

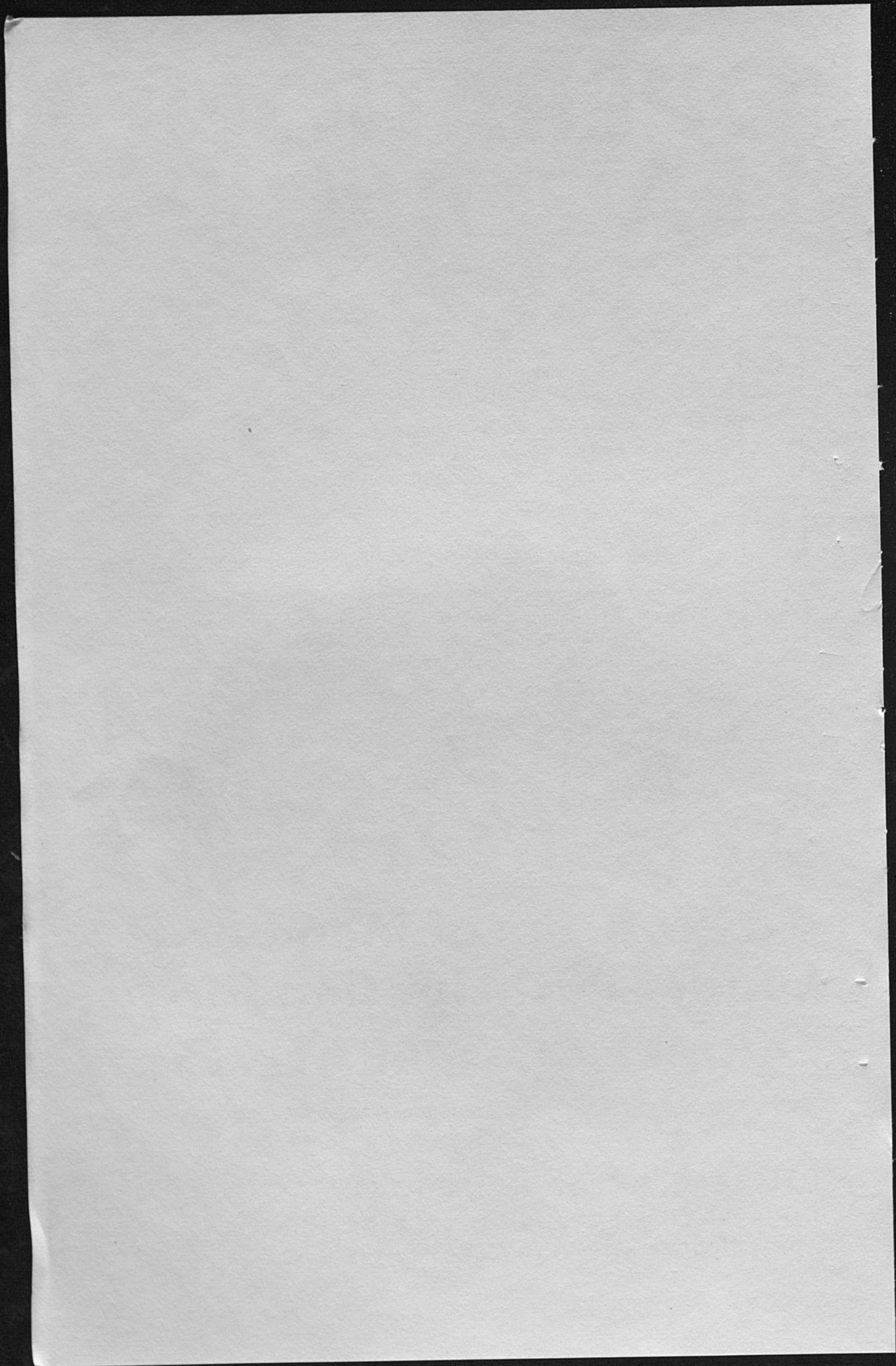
OPERATION LEADERSHIP

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* a Program of Member-Leader Participation for FARMER COOPERATIVES

by Eldon D. Smith and Wendell C. Binkley Circular 597
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PREFACE

Although this publication bears the authorship of only two people, many have contributed to its development. The authors had developed a somewhat similar idea; however, the real impetus for the program reported here came from Mr. Luther Raper, then Director of Membership Relations of Southern States Cooperative, Richmond, Va. The central idea was authored by Mr. J. B. Jones, vice president of the Baltimore Bank for Cooperatives.

The success of the program depended upon the complete and understanding cooperation of the management and research staff of Southern States Cooperative, and this will become apparent as the program is described. In addition to Mr. Raper, we are particularly indebted to Mr. Paul Mullinix, Director of Community Services; Dr. Claud Scroggs, Director of Economic Research; Mr. John Henderson, Regional Manager; and Mr. C. G. Colson, Regional Manager, all of Southern States Cooperative. Contributions are too numerous to detail here.

Four local Southern States Cooperatives voluntarily participated in this project, recognizing that it was an experimental undertaking and satisfactory results could not be assured. The main burden of work fell, of course, upon the managers. The Board of Directors and Farm Home Advisory Committee in each cooperative formally gave their support to the program and, as chairmen and vice chairmen, respectively, of the committees, gave not only support but substantial amounts of time and effort to the project. The local cooperatives were: Southern States Bardstown Cooperative (Mr. Frank X. Thomas, Manager), Southern States Carlisle Cooperative (Mr. Glenn Grear,* Manager), Southern States London Cooperative (Mr. Clarence May, Manager), and Southern States Maysville Cooperative (Mr. Everett Tolle, Manager). Without their willing cooperation this project could not have been completed.

To all of these people, to the member-leaders who participated, and to Dr. C. M. Coughenour, Department of Rural Sociology, University of Kentucky who assisted on important technical matters, we express our most sincere appreciation. Seldom, if ever, have such desirable working relations existed between a business organization and a research and educational agency.

* Mr. Grear has since resigned to accept other employment.

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"Operation Leadership"

A Program of Member-Leader Participation For Farmer Cooperatives

By ELDON D. SMITH and WENDELL C. BINKLEY

Operation Leadership's goal is to draw those members recognized as leaders into activities that will improve their cooperative. Since this program places members on committees to evaluate the cooperative's activities, these members, of course, become more active partners in the enterprise.

The program has several important effects: (1) It produces more interest in cooperative control activities, such as annual meetings. (2) It makes members more aware of their influence over cooperative policies. (3) It makes them more conscious that they are part owners of the cooperative. (4) It helps members better to understand the rules and principles of member control. (5) It probably helps them better understand the purposes of the cooperative. (6) It substantially increases the volume of business done by the participating members with the cooperative.

Increased effectiveness and ease of administration can be achieved by modifying and simplifying the program. Experience with the program suggests several ways to do this. Training for managers whose cooperatives undertake the program is quite important.

While cooperatives do benefit from farm leaders' more active role, this added participation does have its costs. Money is required for meals, manager travel, and other incidental expenses. Additional work is required of the manager. When performance has not been up to par, the manager and/or board may be called to account for it. Once members realize that they can get a hearing for their views, the manager and directors may be required to take more time to discuss conditions or policies in the cooperative. While these discussions do take time, the cooperative will benefit, for problems can be dealt with openly; patrons, therefore, will be less inclined to criticize the operation among themselves which, in turn, could cause the enterprise not to be supported in an intelligent manner. Member-leader participation has its costs but these seem to be offset by greater returns.

BACKGROUND

The individual farmer cannot personally know all of the directors and management staff of the several cooperatives that serve his needs. Many of these cooperatives are located several hundred miles away, and he is but one of several thousand or even of several hundred thousand members. Members tend to become part of a large, impersonal mass that top-level management does not know nor understand. Yet, as the psychologist, Dr. Fred Fiedler, has stated:

The cooperative obviously lives or dies on the strength of its membership . . . a large volume of business is essential . . . to make it economically feasible. A large and *supportive* membership also provides management with a stable base for developing programs and operating the cooperative efficiently.¹

Later he stated:

. . . The organization which does not take care to make its membership an active partner in its enterprise will not have the strength to survive the occasional downturns of business which are inevitable in practically all areas of business.²

This report is based on an evaluation of a program designed to develop attitudes more favorable to participation in, and support of, cooperatives. The program, to use Dr. Fiedler's terms, makes the members (or an important segment of them) "partner[s] in the enterprise." It was set up to determine what would happen when a group of member-leaders was given an important opportunity to improve the program of their local cooperative and its parent regional cooperative. Each member cooperative has a management contract which delegates its accounting, personnel recruitment and training, the maintenance of a pension and insurance system, and technical assistance to the parent federation, Southern States Cooperative. A more elaborate statistical analysis of this experiment is presented in another publication.³ Here we (1) describe the program, (2) summarize some of the more significant results of the program, and (3) relate some general impressions and individual experiences in developing and carrying out the program which may be useful in adapting the program to other cooperatives.

¹ Fred E. Fielder, "Motivating the Membership of Cooperatives," *Proceedings of the 1963 Kentucky Cooperative Conference*, Lexington, Ky., Feb. 25, 1963, p. 46.

² *Ibid.*, p. 56.

³ Eldon D. Smith, "Structural Provisions for Member Participation: Their Importance in Cooperatives," Bulletin 692, University of Kentucky Agricultural Experiment Station, Department of Agricultural Economics, July 1964.

"OPERATION LEADERSHIP"—HOW IT DEVELOPED

This program was called "Operation Leadership." The title indicates that the program was not meant to reach all members, or even all kinds of members. It was meant to reach only those members generally recognized as being influential and respected in their respective communities. In this way it was expected that through directly reaching a few people many more might be indirectly affected.

This program was not solely the product of the staff of the University of Kentucky. The program grew out of an idea presented by Mr. J. B. Jones, vice president of the Baltimore Bank for Cooperatives, at the Eastern Membership Relations Conference in 1961. Mr. Luther Raper, then Director of Membership Relations of Southern States Cooperative, who attended the conference, thought the idea might be applicable to local member cooperatives of Southern States Cooperatives. He asked the Department of Agricultural Economics of the University of Kentucky for assistance in developing it for use on a trial basis.⁴

The Basic Idea

The basic idea of the program was to have committees evaluate the local cooperative's activities and report their findings and recommendations to the board of directors and manager and, if appropriate, to the management of the parent organization. It was intended that summaries of these committee reports also be given at the local cooperative's annual membership meeting. It was expected that, by asking for this kind of critical evaluation: (1) some useful suggestions might be developed, (2) the members who participated would have a concrete demonstration of an attempt to serve their interests better and might gain increased interest and confidence in the ability of the organization to function effectively in their interests, (3) those who participated might learn something of the way the cooperative was run and, therefore, be better able to participate effectively, and (4) potentially good directors might be identified and prepared for their job.

Four local cooperatives participated in "Operation Leadership." Since Southern States Cooperative is a farm supply purchasing organization, the six committees for this evaluation were:

1. Membership Relations and Membership Information.
2. Advertising, Merchandising, and Retail Service.

⁴ Mr. Raper is now Executive Secretary, Virginia Council of Agricultural Cooperatives.

3. Retail Credit and Pricing and Special Services.
4. Facilities and Services.
5. Annual Meetings, Nominations, and Board Functions.
6. Youth Education.

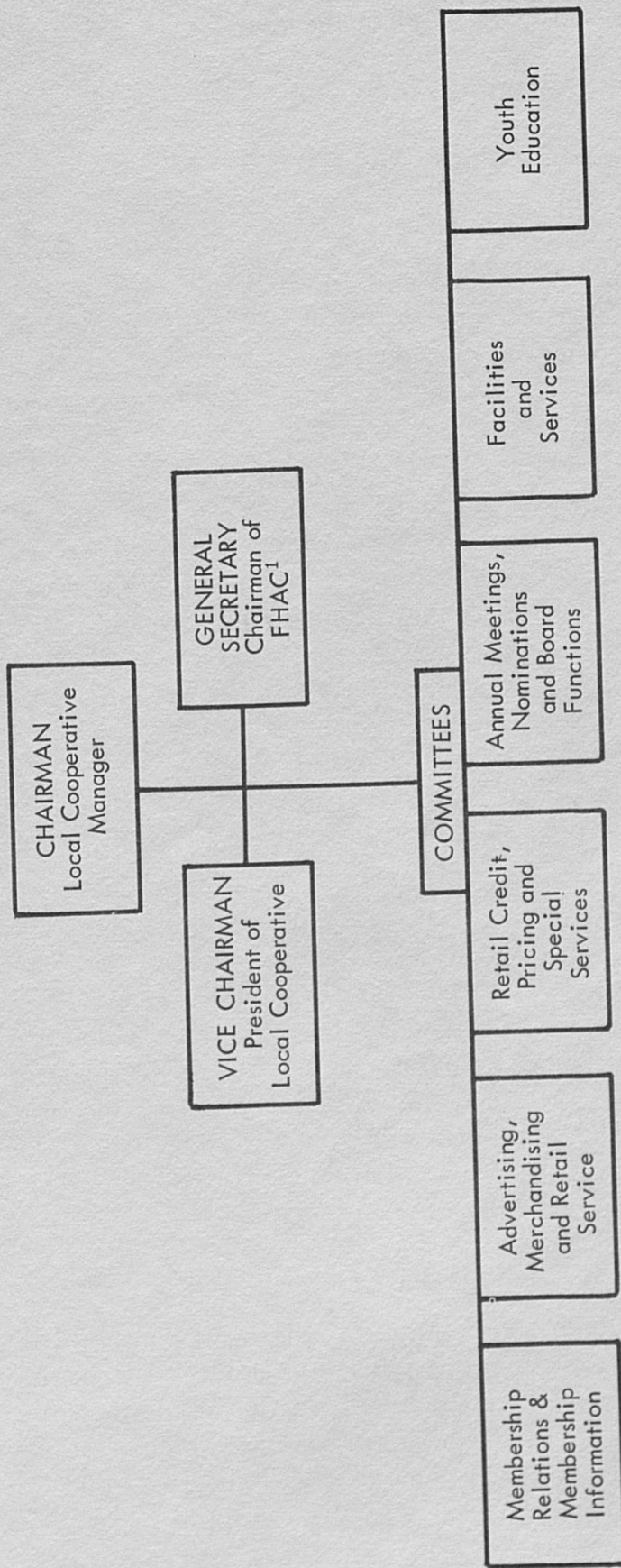
How Committee Members Were Selected

The members who were asked to serve on these committees were selected by simple procedures. About 6 public officials such as the county extension agent, sheriff, county judge, vocational agriculture teacher, county superintendent of schools, and the cooperative manager provided lists of about 100 farmers who, in their opinion, had leadership qualities. About 25 were selected from each of 4 areas of the service territory of the cooperative. These territories had been marked out on a county highway map in such a way that, in the opinion of the local manager, each contained about the same number of members. The lists provided by each person were cross-checked with those provided by others, and a list of individuals who were regarded by two or more of these officials to be leaders was compiled.

Using the list of identified leaders, the manager of the cooperative selected from each of the four areas one man who had never served as a director, and who was a member, to serve on each committee. Thus, each committee had four members each from a different part of the service territory.

Two such sets of committees were selected so that the members' qualifications were as nearly identical as possible. They were selected in pairs and, by the flip of a coin, one member of each pair was selected to actually participate in the program. The other member was included in a nonparticipant group so that research comparisons to determine the effects on those who participated could be made after the program was completed. In normal use, only one set of committees would be needed.

The chairman of each committee was a director. The vice chairman was a member of a women's group (Farm Home Advisory Committee) which is elected in the same manner as directors. A second woman was selected to serve as secretary to each committee. In most cases she was the wife of one of the other committee members. The manager served as general chairman, the president of the local cooperative as his vice-chairman, and the chairman of the Farm Home Advisory Committee as General Secretary (Fig. 1). The manager was general chairman because he, and only he, had the required staff, facilities, and, usually, experience in organizing meetings.



FOR EACH COMMITTEE

1. Chairman, Director or Ex-Director
2. Vice Chairman, FHAC Member
3. Secretary, A former FHAC Member Preferably or Wife of Male Committee Member
4. Member-Leader²
5. Member-Leader²
6. Member-Leader²
7. Member-Leader²

¹ Farm Home Advisory Committee

² Ex-directors excluded

Fig. 1.— Organization and committee structure for "Operation Leadership."

The sequence of activities in implementing the program is outlined below. Figure 10 is a suggested sequence of activities for others who may wish to develop a similar program.

Preliminary Steps

The initial step was to explain the program to the local managers of the four cooperatives invited to participate in the project. After they had agreed upon the plan, an evening dinner meeting was held, and the directors and Farm Home Advisory Committee members received a detailed explanation of the program and were given an opportunity to study the materials that pertained to the various committees. A formal board decision to participate in the program was rendered in each case.

After the board of directors approved the plan, the manager personally contacted each of those selected as committee members and as secretaries. He explained that the purpose of the program was to improve the services of the cooperative through their help. He asked them to participate. Very few refused! Most of those who declined had compelling reasons, such as ill health or conflicting obligations.

The "Kick-off" Meeting

A dinner "kick-off" meeting was held as the initial event of the program. This brought all members together so that they could be instructed and briefed about the purposes of the program and key facts about the cooperative. After receiving general information and instructions, the group was divided into the six committees. Each committee (1) met briefly, (2) looked over the handbook and other materials, (3) assigned responsibility for tasks that had to be performed, (4) was given specific instructions on how to do its assigned tasks, and (5) arranged for its first individual committee meeting. Dates were cleared so that the manager could attend the initial meeting of each committee to answer questions and provide guidance about any matters that proved difficult to understand.

Materials for Use by the Committees

Each committee was given a handbook or kit that gave detailed, step-by-step instructions regarding the particular subjects to be included in its area of responsibility. Included was a list of questions that would apply in any similar type cooperative, sources of information that might be used in answering the questions, and hints on how to interpret the information. (See Fig. 2 for sample page from handbook.) In addition, general information about the cooperative

QUESTIONS, SOURCES OF INFORMATION, AND SUGGESTIONS

A. Some Questions and Sources of Information Regarding Volume of Business in Relation to Unit Operating Costs

<u>Question</u>	<u>Sources of Information</u>	<u>Suggestions</u>
1. What was last year's business volume in dollars?	1. Financial statement, local	Manager will review local financial or operating statement (s) with committee.
2. What was last year's store operating cost per dollar of business volume?	1. Financial statement, local	
3. How much would operating costs be reduced per dollar of volume if the local coop volume were increased by \$50,000, \$100,000, or \$200,000?	1. Chart (7A) showing relation to volume to operating costs per dollar volume	

B. Some Questions and Sources of Information Regarding Relations Between Store Personnel and Patrons

1. Do store personnel, truck drivers, and warehousemen treat patrons fairly and courteously?	1. Personal experience 2. Personal observation 3. Patron survey (See attached forms and instructions 7B, 7C, 7D, 7E.)	Have all members take special notice of this when visiting the store the next few times.
2. Are there unusual delays or is service prompt?	(Same as above)	(Same as above)
3. Are store employees usually busy and businesslike in the way they approach patrons or do they create the impression that they are not interested in their jobs?	1. Personal experience 2. Observation when in the store 3. Patron survey	Take special note of this when you visit the store. Keep your ears open for comments of others.
4. Do all store employees handle problem situations like complaints, requests for credit and demands for special services in a diplomatic way?	1. Patron survey 2. Reaction to "artificial" complaints or requests	Have someone on your committee ask for a special service not usually provided and see how the store personnel handle it.
5. Does the appearance of the store and conduct of the store employees give one the impression of efficiency and personal pride or one of laziness and sloppiness?	1. Personal observation	Include any evident lack of tidiness or anything that is praiseworthy in your report.
6. Are large and small patrons treated with equal respect, courtesy and consideration?	1. Patron survey 2. Personal observation 3. Comments by neighbors	

Fig. 2.— Sample of questions, sources of information, and suggestions provided to aid committee evaluations. (Example: committee on advertising, merchandising, and retail service. Partial list only.)

and things that pertained to the particular committee's job were bound together in the same handbook (Fig. 3).

The entire set of materials, including agenda for the "kick-off" meeting and the final "roundup" meeting, was developed by the Uni-

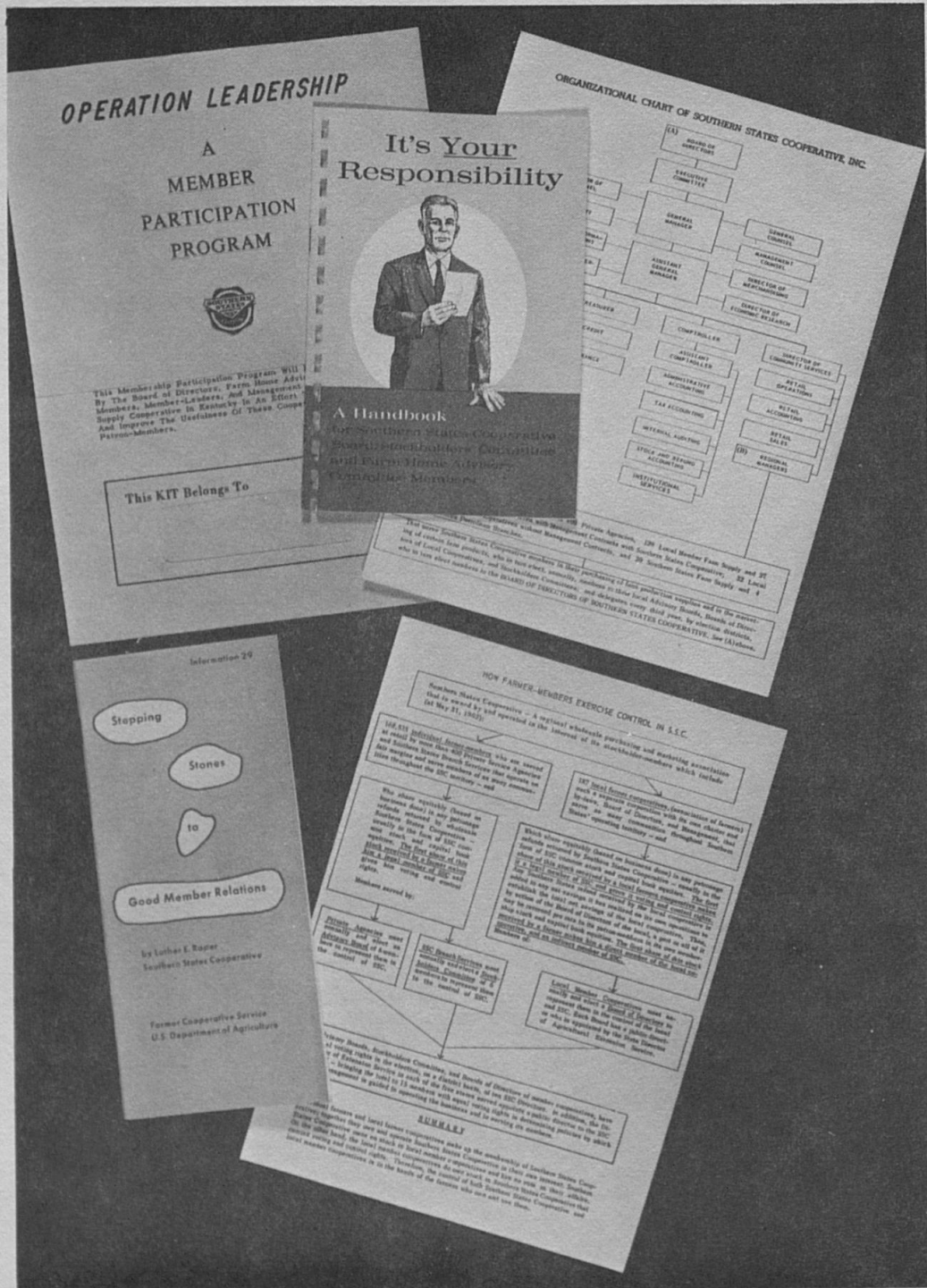


Fig. 3.— A handbook containing general information about cooperatives and the duties of particular committees was given to each committee.

versity staff in consultation with the Southern States Cooperative staff and was printed by Southern States using the official insignia of the organization on the cover pages and in other places where appropriate. No reference was made to University research participation in the program. Throughout, the program was treated as a *bona fide* activity sponsored by Southern States to improve the local cooperative and, where appropriate, the services of the regional association.

Committee Activities

Activities of the committees varied considerably. The first three committees listed made simple surveys to gather information regarding key facts about the cooperative and its operations. Each member of the Committee on Membership Relations and Membership Information surveyed the five members located nearest to his own farm and gathered information on knowledge of cooperative principles, use of informational materials, feelings regarding their ability to influence local operations, reactions to the annual membership meeting program and so forth. Members of the other two committees made identical surveys of the five nearest farms to obtain information about satisfaction with service and merchandise, reactions to credit policy, exposure to and use of advertising media, and other matters directly concerned with the performance of retail services. All three committees completed their surveys with little or no difficulty. The compiling of survey information by the secretaries was also accomplished in good order. Recommendations of each committee were based on the use of these results, information supplied in written form, direct observation, and questioning the manager.

The Committee on Facilities and Services made its evaluation mainly through examining the warehouse, display room, parking areas, and feed grinding and mixing facilities. The committee also consulted the manager about any problems he experienced such as space shortage for fertilizer inventories and the like. In addition, the availability and sources of finances for contemplated changes in services or facilities and the relation of costs and benefits were considered.

The Youth Education Committee met with the county extension staff and the vocational agriculture and home economics teachers, in addition to the local manager. It learned what was being done and the problems that arose relating to more effective educational work on agricultural cooperatives. In the service territory of one of the four cooperatives, as a direct result of this program, three 4-H Clubs participated in a group study project on this subject. The manager, the assistant manager, and the director—who also was chairman of

the Youth Education Committee—served as adult leaders of the three 4-H club projects.

The Committee on Annual Meetings, Nominations, and Board Functions based its deliberations mainly on impressions of its members when they attended the annual meeting and on the manager's statements regarding some of the problems encountered in organizing and conducting the meeting.

The number of meetings held by each committee varied from one to three, depending on what the committee felt was needed to do an adequate job. In addition, some work was done by individuals between meetings. The committees completed their individual assignments in about 6 weeks.

The "Roundup" Meeting

After each committee completed its work and prepared a report (on forms supplied in the kit), a second general meeting of all committees was held to hear and discuss the reports of all committees. Reports varied in completeness, from simply reporting on conditions and problems uncovered to rather direct committee recommendations for specific actions by the board of directors and management. At both this meeting and the "kick-off" meeting, the regional manager—from the parent organization serving the cooperative's territory—had an active part in the program. A member of the University staff attended as a consultant.

RESULTS OF THE PROGRAM

Following the completion of the program, 2½-3 months were allowed to elapse before a survey was made of: (1) each participating member, (2) each of the nonparticipant group, (3) each director, and (4) each F.H.A.C. member. The nonparticipants were selected so that they would be similar to those who participated. The survey of participants and nonparticipants attempted to measure what changes in attitudes or feelings, opinions, and factual knowledge about the cooperative had occurred because of participation in the program. Interviewers were employed and trained by the University to conduct all personal interviews.

The effects of the program on the people who participated in it were measured in two ways: (1) by comparing them with a similar group of people who did not participate in the program and (2) by obtaining the direct evaluations of those who participated, including the directors and members of the Farm Home Advisory Committee (women).

Attitudes Related to Member Participation⁵

A group of eight questions was used to check members' feelings of influence or "say-so" and feelings of responsibility to support the cooperative and to keep up to date on it. From the answers, an index of attitude toward participation in the cooperative or "participativeness" was constructed using techniques employed by psychologists. Figure 4 shows that members who were active participants in the program were much more inclined toward participation (participativeness) than those who were similar to them but had not participated in the program.

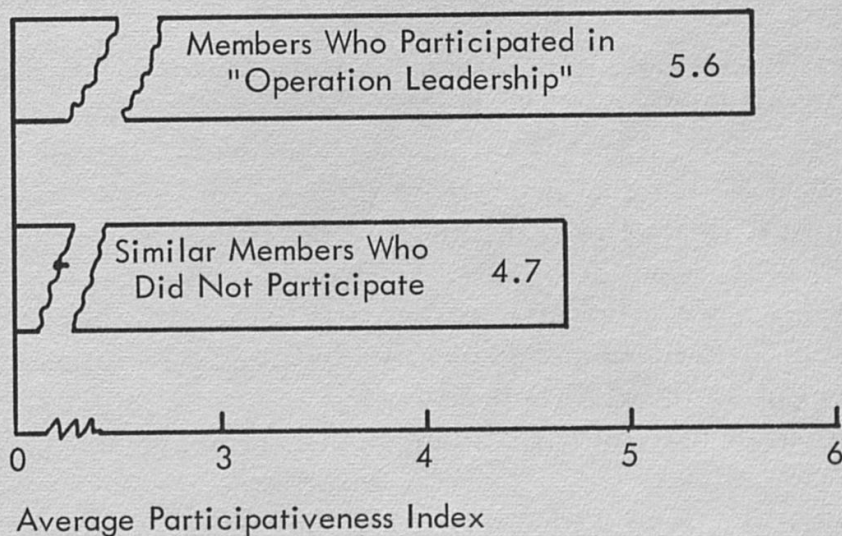


Fig. 4—"Operation Leadership" builds more participation-minded leaders.

A group of questions was specifically designed to see if members felt they had any more influence or "say-so" about the way the cooperative was operated than they did about the way noncooperative firms with which they did business were operated. They were asked if they felt that they had any "say-so" about any of the establishments they did business with. If they did, they were asked to pick out the ones they felt this way about. Figure 5 shows the proportion of the two groups that (1) singled out the cooperative as being one in which they had direct influence or "say-so" and (2) did not mention noncooperative establishments.

If the nonparticipants are typical of farm leaders in these areas (which we believe to be true), there is a very disturbing lack of aware-

⁵ With only one exception (which is noted), all statistical comparisons referred to in this study were significant at usually accepted levels of probability, $P = 95\%$ or above.

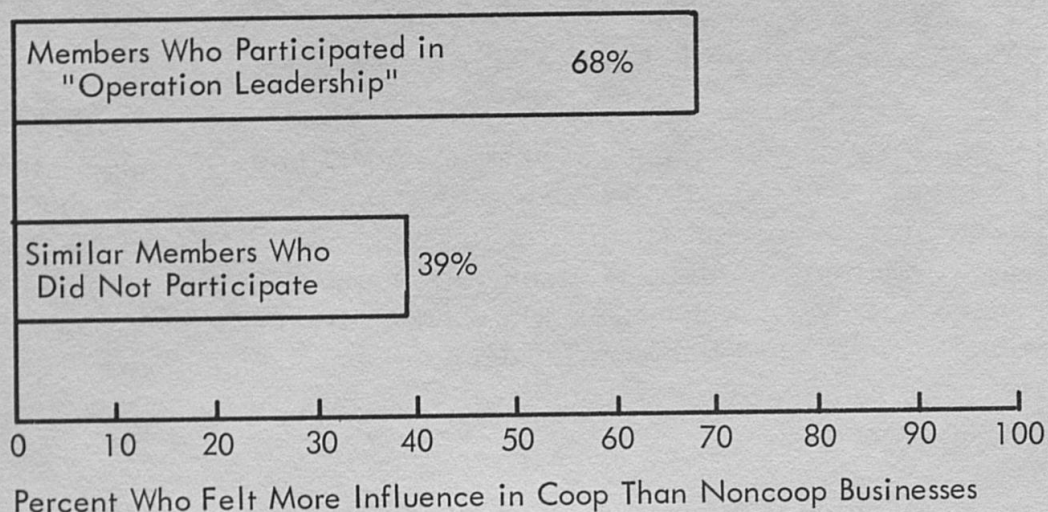


Fig. 5.— Farm leaders who participated in "Operation Leadership" developed feelings of having influence or "say-so" in the cooperative's activities.

ness by leaders that they have more influence or "say-so" about the way cooperatives are run than influence regarding the way other private businesses are run. However, the chart indicates that a large part of this deficiency can be corrected by participation in a program such as "Operation Leadership." Evidently, the program proved to many of these people that the cooperative was somehow "special" in this regard, that is, that they had more influence or "say-so" in the cooperative.

Another question asked was whether they felt that they were part owners of any of these business establishments. Figure 6 shows that considerably more of the people who participated in the program had come to feel this way about the cooperative than those who had not participated.

These facts provide strong evidence that cooperative members who participated in this program of committee activities became more interested in the cooperative, more conscious of their rights and powers as members, and generally more likely to take an active part in the annual meeting and other business affairs of the cooperative.

Participation As Patrons—Volume of Business

If members become more aware that they are part owners in the cooperative and have some "say-so" about its management, they will likely become more confident of getting a "good deal" and may patronize the cooperative more. This was checked by comparing the dollar volume of purchases by each group for the fiscal year 1961-62 with purchases during the fiscal year 1962-63, the year in which the program was conducted.

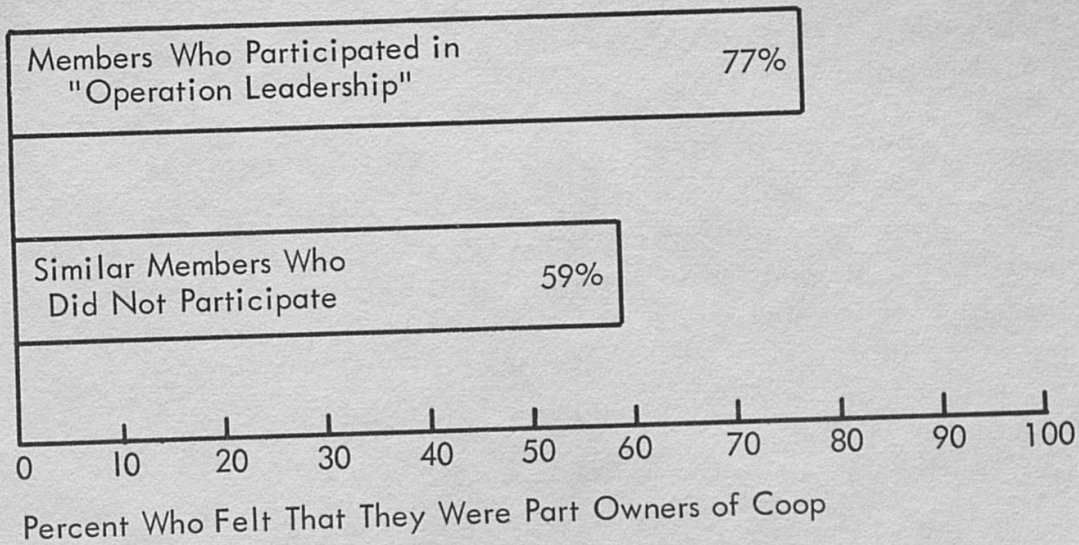


Fig. 6.— Participation in "Operation Leadership" helped farm leaders recognize that they were part owners of the cooperative.

This program was begun in late January 1963 and was completed in March 1963. Therefore, less than one-half of the 1962-63 fiscal year which ends at the end of May or the end of June could have been affected by the program. However, when comparisons were made between the business done by those who participated in the program and those who did not, the results were very interesting. The increase in volume of business with those leaders who participated in the program was about four times as great in dollars as with the leaders who did not participate (Fig. 7). These results could mean that if such a program were conducted frequently with a revolving committee

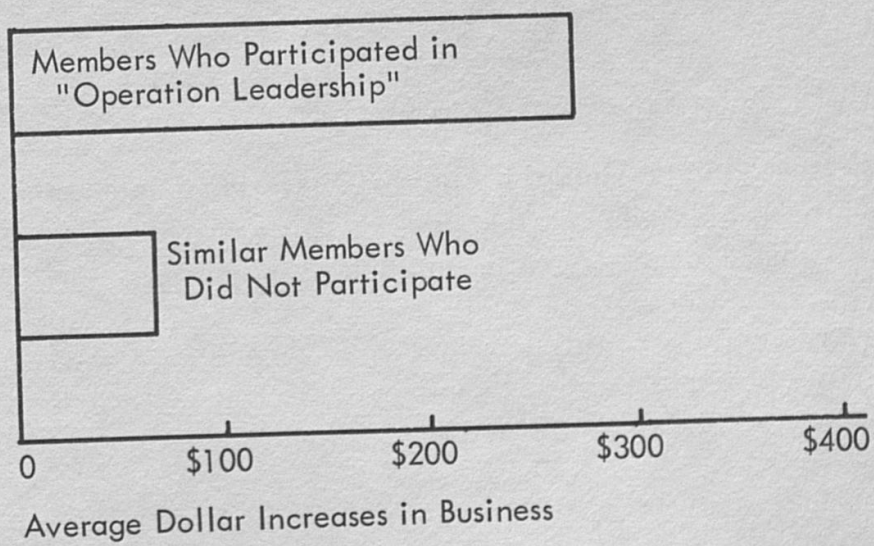


Fig. 7.— Leaders who participated increased their volume of business more than nonparticipants.

membership, a large group of better patrons could be developed and increased volume assured.

Increases in Member Knowledge of Cooperatives

Measures of member knowledge used in the study were not highly precise. However, there was a fairly clear indication that those who participated became significantly more informed about the rules and principles of member control in cooperatives. This is shown by comparing an index of knowledge of control principles in the group that participated in the program and those that did not (Fig. 8).

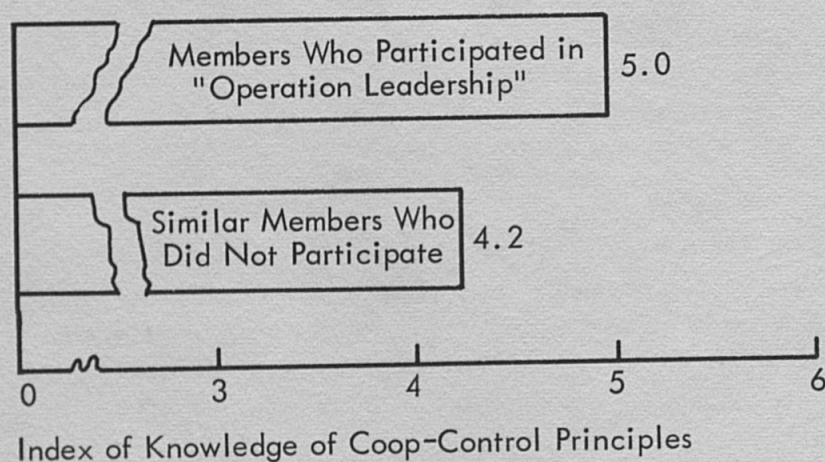


Fig. 8.— Leaders who participated increased their knowledge of principles of member control.

There was also some indication of improved understanding of the economic purposes of cooperatives.⁶ Both participants and nonparticipants seemed to have a good grasp of this. However, no indication of improved member understanding of the particular organization of Southern States Cooperative was observed.

What Members Thought About "Operation Leadership"

How the people who participated in this program were affected by it probably depended greatly on their feelings regarding its purposes—and also, whether they felt that the management and board of directors would seriously consider their suggestions and whether they felt the program was worthwhile. At the end of each interview, after the questions about ownership, influence, and knowledge of

⁶The difference between the two groups was not large enough to meet usually accepted standards of reliability. There was about a 14 percent probability that the difference was due to chance and that no real difference between the two groups existed.

cooperative principles had been asked, the interviewers revealed that the interview was connected with "Operation Leadership." Then the interviewer asked a series of questions regarding the program itself. Each person interviewed was asked to give his honest opinions even though they might not be complimentary.

Opinions were very nearly unanimous that (1) the total program had been worthwhile and (2) the work of individual committees was worthwhile. Furthermore, an overwhelming majority said that it would recommend such a program to other cooperatives (Fig.9).

Perhaps a major reason for these feelings was that the local board, local manager, and regional manager told all committees that they honestly wanted all ideas and suggestions, even those that were not necessarily complimentary (Fig. 9). The local manager further conveyed this impression by the assistance he gave the committees, which was almost unanimously considered to be adequate. This attitude was taken seriously by the members of the committees. This is evident because: (1) in three cooperatives the annual meeting program was criticized; (2) in one cooperative the lack of an active youth education program was pointed out, with the result that three group study projects relating to cooperatives were organized with the manager, assistant manager, and a director as leaders; (3) disorder in the warehouse and bad store service were severely criticized in one cooperative; and (4) a strong recommendation for better control of accounts receivable was made in one cooperative.

Opinions of Directors and Farm Home Advisory Committee Members Who Served As Chairmen and Vice Chairmen

Every director and every Farm Home Advisory Committee member expressed the feeling that this program was worthwhile. A vast majority rated the program as very worthwhile and said that they would recommend it to other cooperatives (Fig. 9). This at least represents statements of a rather unusual unanimity of opinion about a relatively new and different program.

A GENERAL APPRAISAL OF "OPERATION LEADERSHIP"

We can say with some confidence that the results of this program were desirable. Many indications exist that participants' attitudes and opinions about these cooperatives had been changed in way that will likely improve these cooperatives. The farm leaders who were active participants in this program will likely take a more active interest in the cooperatives and will likely be a continuing resource to the manager and board of directors in implementing constructive programs.

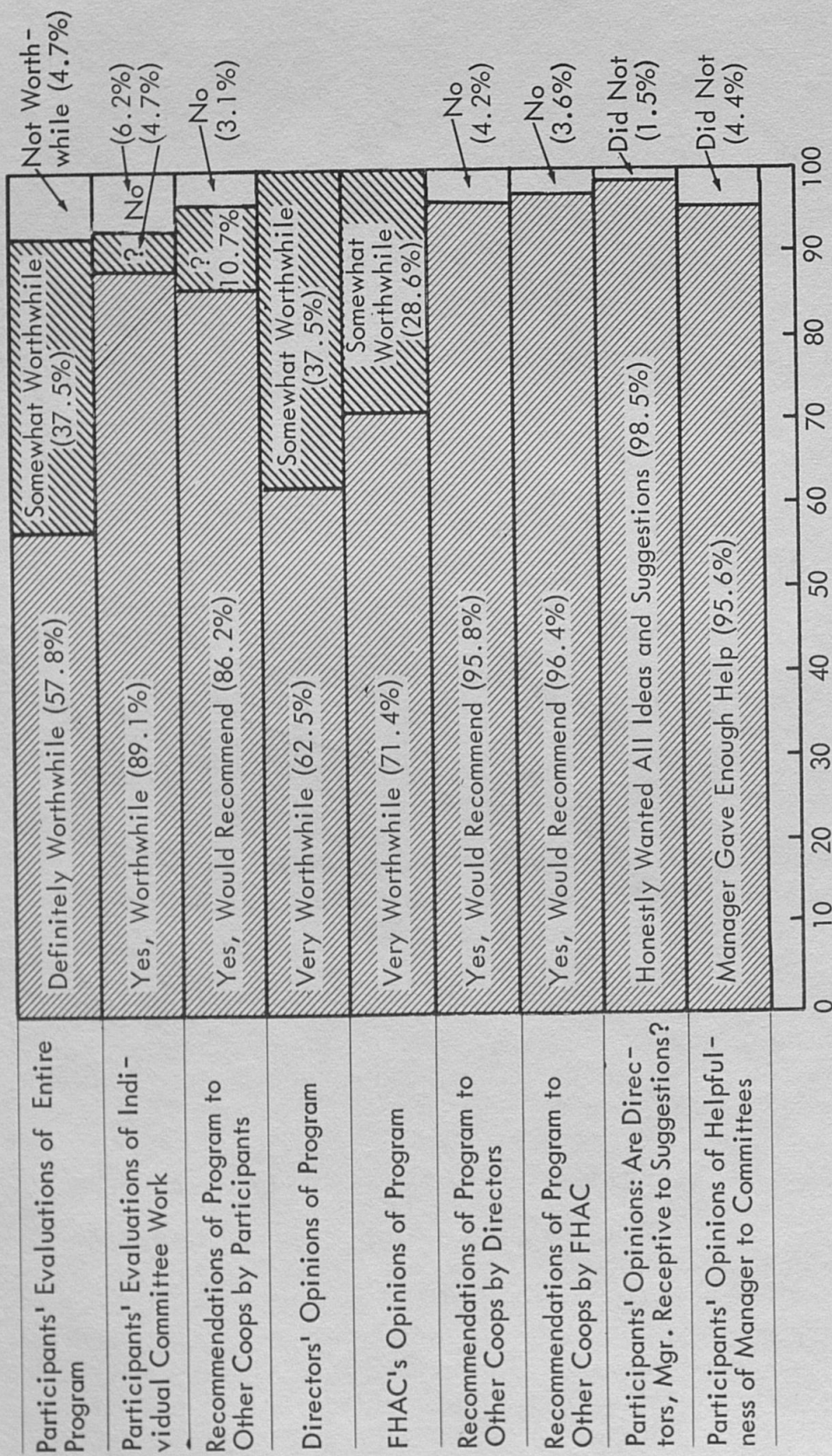


Fig. 9.—Participants', directors', and Farm Home Advisory Committee's evaluations of "Operation Leadership."

They will also likely be more loyal patrons and thereby improve the volume of business and lower the cost of supplying goods and services to the member-patrons. This will be particularly true if their participation both as members and as patrons has the expected effect on others in their respective communities. The very fact that about 50 additional farmers were asked for their opinions about Southern States' products and service in each of the four cooperatives may very well have resulted in additional business, but no data are available on this point.

The continuation of these desirable attitudes and opinions cannot be predicted with certainty. This will probably depend on whether the board and manager continue to convey the impression that they are interested in the opinions of these people and whether they use constructively those people who have developed some interest in the cooperative. If they do not continue to give a sympathetic hearing to volunteered criticisms and suggestions of these people, what has been accomplished could easily be undone.

SOME LESSONS THAT CAN BE LEARNED FROM THESE "TRIAL RUNS" OF THE PROGRAM

Mistakes are frequently made in the development of a new machine, a new chemical process, or a new program in a business organization. This program is no exception. In adapting an experimental prototype of a ballistic missile to the requirements of field conditions and use by people who are not ballistic missile engineers, the controls and procedures must be simplified and made more reliable. Similarly, this program will probably have to be somewhat modified and simplified if it is to be useful on a continuing basis. The University staff will not, of course, be able to give extensive assistance to all individual cooperatives. However, as will be explained shortly, valuable assistance of a slightly different nature could be provided by extension specialists.

No doubt improvements could be made in the program. An elaborate explanation of each point cannot be made here, but the following points seem to merit some consideration:

1. The program must be set up in a way that it can be administered best in the organization of the particular cooperative. Technical assistance may be needed in adapting it to particular situations.

For additional information or technical assistance, address requests to: Chairman, Department of Agricultural Economics, University of Kentucky, Lexington, Ky. 40506. Send a carbon copy to: Director of Economic Research, Southern States Cooperative, Richmond, Va.

In the Southern States Cooperative, local management is, to a considerable degree, supervised by the regional association. Therefore, the program had to be worked into the standard pattern of reports, merchandising programs, and other activities which are calendarized by the regional offices. A program such as this cannot be simply "tacked onto" the local manager's duties without due recognition that it does take additional time and effort on his part. Furthermore, he should be given assurance that in evaluating his performance for purposes of salary adjustments, year-end bonuses, and the like, his successful completion of this program will be properly recognized. The manager is a key individual in this or any other program in the cooperative, and he, being human, must feel that this is regarded as a high-priority activity if he is to take the time to do it well.

2. If the manager and board are not fully committed to doing a thorough job, the results will likely not be worthwhile. In one cooperative a chairman was never assigned to a particular committee and, in general, a less thorough job was done than at the other three points. In almost every category the results achieved at this cooperative were less satisfactory than at the other three.

3. Although the evidence is not altogether clear, the types of activities that seemed to be most satisfying to the members who participated were ones which involved a tangible result such as the completion of a survey. Surveys seemed to carry with them an element of prestige or importance since they are associated with research. When members who participated were interviewed, some rather proudly referred to what they had found in the "research survey" they had done.

The content of the Membership Relations Committee's survey seemed to be of slightly more interest than the other two surveys. This was partly because some of the committee members found, in doing the survey, that they, themselves, were uncertain about some important facts on which they were questioning their neighbors. Probably the interviews had educational value, for the curiosity of those interviewed may have been whetted about important facts and ideas. However, we have no data on these points other than some statements by participants and managers to the effect that committee members were asked questions by those whom they interviewed which they could not answer. In some of these cases, the local manager was asked to supply information which they passed on to the people interviewed.

4. Contrary to the views of both the University staff members and the regional managers involved, local cooperative managers were

not, in all cases, able to interpret correctly the detailed instructions provided. Although attempts were made to make procedures and materials fairly simple, in some cases the committee work was not done completely because the manager did not understand what was expected. For example, some thought that when the three committees that did surveys finished and compiled their surveys, their job was done. Yet, this was designed to provide each committee with material for a discussion of policies and problems related to their committee assignments. This suggests a need for at least a 1-day training session for managers who contemplate such a program. Some further simplifying of materials and procedures is also needed if the program is to be applied in a normal operating context—one in which the local manager is largely dependent on his own resources to assist individual committees, to show them how to use their materials, and to iron out problems when they are unable to interpret their instructions. A suggested modified sequence of events for normal operating use is shown in (Fig. 10). The assistance of extension specialists may properly be sought in both training managers and in simplifying and adapting procedures to other situations.

5. In some cooperatives, a person ought to be assigned responsibility for administering programs of this kind. Since there was no such individual in the regional office staff in this particular family of cooperatives, the regional managers undertook this responsibility. However, if a program of this type were carried on in a large proportion of the cooperatives simultaneously, it would become unduly burdensome for regional managers. It should either become a function of one of his staff (or comparable official in other cooperatives) or the activity must be simplified enough and enough training provided so that it can be largely self-administered by local cooperative managers.

6. The local manager, rather than the president or a subordinate employee, should be in charge of the program. The president, in most cases, has neither the time, the staff, nor the facilities to perform this function. To assign it to a subordinate employee would indicate to those who participate that it is secondary in importance to other activities.

7. In connection with the list of questions, sources of information, and suggestions provided for the guidance of those committees that carry out surveys, the specific survey question or questions should be identified that have value in answering the questions that are posed in the handbook (see Fig. 2 for an example of these questions).

8. The timing of the program should be during the season of the year in which it will conflict least with farm work. Despite some diffi-

SUGGESTED SEQUENCE OF EVENTS

1. Selection of cooperatives to be invited to participate -- regional cooperative personnel, Cooperative Council, or Extension staff.
2. Training session (1 day) for managers of invited cooperatives -- hired consultant, Extension specialist, or personnel of regional cooperative as instructor.
3. Local board meeting -- discussion and formal board decision to participate or not participate.
4. Selection of farm leaders (not ex-directors) to participate (by local manager) and tentative assignment of leaders, chairmen (directors), and vice-chairmen (Farm Home Advisory Committee) to committees.
5. Personal contact of member-leaders by manager to explain purposes and secure commitment to participate.
6. Kick-Off Meeting -- all committees (dinner meeting) -- explanation of purpose of program and of the meeting -- recognition of fact that leaders were selected -- explanation of advisory status and rights and duties of committees -- set completion target dates and tentative date of Roundup Meeting -- break into individual committees to assign tasks, make plans, set target dates, explain materials and schedule meetings (clear dates with manager).
7. Individual committee activities:¹

<p style="text-align: center;"><u>Committees</u></p> <p>A. Member Relations and Member Information</p> <p>B. Advertising, Merchandising, and Retail Service</p> <p>C. Retail Credit, Pricing, and Special Services</p> <p style="text-align: center;">-----</p> <p>(All 3 committees the same)</p> <p>a. Survey (10 days)</p> <p>b. Compile survey results -- secretary (5 days)</p> <p>c. First committee meeting (manager attends) -- discuss questions, survey results; make suggestions</p> <p>d. Second meeting -- further discussion and prepare report (within 10 days)</p> <p>e. Third meeting if necessary</p>	<p style="text-align: center;"><u>Committees</u></p> <p>A. Facilities and Services</p> <p>B. Annual Meetings, Nominations, and Board Functions</p> <p style="text-align: center;">-----</p> <p><u>Activities</u></p> <p>(Both committees the same)</p> <p>a. First committee meeting² (within 10 days -- manager attends)</p> <p>b. Second meeting (within 10 days) -- further discussion and prepare report</p> <p>c. Third meeting if necessary</p> <p style="text-align: center;">-----</p> <p>A. Youth Education</p> <p style="text-align: center;">-----</p> <p>a. First committee meeting (within 10 days -- manager, vo-ag teachers, county Extension staff, home economics teacher attend)</p> <p>b. Second meeting (within 10 days) -- further discussion and prepare report</p> <p>c. Third meeting if necessary</p>
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Note: Manager attends only first meeting of individual committees unless specifically needed and requested by the committee.

8. Roundup Meeting -- all committees (dinner meeting) -- hear and discuss all committee reports.
9. Special board meeting to take action on reports and recommendations.
10. Report of activities and actions taken to annual membership meeting.

¹Structure of committees will vary with type of cooperative; these pertain to farm supply cooperatives.
²Facilities and Services Committee meets at cooperative.

Fig. 10.—Suggested sequence of events for "Operation Leadership."

culties of bad weather, the attendance at meetings during the January-March period was generally good. In addition, it was learned that many people do not know how to assure good attendance through clearing dates with all members well in advance, through checking by telephone the day prior to the meeting, and so forth. How to do this should be described verbally and in writing in the materials provided for committee chairmen.

9. The program should have clearly established deadline dates and be confined to a period of no more than 2½ months. It appears to be quite important to capitalize on the enthusiasm and feelings of prestige generated by the discussions in the "Kick-Off" Meeting.

10. Including women in this program is quite important. They typically have more time to telephone reminders to people about meetings, are more accustomed to doing paper work since many of them serve as bookkeepers for the farm business, and generally tend to keep the program moving along. A second woman on each committee is quite desirable, since a lone woman tends to feel out of place and uncomfortable.

11. Make provision for either a meal or cost-free refreshments at committee meetings. This is desirable since it reaffirms the impression that the activities of the committees are regarded as being important by the board and manager. It also provides a more relaxed atmosphere conducive to free exchange of ideas.

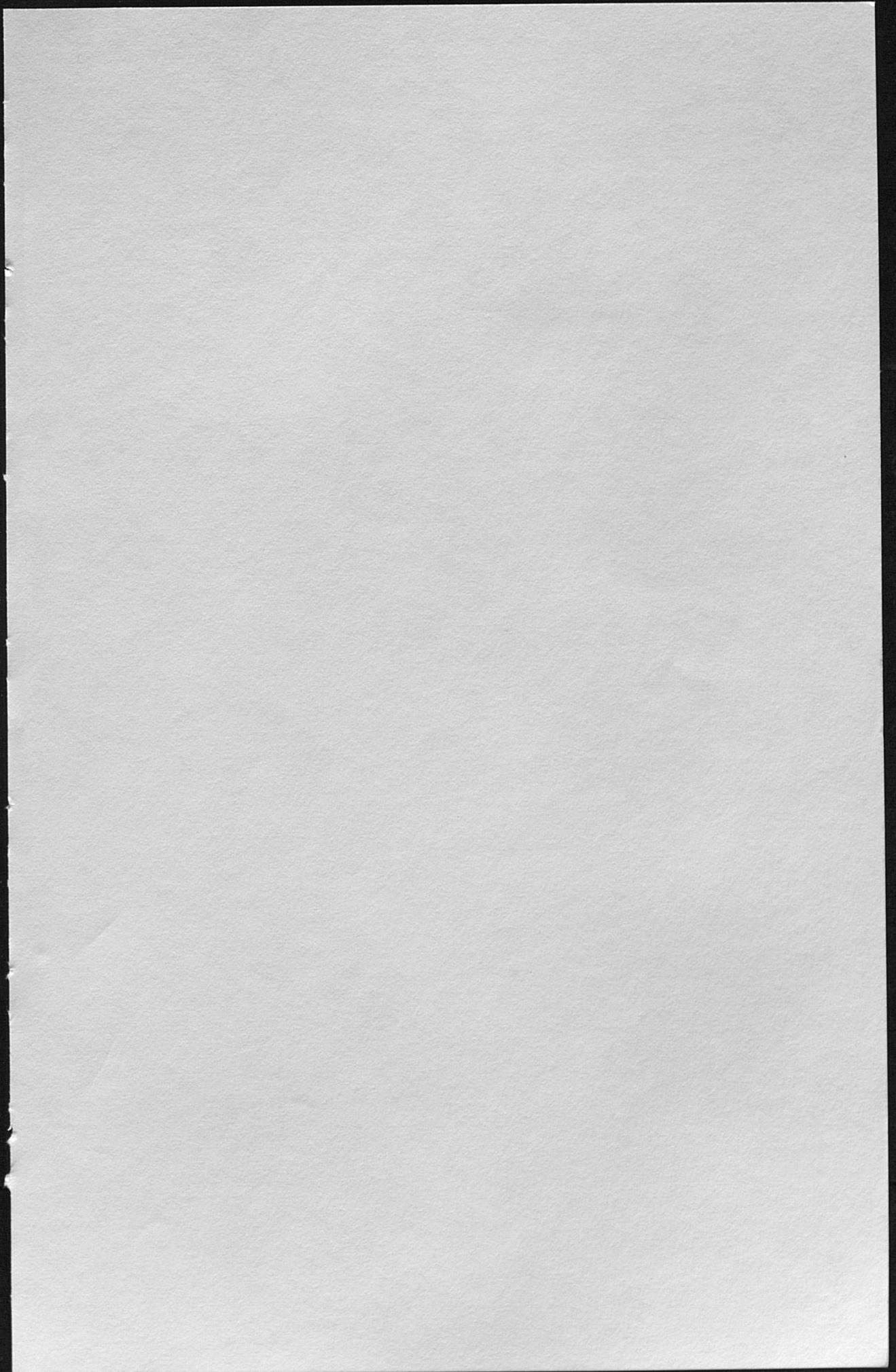
12. The program was beneficial to directors as well as the members who participated. It placed individual directors in charge of something and made it important for them to learn some things about the cooperative and its activities that might not otherwise have come to their attention. Furthermore, having a director in charge of each committee provided an automatic feedback of information to the board, so that problems that were uncovered were automatically brought to the attention of at least one member of the board.

13. If the members of committees are given a clear understanding of their advisory role, there seems to be no problem of a committee attempting to usurp the right of the board of directors or the manager. No instance of this occurred in any of the 24 committees which were set up in the 4 participating cooperatives.

14. This program need not be viewed as a unit, all parts of which are required for success. Other cooperatives, such as Garden City Cooperative of Garden City, Kansas, have conducted surveys similar to the one included here relating to patrons' opinions regarding service, merchandise, and service policies generally to the exclusion of all other aspects of their local operations. It is quite possible that

an equally useful approach could be to center attention only on membership relations, the annual meeting, or youth education. Other categories of activities such as repair service in electric power cooperatives, claims service in mutual insurance companies, refund or advance payment policies in marketing cooperatives might be the focal point for a meaningful opportunity for members to participate.

15. The high quality of data supplied by those that did surveys indicates the distinct possibility that research directors of cooperatives may be able to use groups of members successfully in getting a variety of useful information at nominal cost while still providing a worthwhile and stimulating experience for the members who participate which may enhance business volume and improve member attitudes toward participation in the cooperative. The potential value of this could be very great!



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