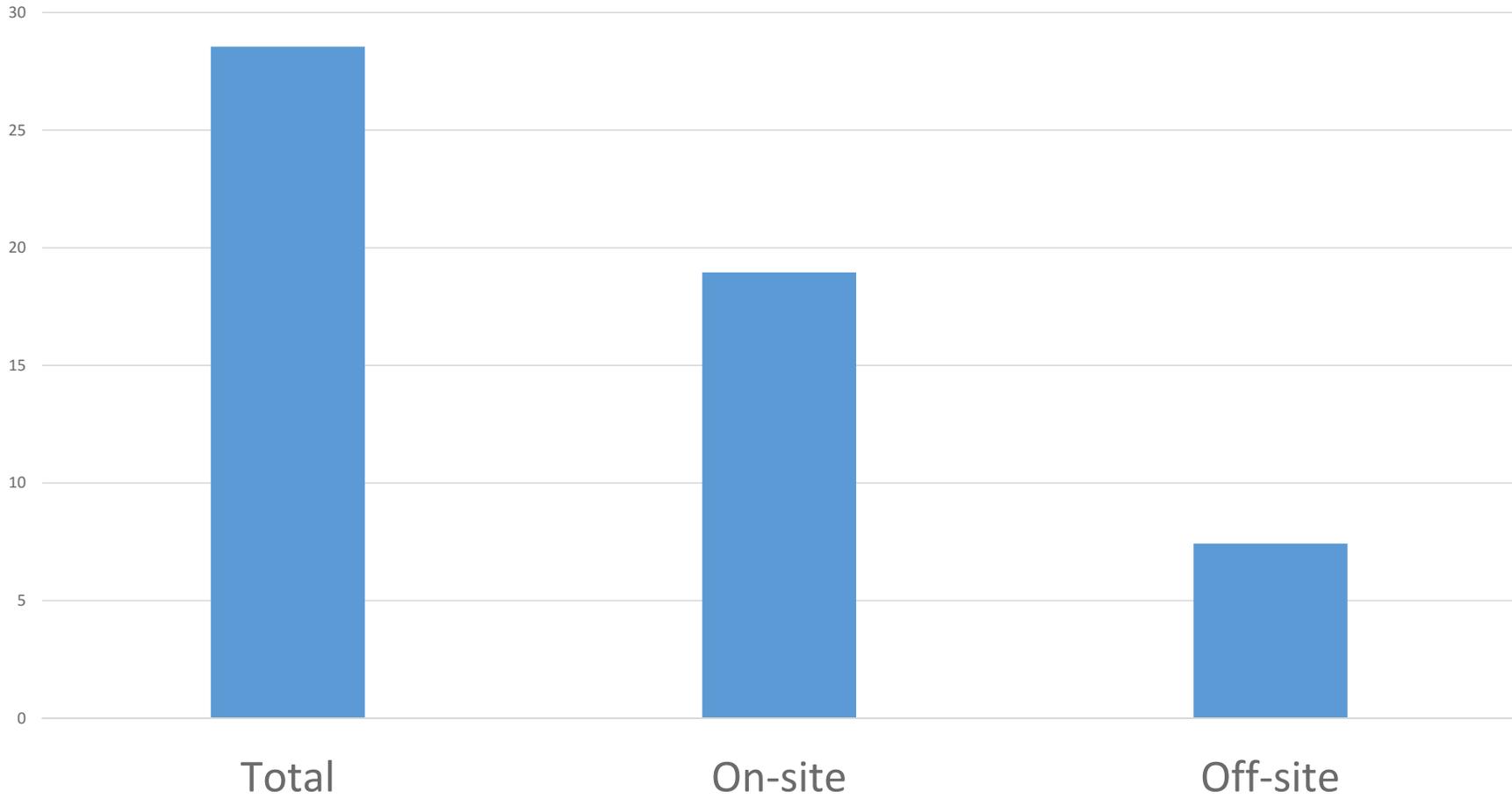
Describe Feedback

Coop History

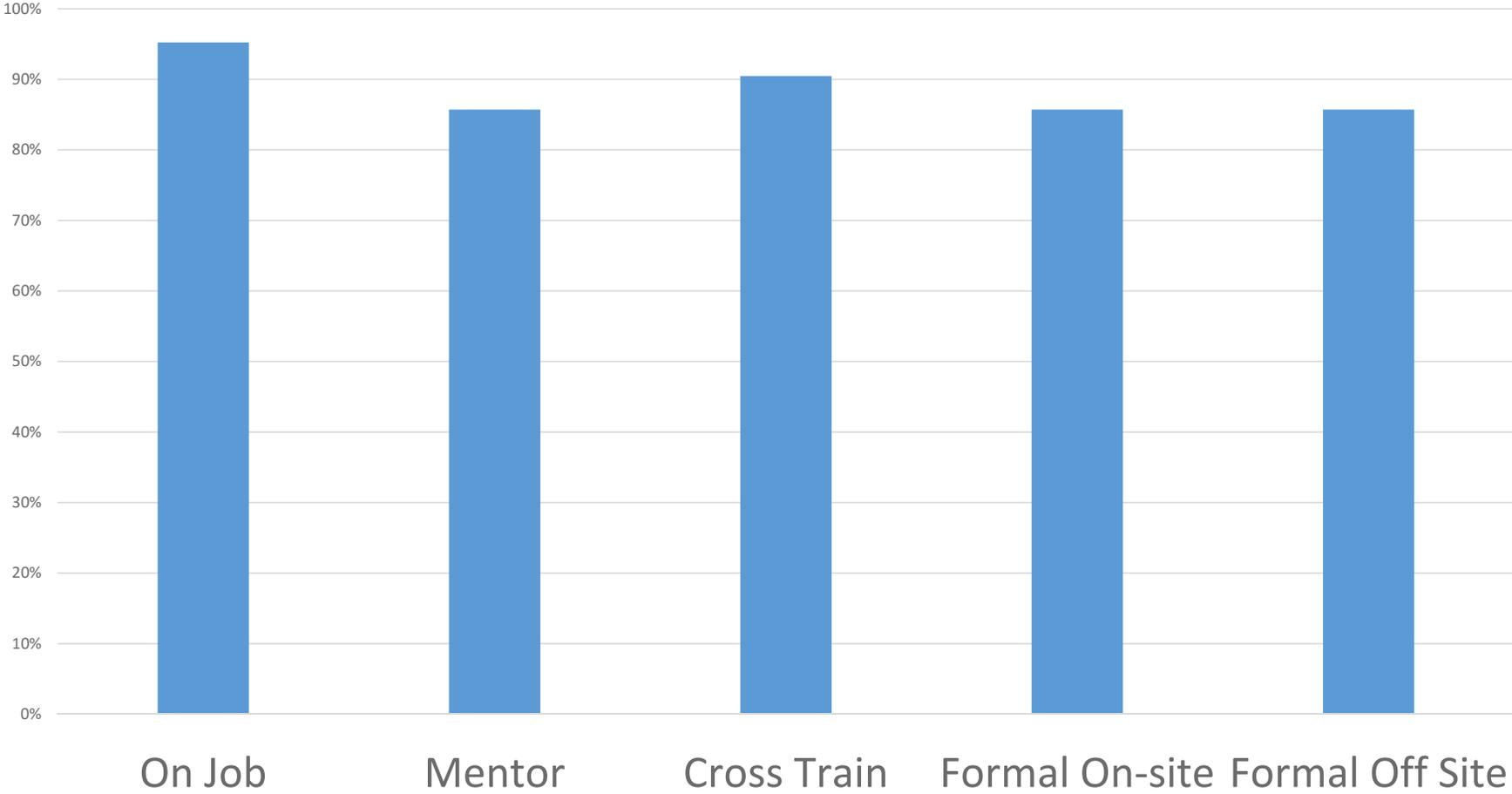
Coop Principles

Equity and Patronage

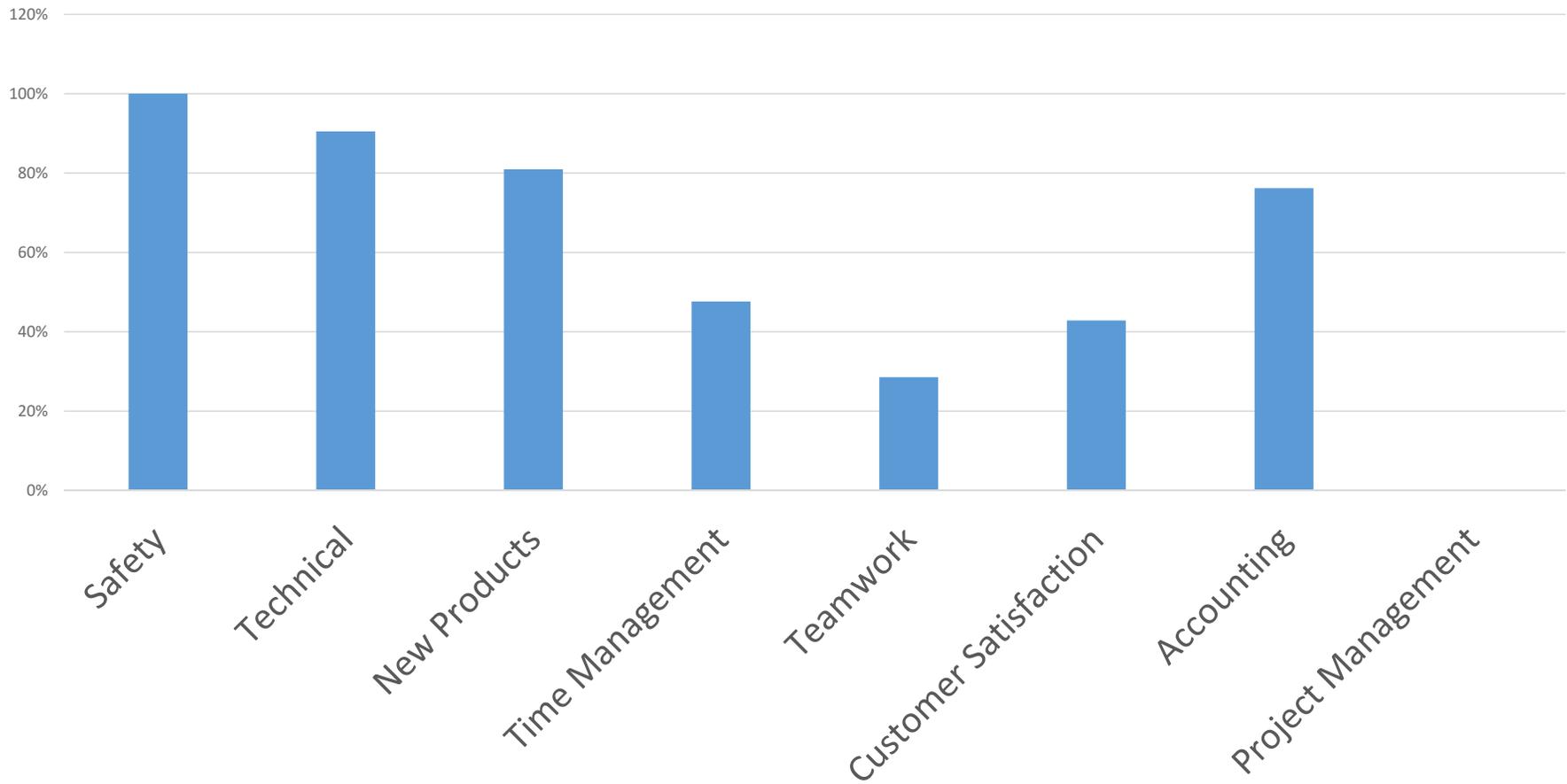
## Average Annual Training Hours



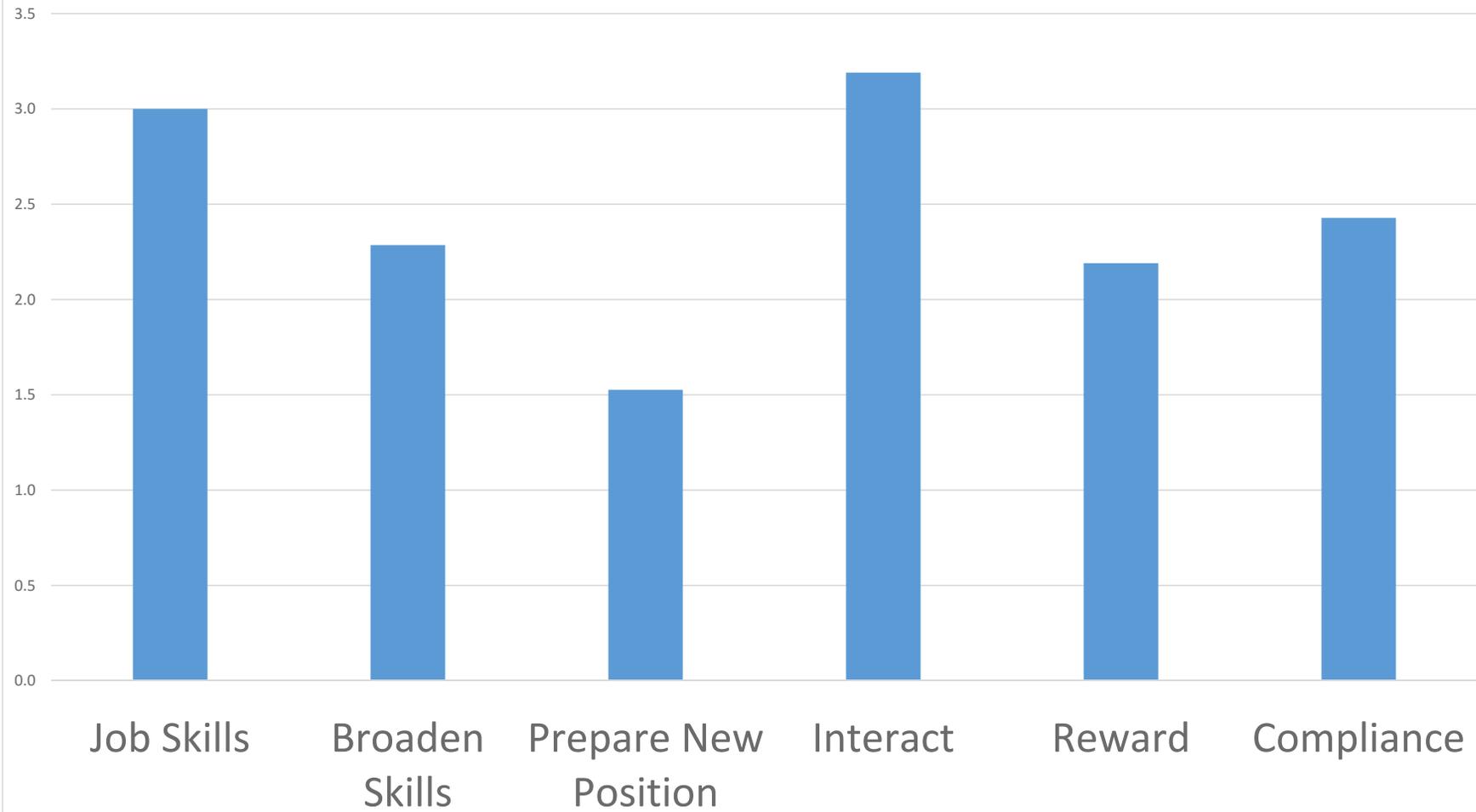
# Training Practices



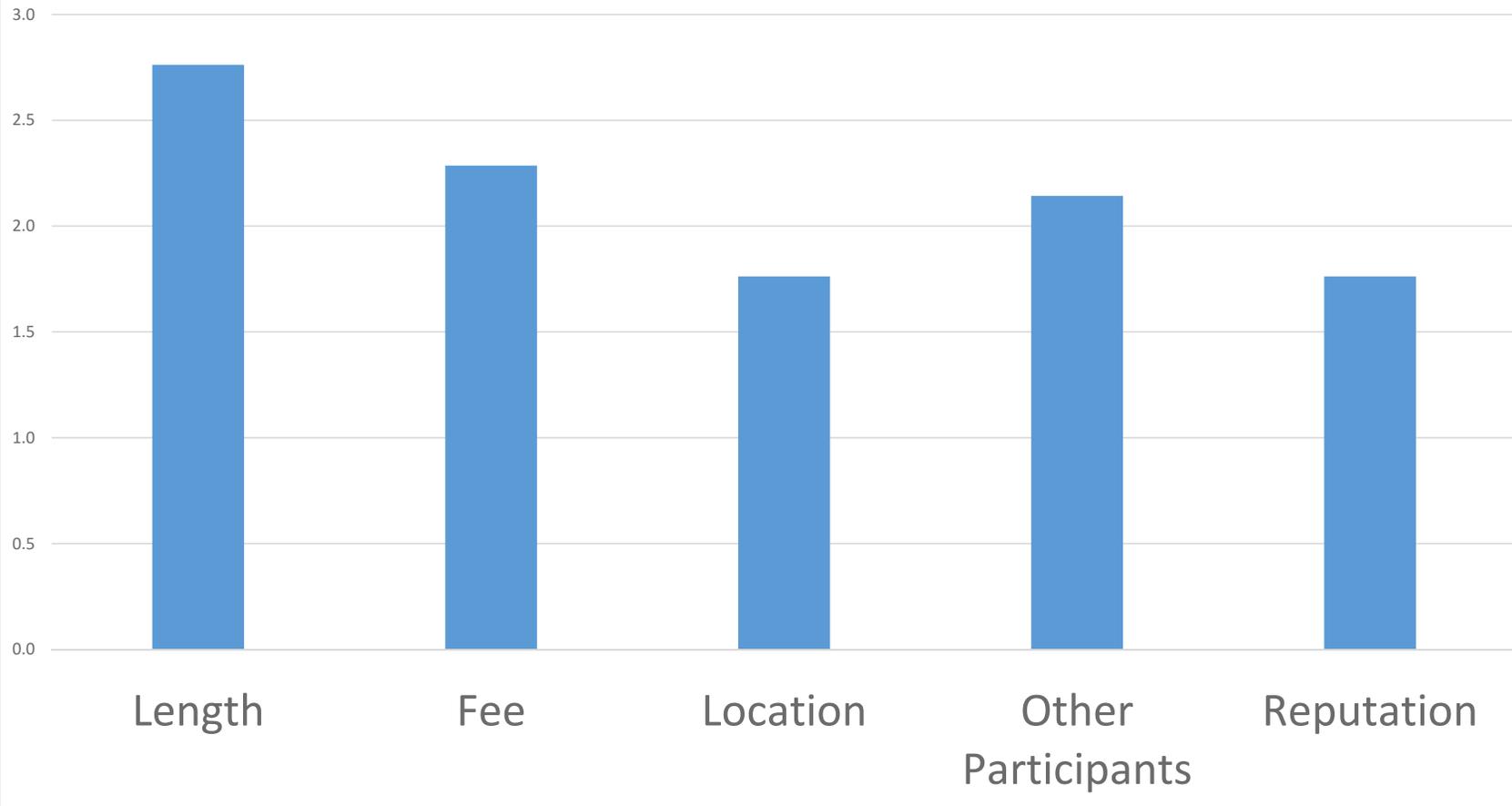
# Training Topics



## Purpose of Training

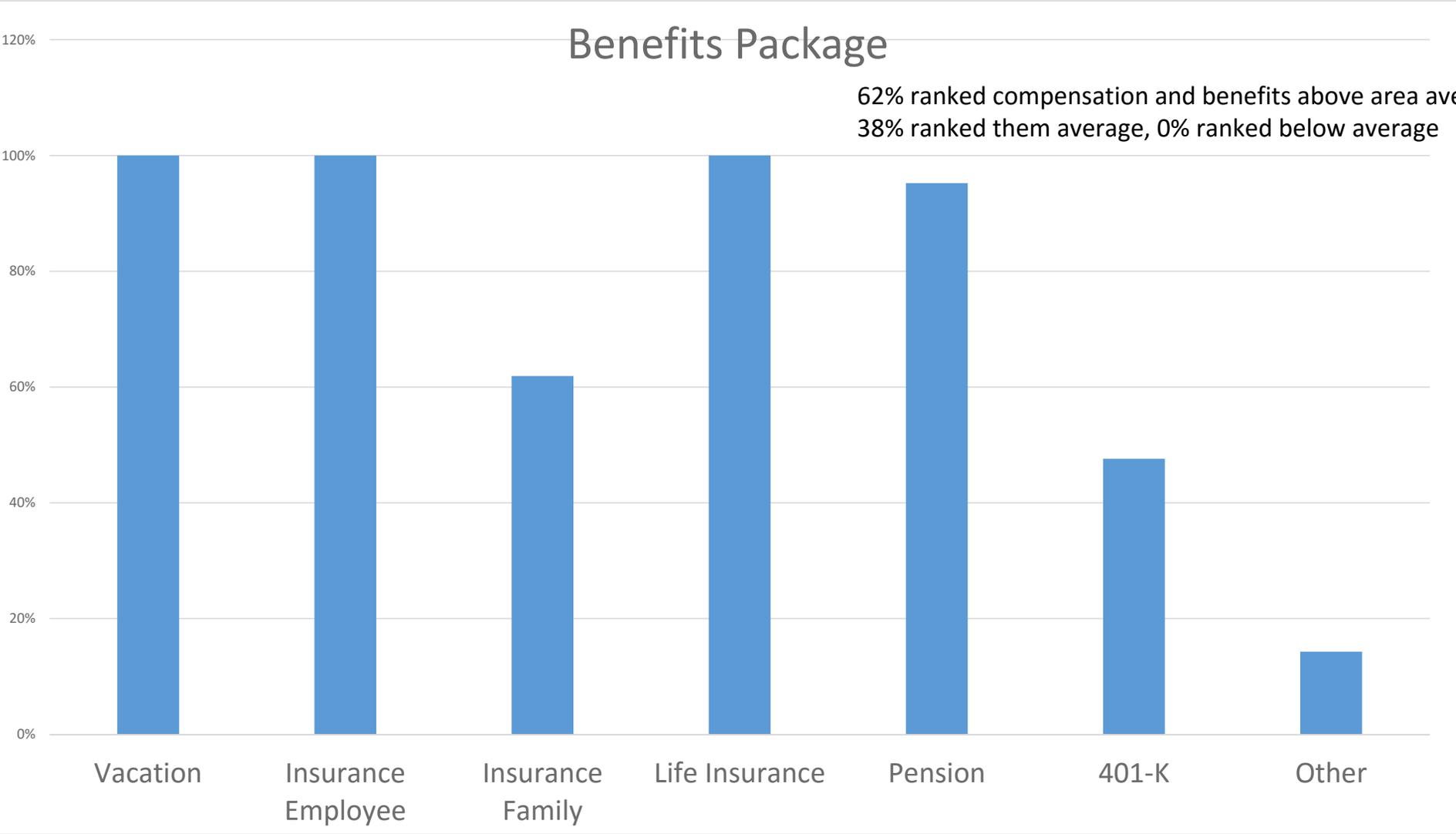


## Criteria for Training Program



# Benefits Package

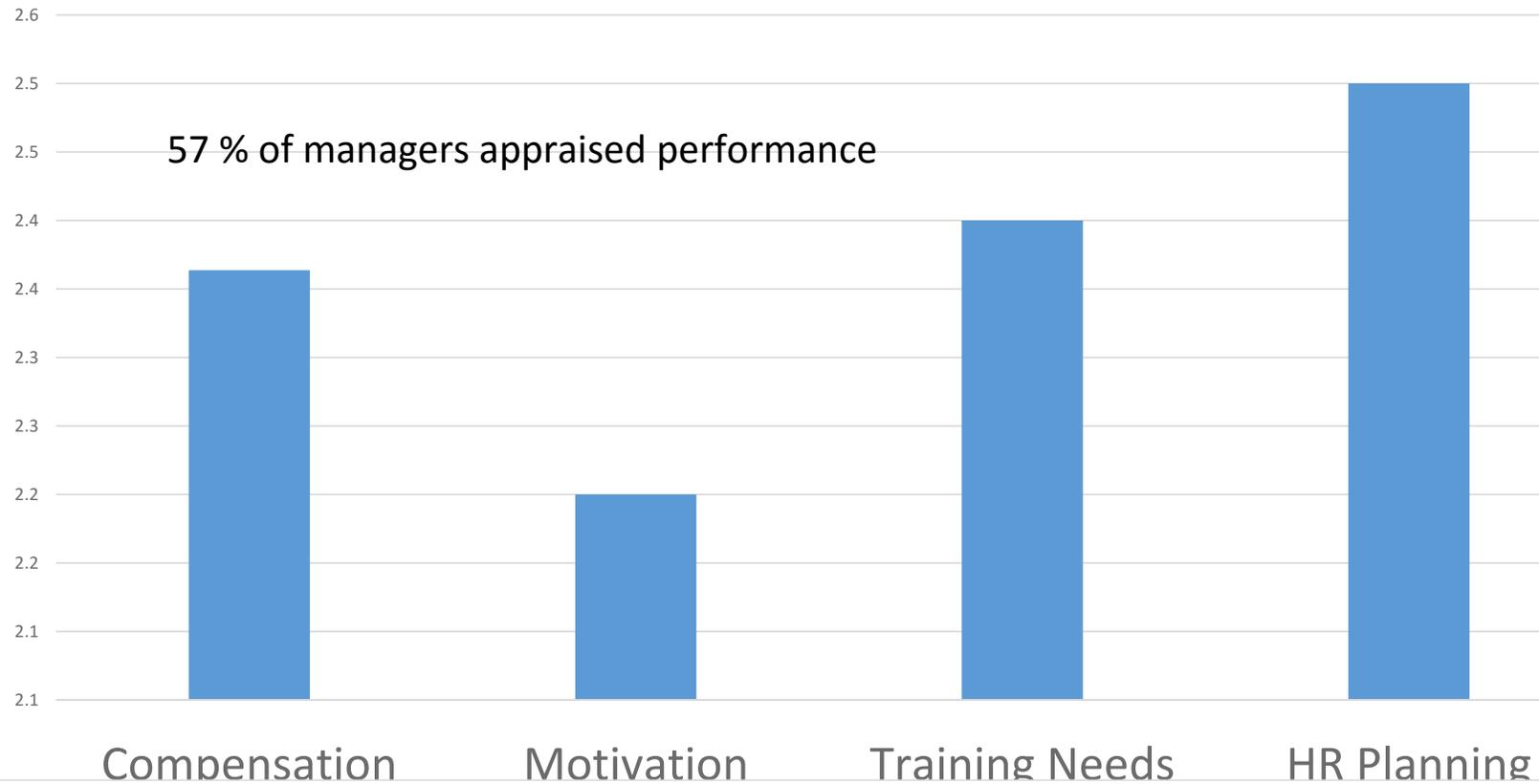
62% ranked compensation and benefits above area average  
38% ranked them average, 0% ranked below average



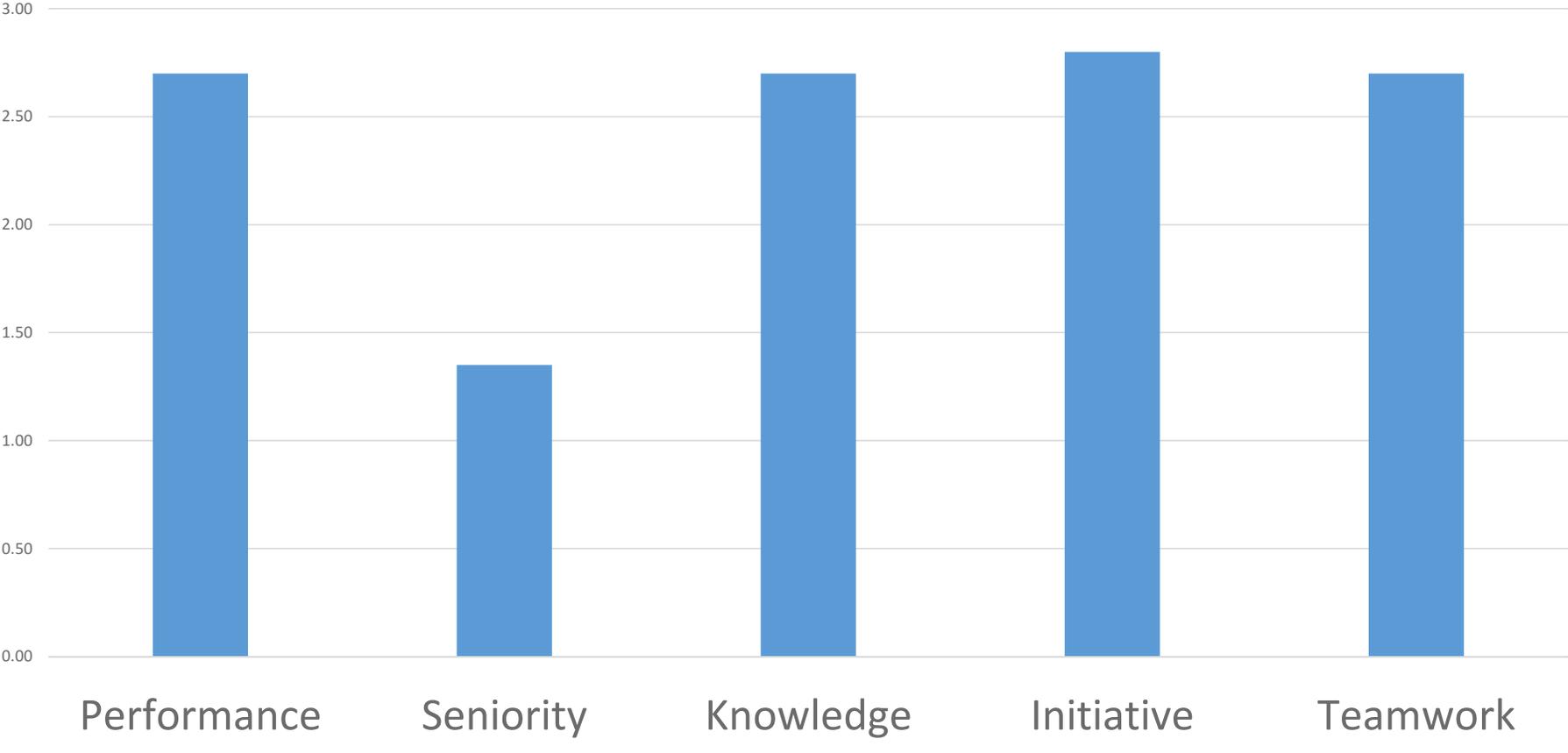
# Bonuses

- 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”