

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
- ▶ On site interviews using formal survey
- ▶ Informal follow up discussions

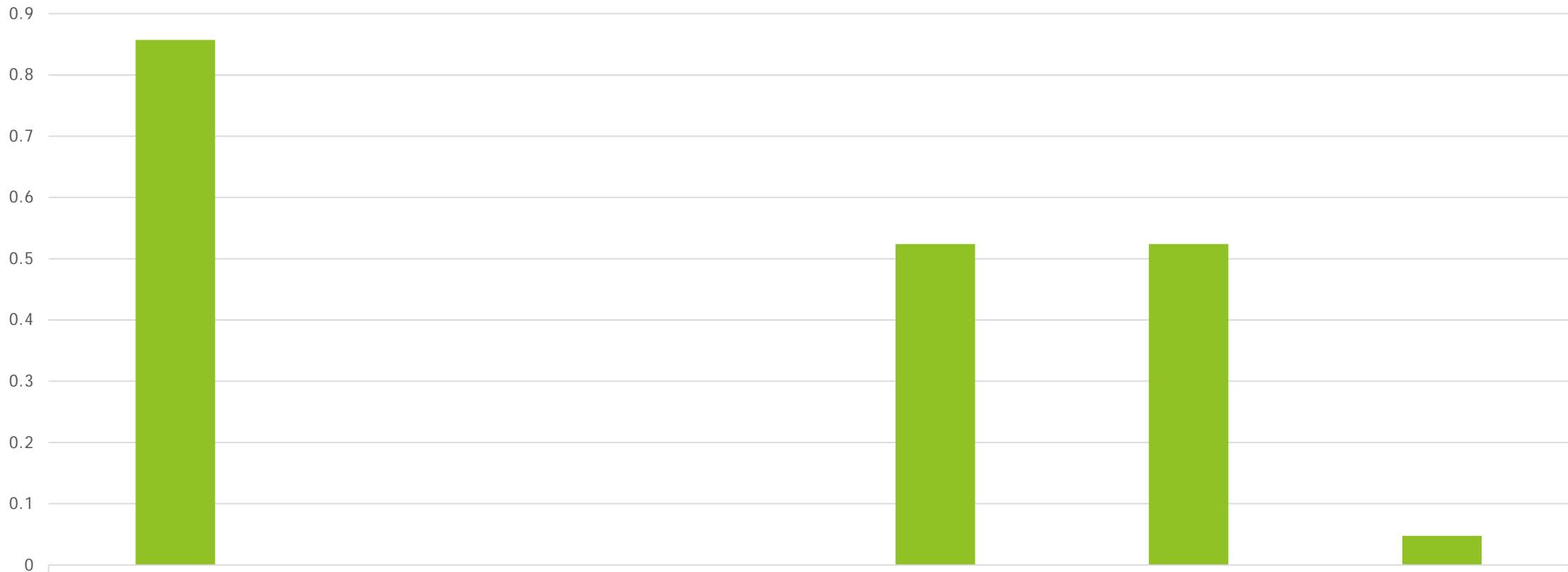
Survey Areas

- ▶ 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 on job

Employer-Employee Communication Channels



Staff Meetings

Newsletter

Bullentin Board

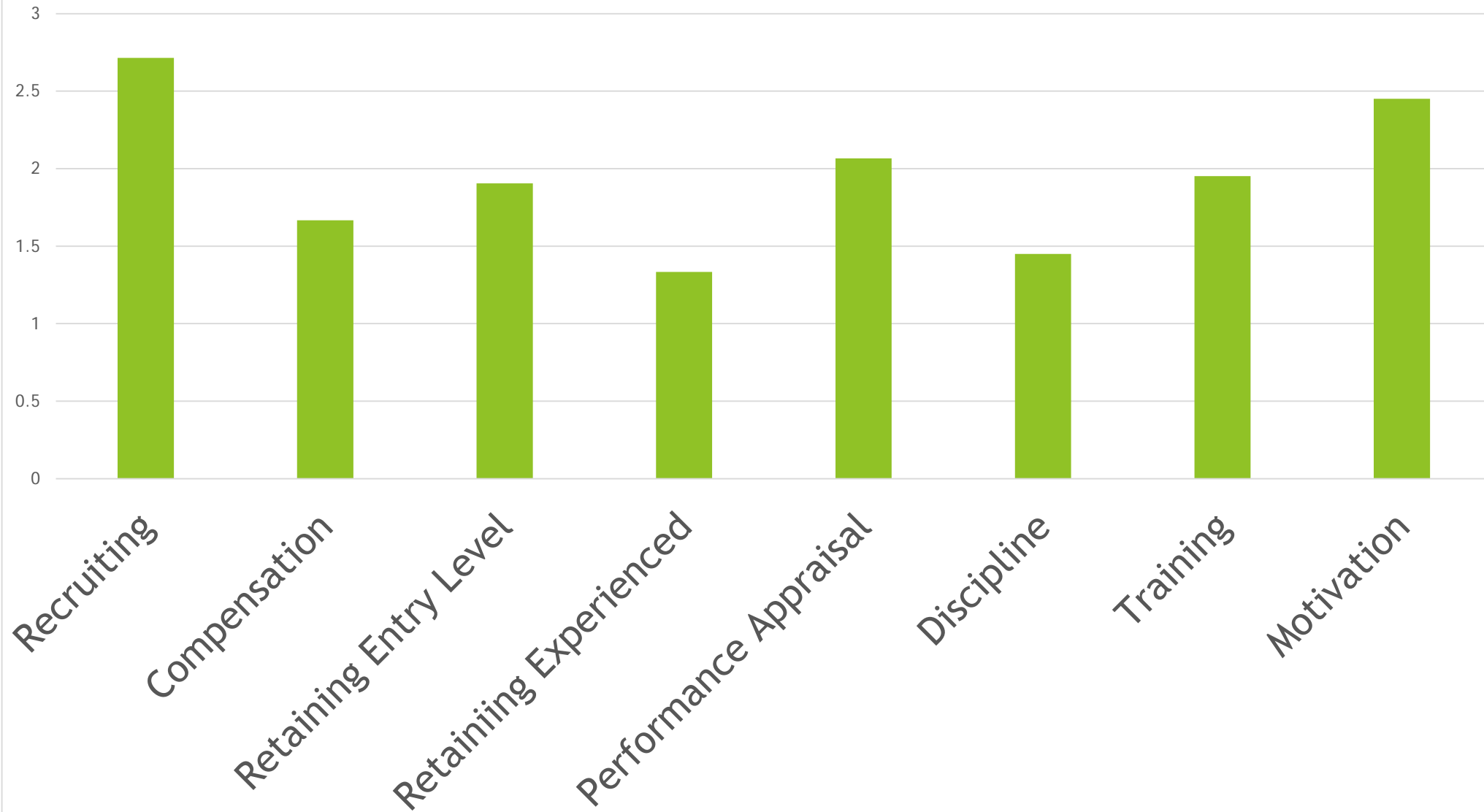
Email

Text

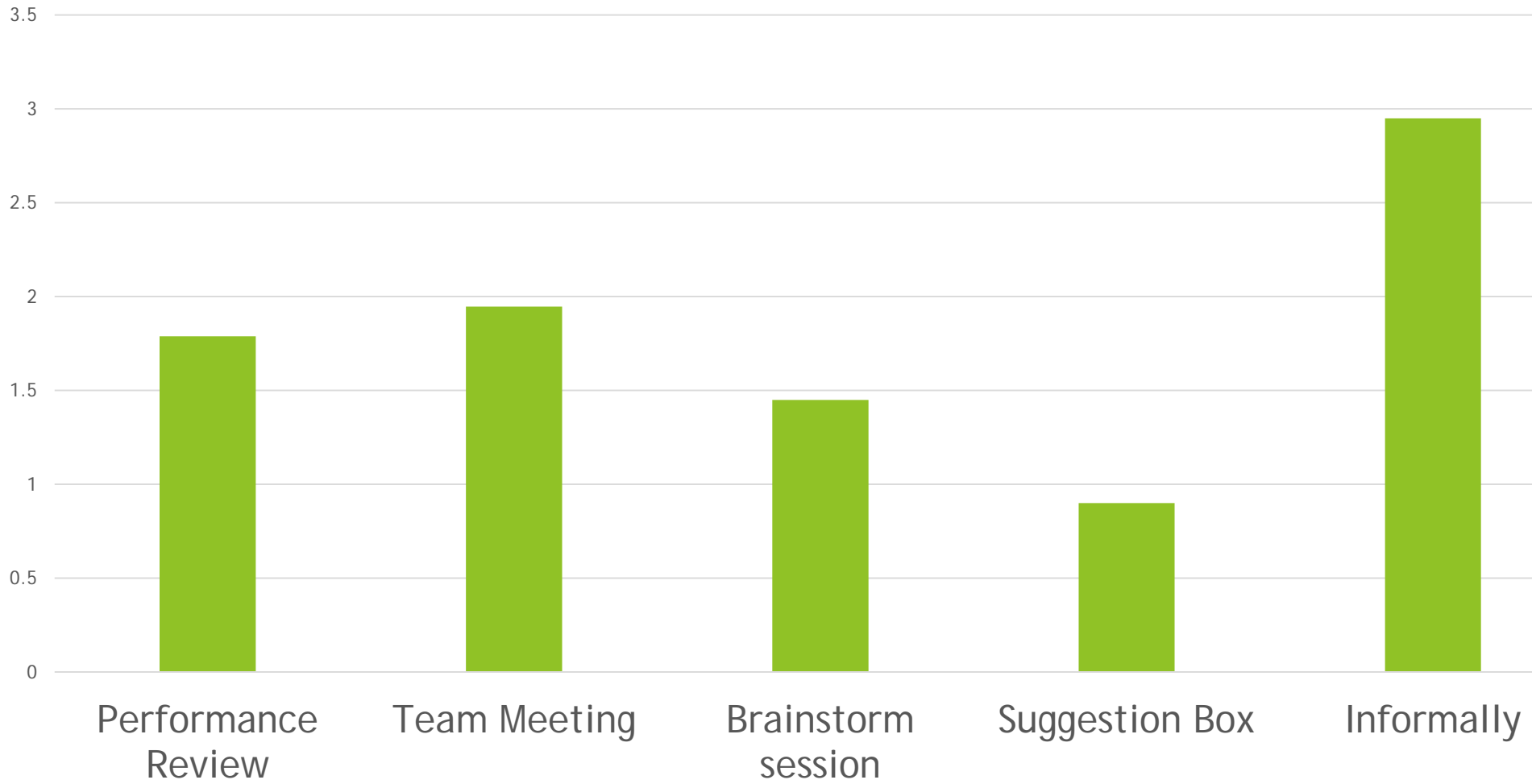
Web Page

Employer-Employee Communication Channels

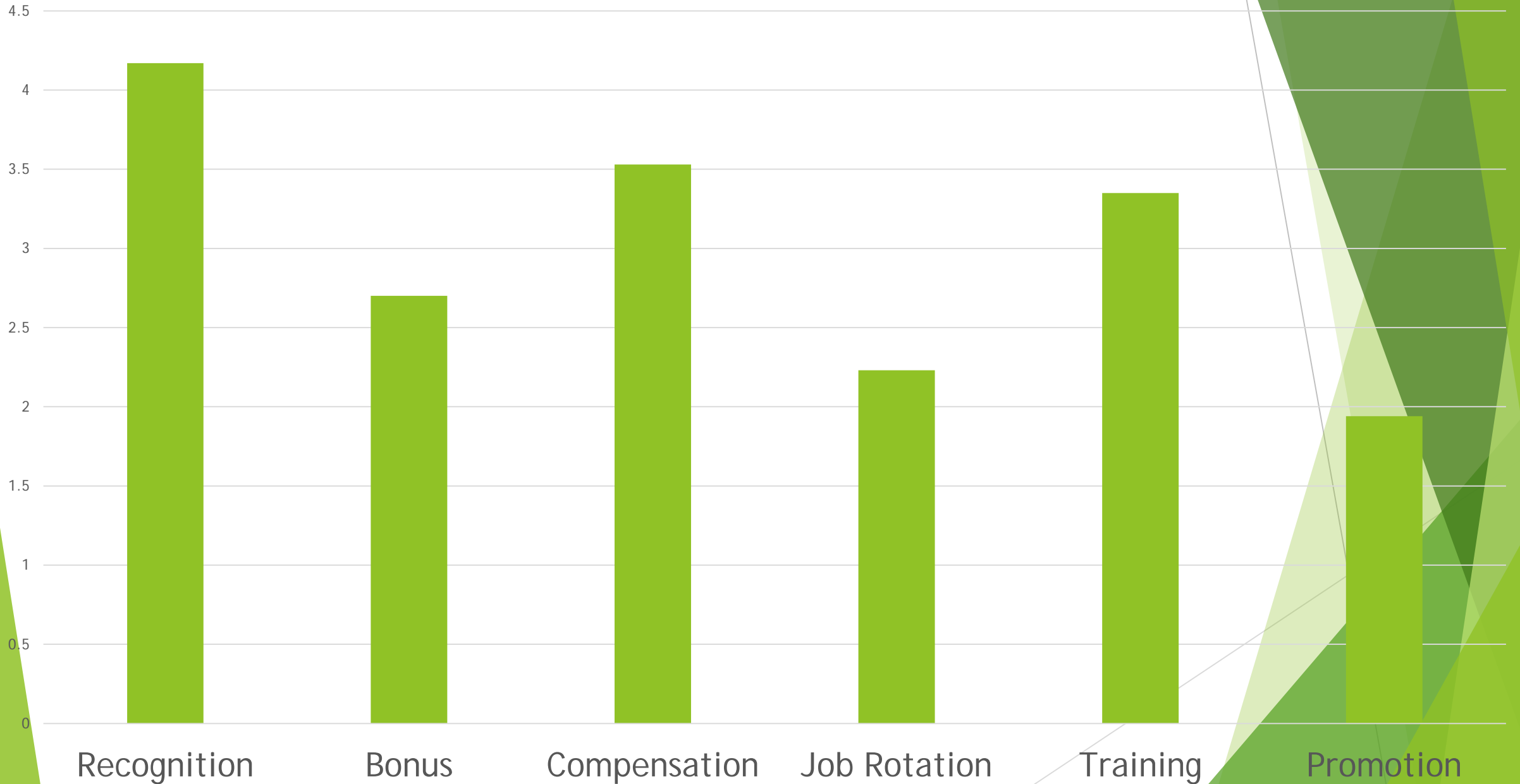
Human Resource Challenges



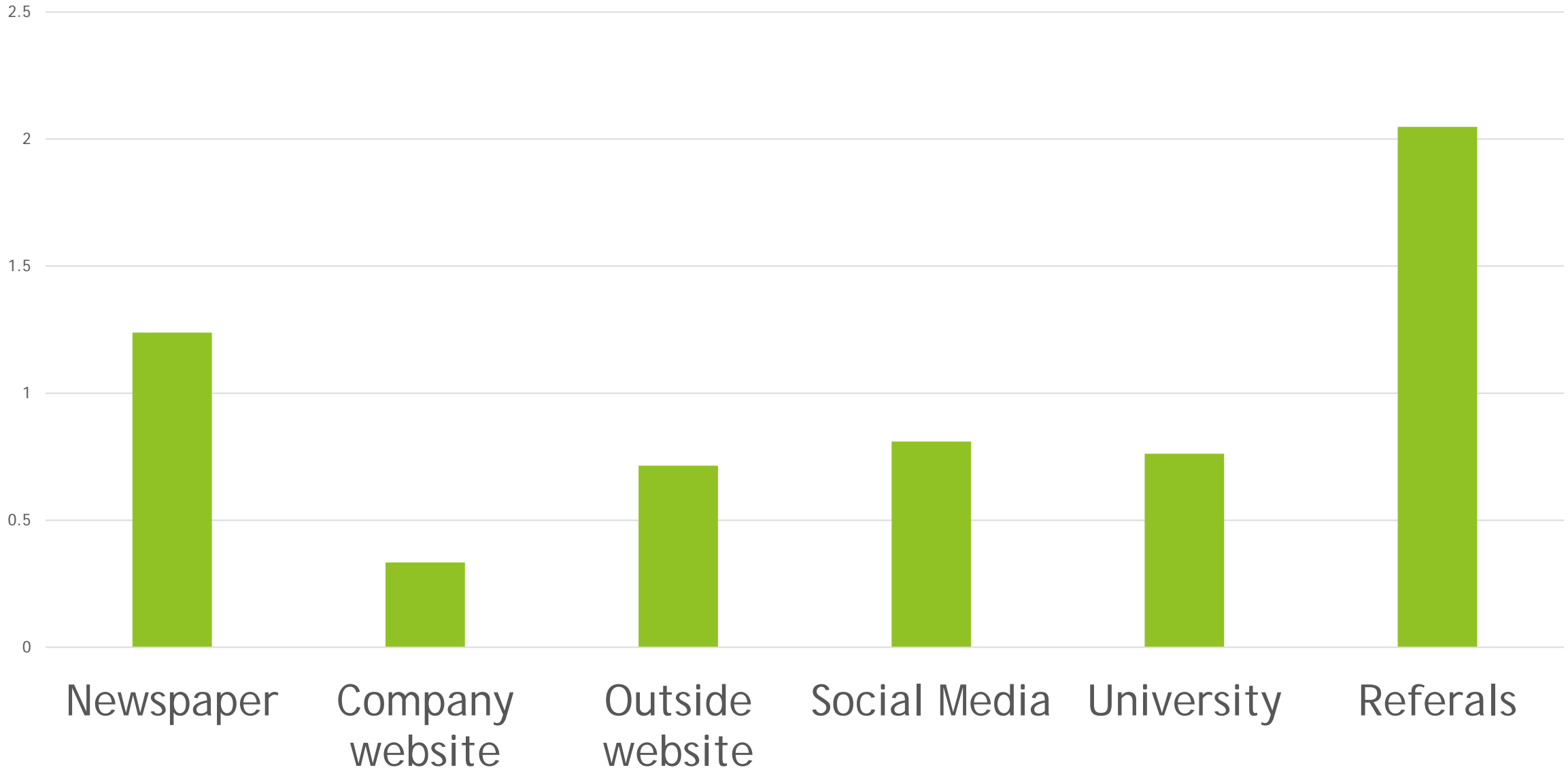
When Do Employeess Give Suggestions



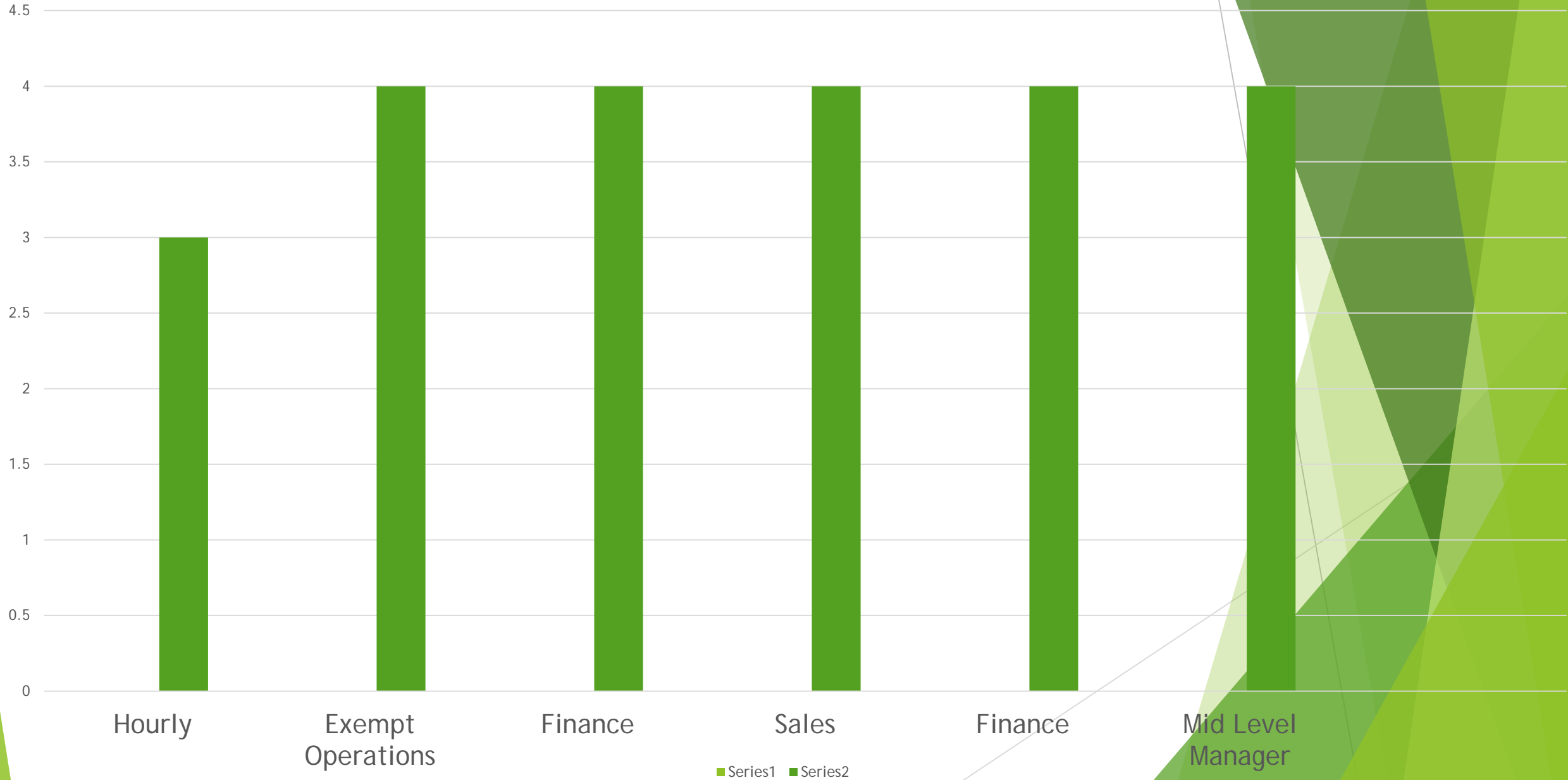
What Motivates Employees?



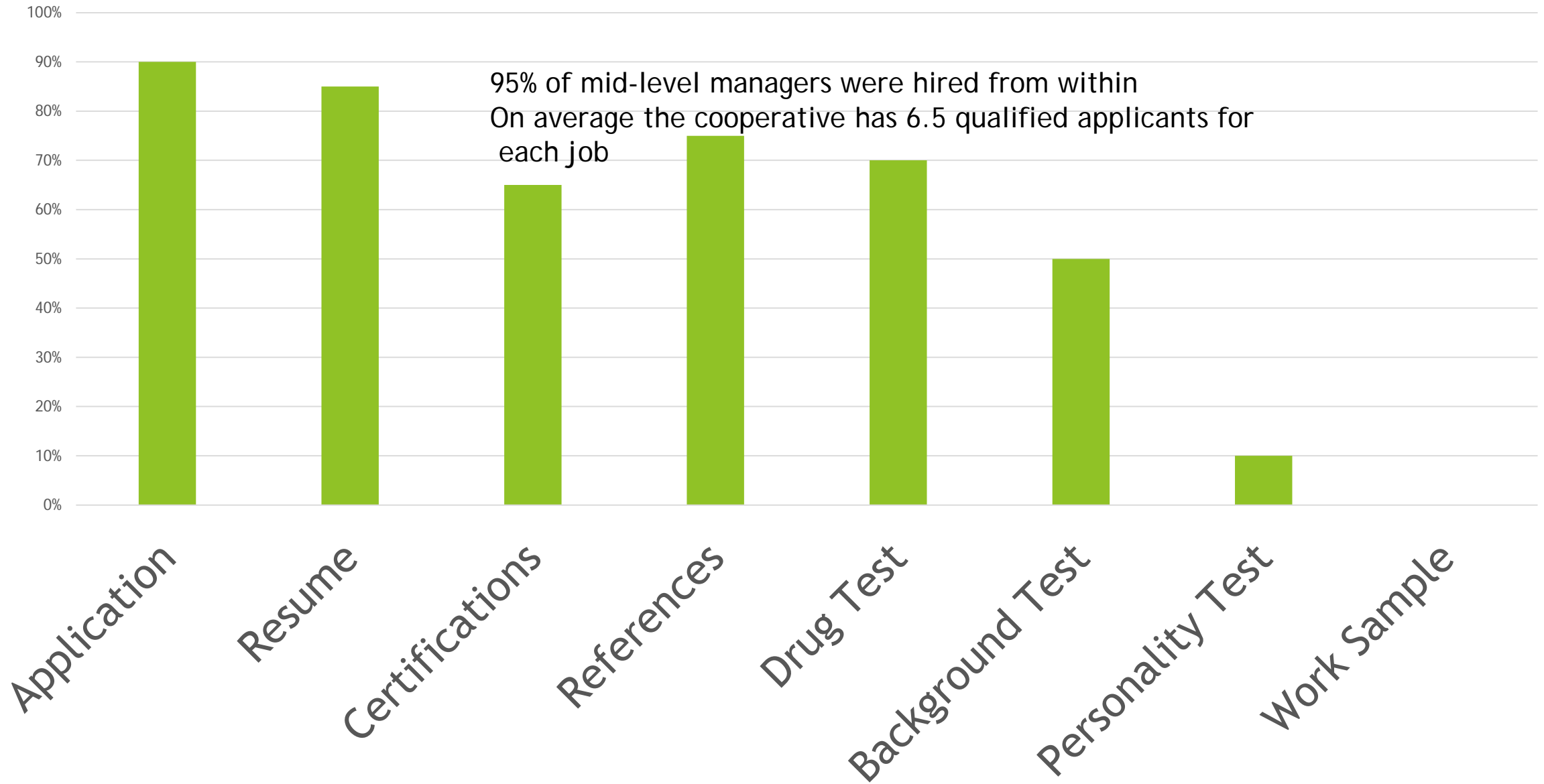
Recruiting Methods



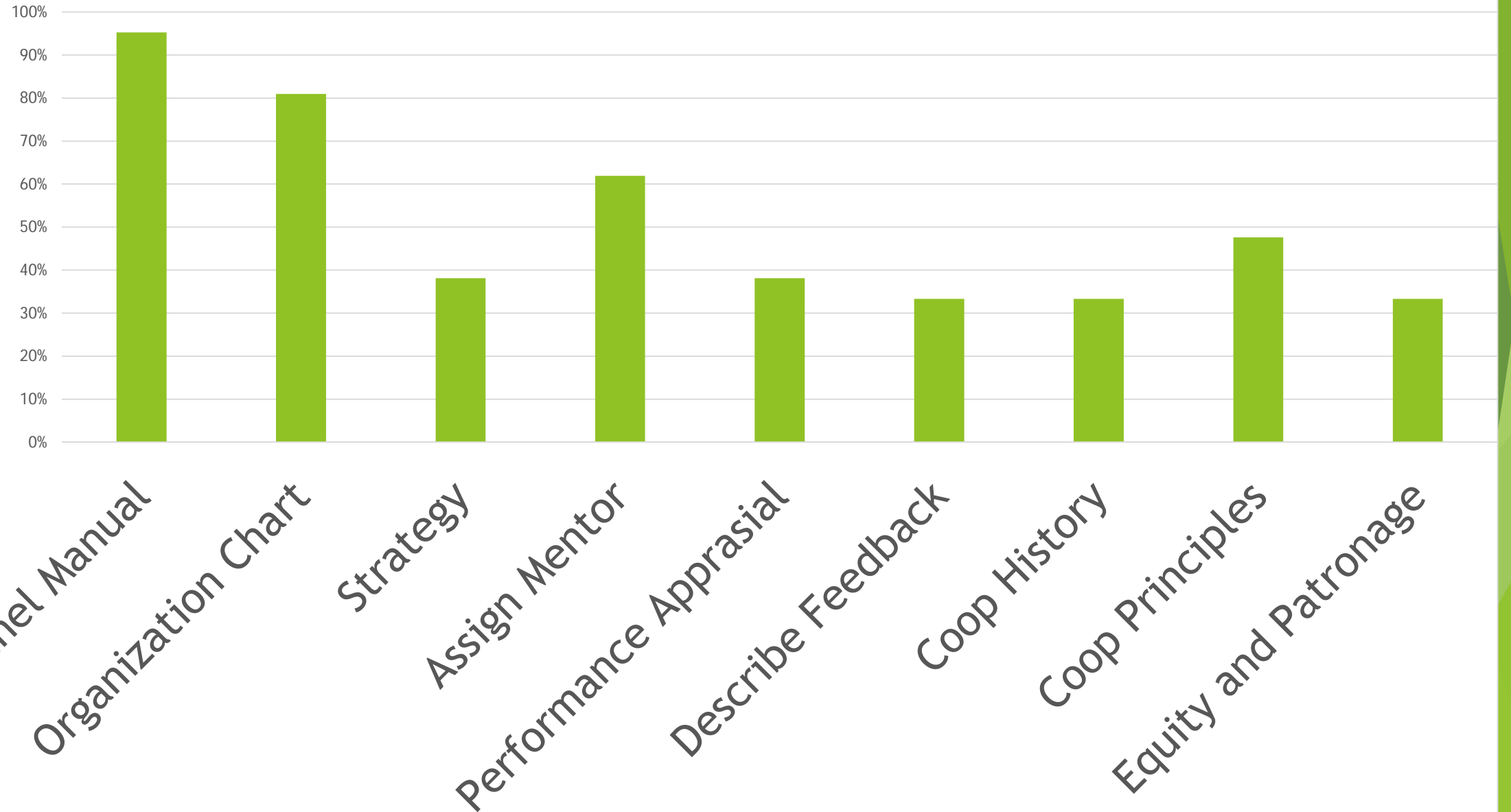
Difficulty in Recuriting for Job Categories



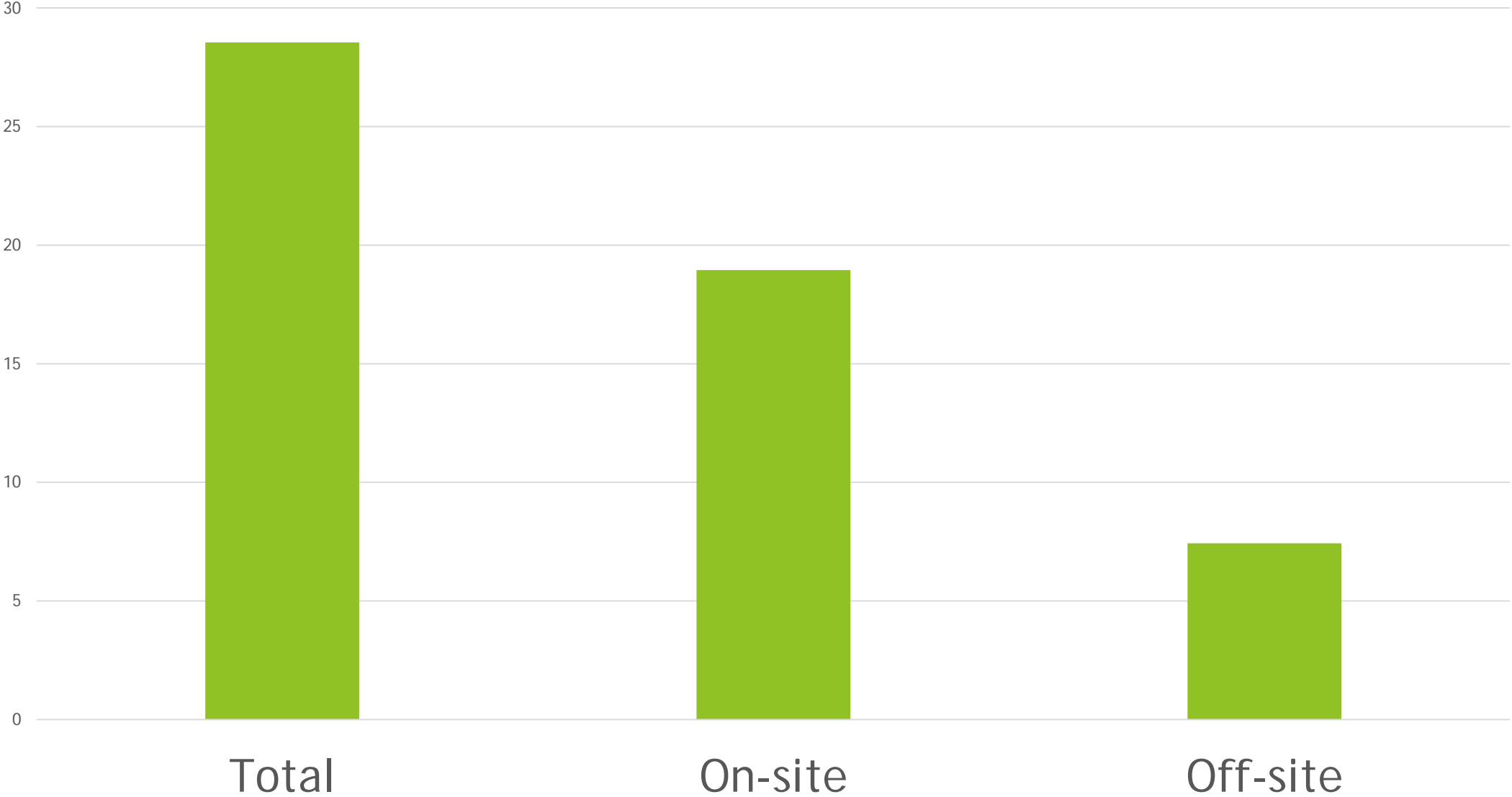
Hiring Practices



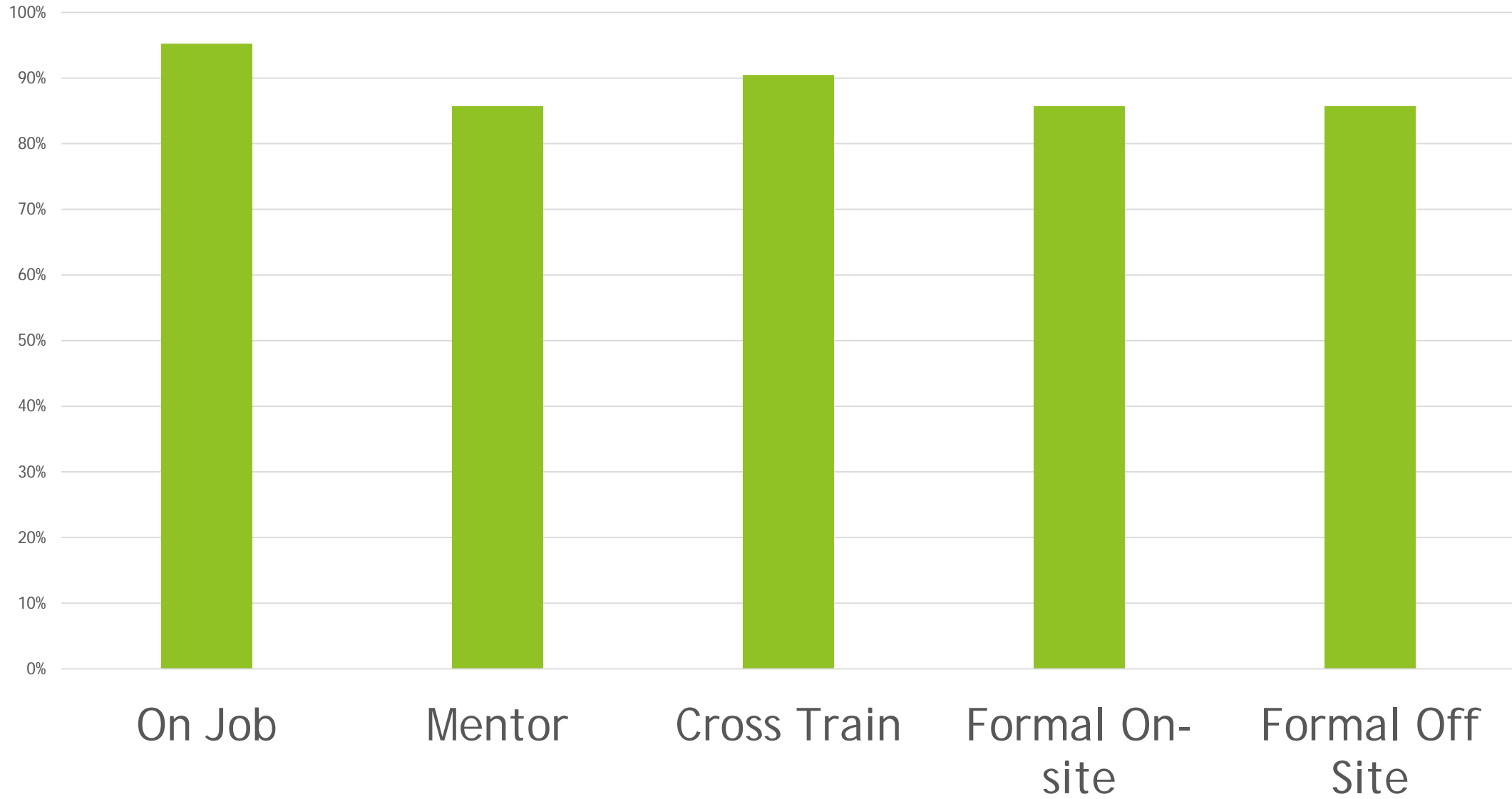
On-Boarding Practices



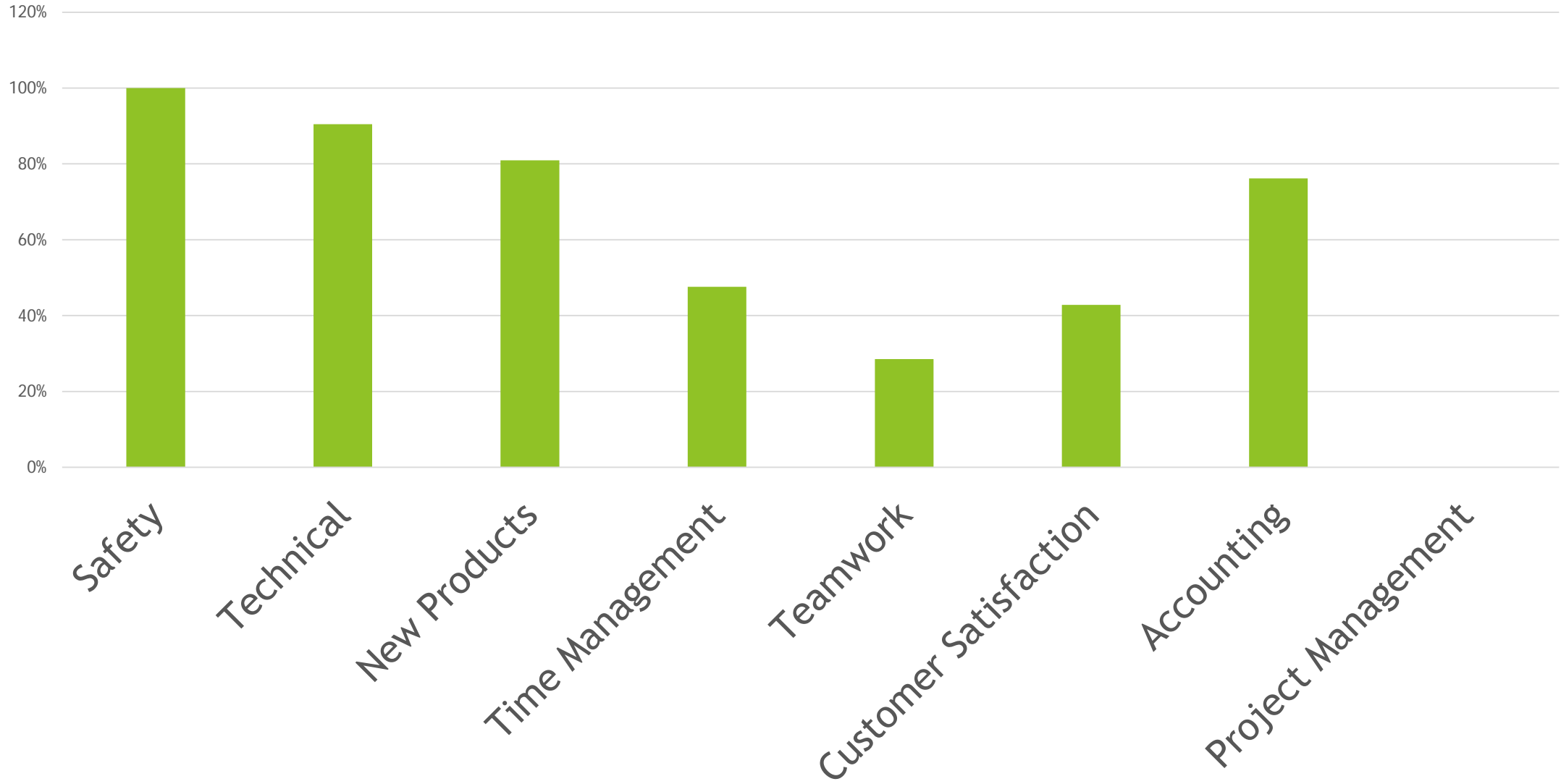
Average Annual Training Hours



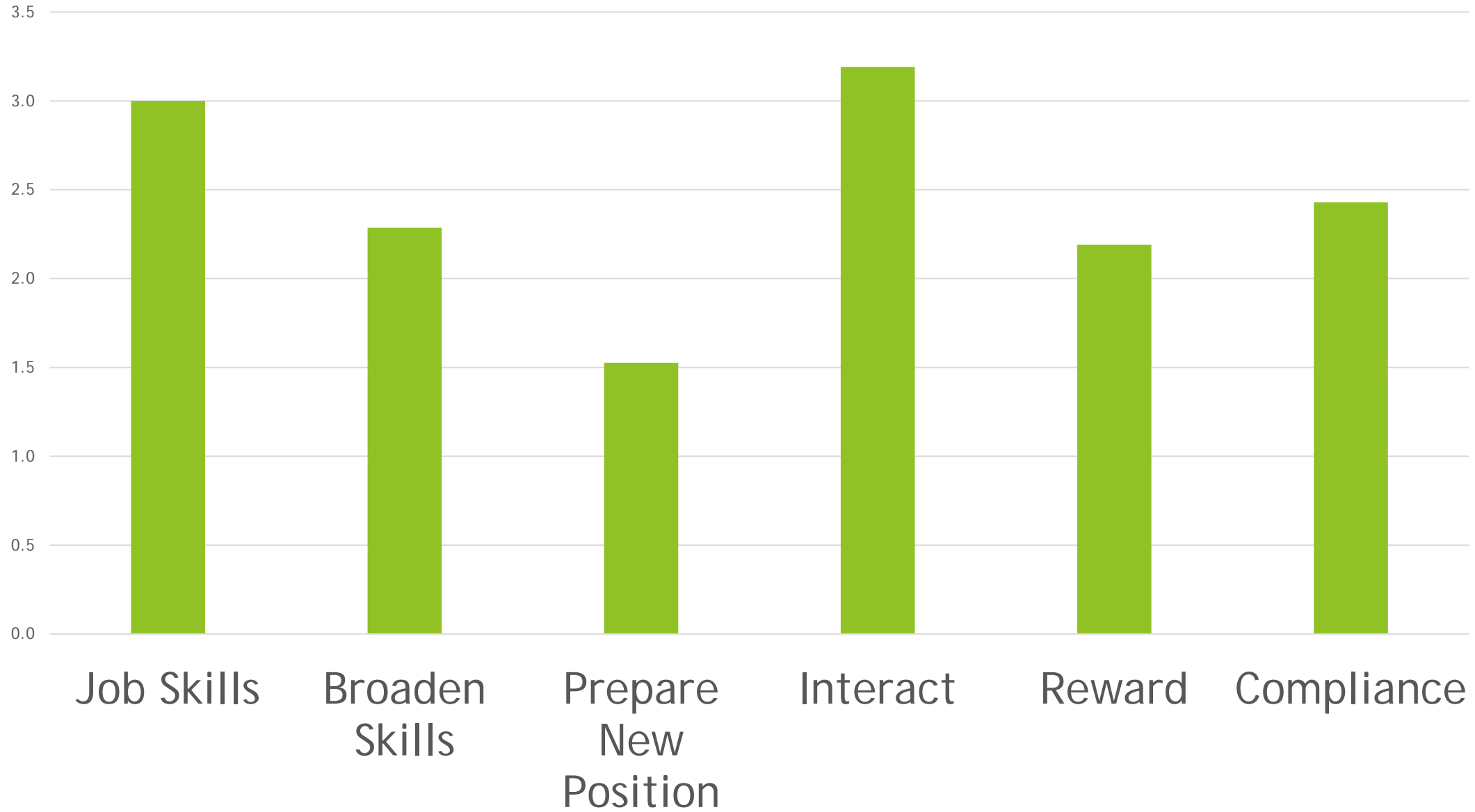
Training Practices



Training Topics



Purpose of Training

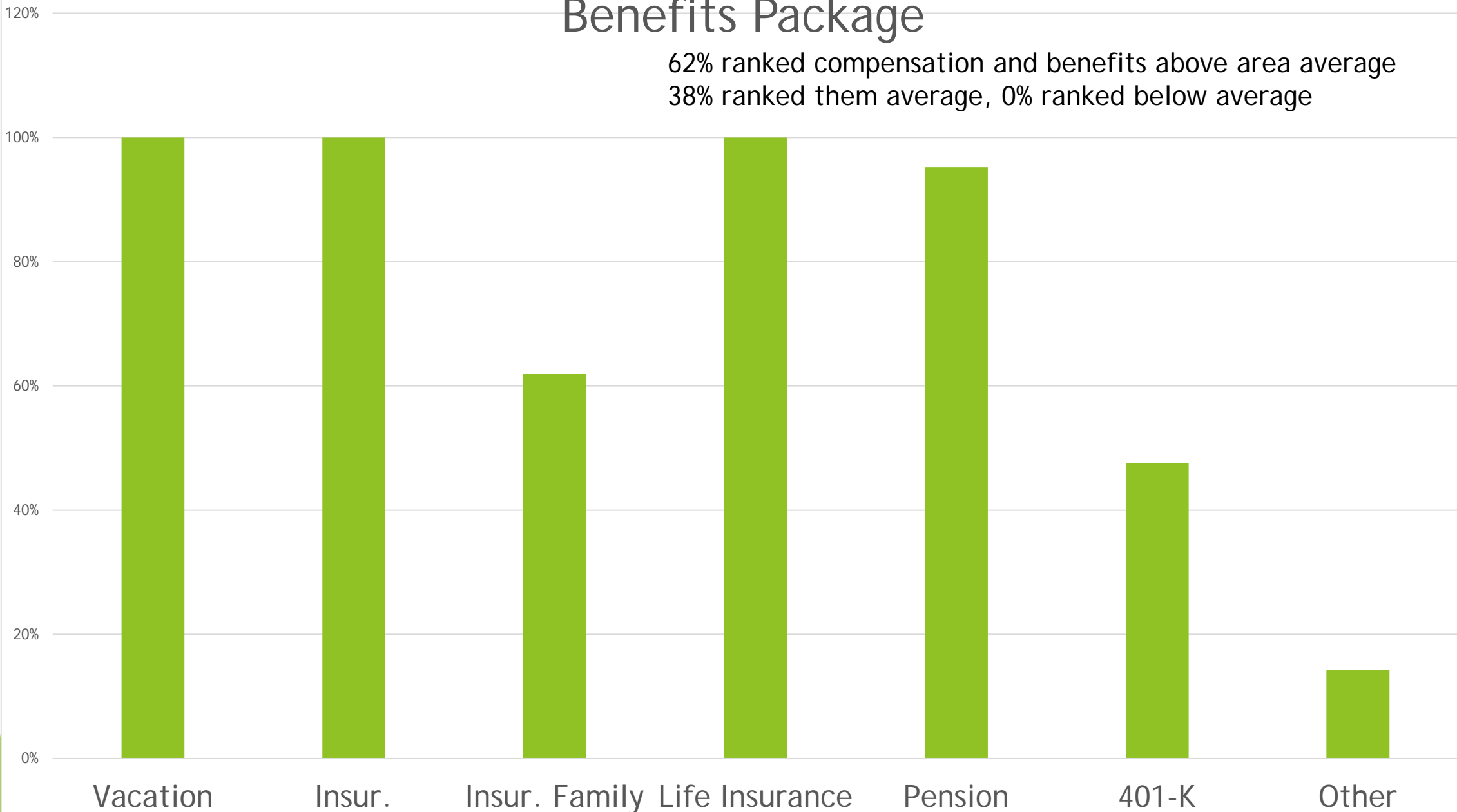


Criteria for Training Program



Benefits Package

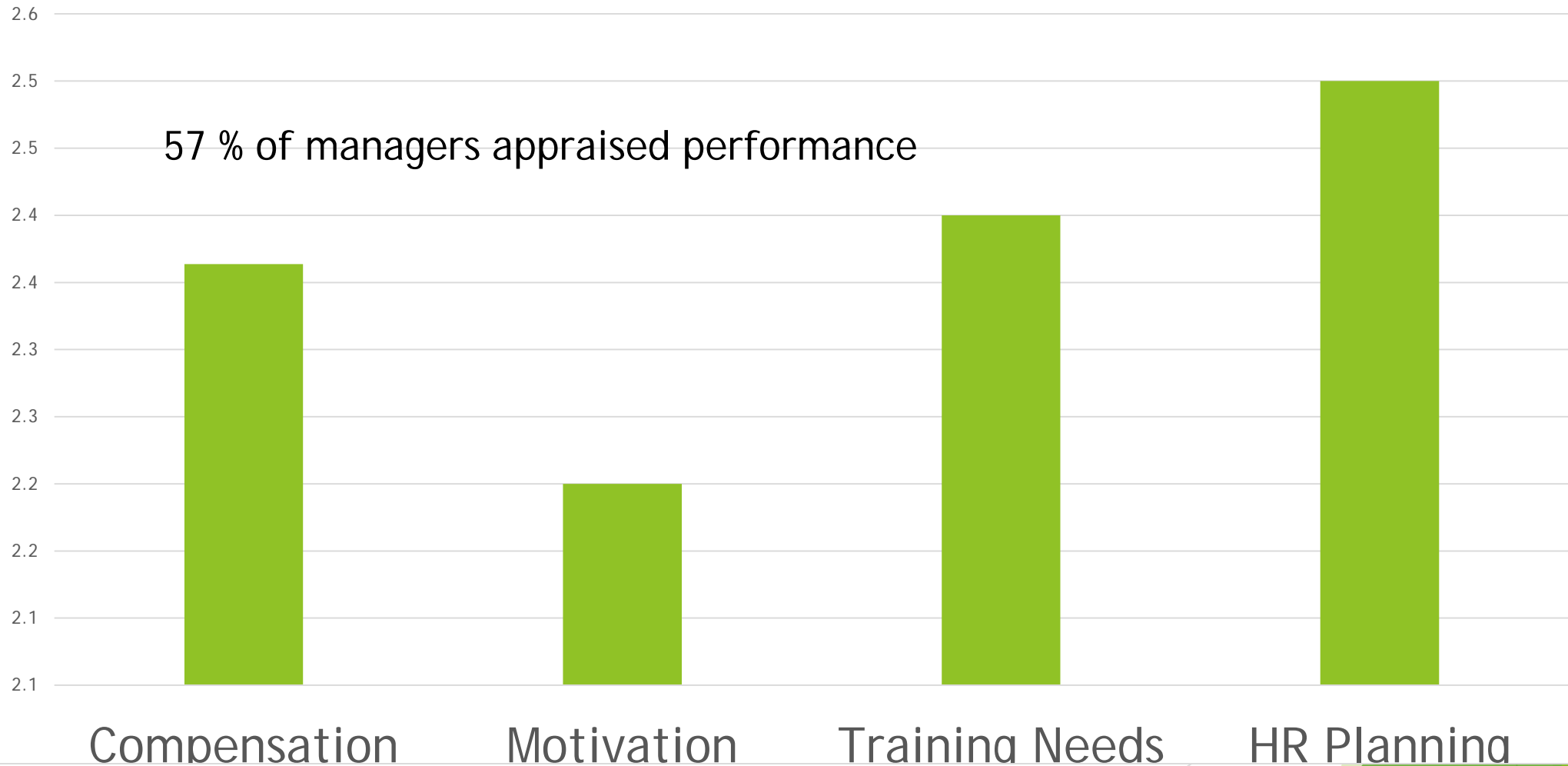
62% ranked compensation and benefits above area average
38% ranked them average, 0% ranked below average



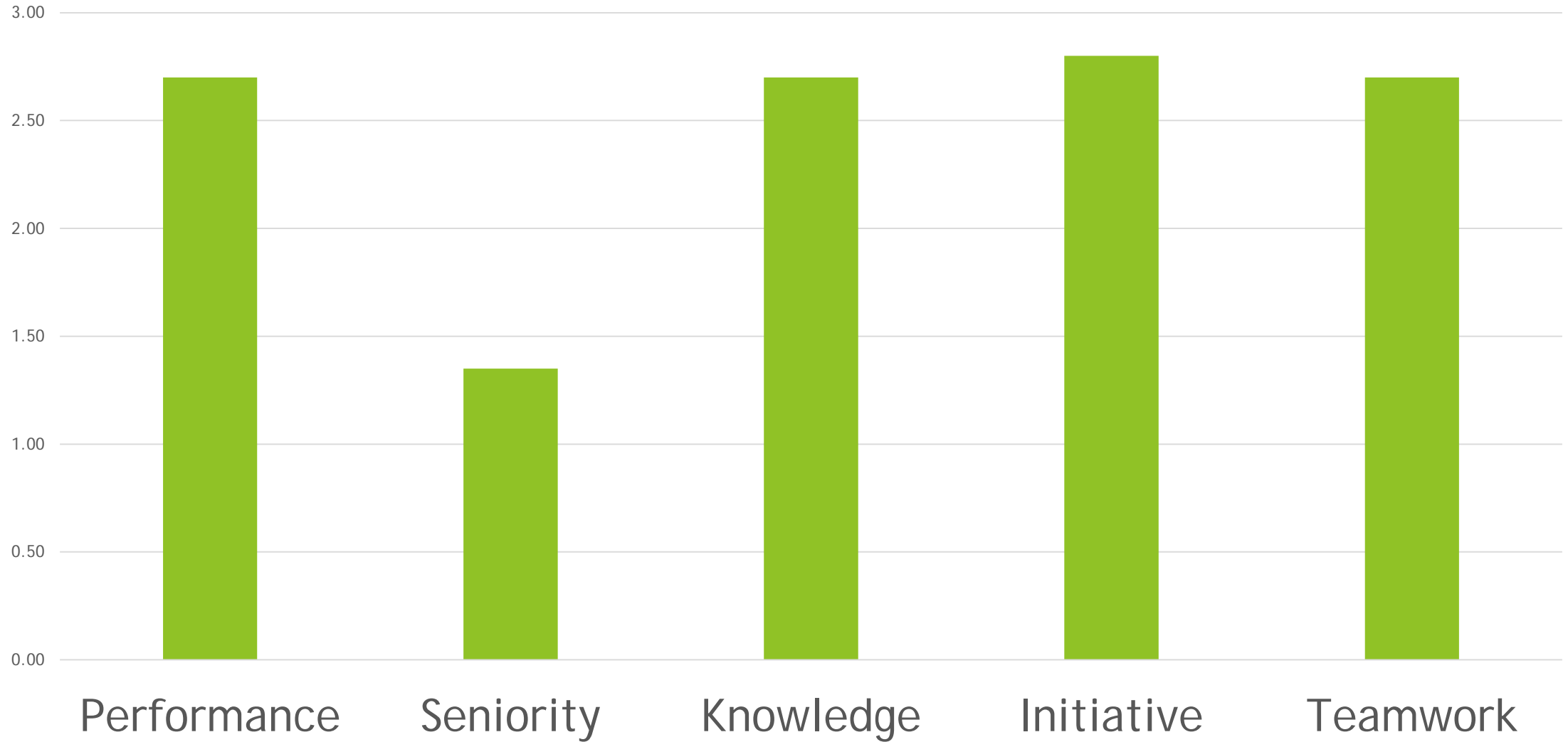
Bonuses

- ▶ 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”
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