

PERSONNEL ADMINISTRATION IN  
REGIONAL FARMER COOPERATIVE  
ASSOCIATIONS

Thesis for the Degree of M. S.  
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W. Victor Bielinski  
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This is to certify that the

thesis entitled

"Personnel Administration in  
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presented by

W. Victor Bielinski

has been accepted towards fulfillment  
of the requirements for

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PERSONNEL ADMINISTRATION  
IN  
REGIONAL FARMER COOPERATIVE ASSOCIATIONS

by  
W. Victor Bielinski

A THESIS

Submitted to the School of Graduate Studies of  
Michigan State College of Agriculture and  
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THESIS

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AN ABSTRACT

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### Background and Statement of Purpose of Study

In the 1880's the California Fruit Growers Exchange was organized. This farmer cooperative grew into a multi-million dollar marketing cooperative serving California fruit farmers. In 1907 there was organized a separate association for the purchasing of fertilizer, insecticides, and other materials for the citrus growers of the California Fruit Growers Exchange. It became the first large regional purchasing cooperative and grew into a multi-million dollar business also.

Later other regional marketing and purchasing cooperatives were organized. Now there are about 100 in the United States and about twenty regional cooperatives in Canada doing million dollar business and employing large numbers of people. As large businesses these regional farmer cooperatives are in need of the knowledge and application of scientific business management. This includes an understanding of the modern practices in the handling of employees, that specialized phase of big business management now known as personnel administration. The background section in the thesis points out how large business in America became aware of scientific management about 1900 and became aware of the place of personnel administration as such about the 1930's.

The purpose of this thesis was to study the development of personnel policies and practices of regional farmer cooperatives and to see what was being done and how.



## Sources of Data and Procedure Used

Through a questionnaire, correspondence, and personal contact, information was secured in answers and from printed material used by the companies. Requests were made for information from 64 organizations recommended by several sources. Sufficient information was received from 33 organizations, a return of slightly better than 50%.

The information was studied and organized into tables, explanatory statements, and summaries. The information was arranged into the following chapters:

- |              |   |
|--------------|---|
| Chapter I    | Introduction  |
| Chapter II   | Background and Review of Literature   |
| Chapter III  | Development of Personnel Administration in Regional Farmer Cooperatives                         |
| Chapter IV   | Recruiting and Selection Techniques   |
| Chapter V    | Employment Policies and Practices   |
| Chapter VI   | Employee Benefit Programs   |
| Chapter VII  | Employee Information and Training Programs  |
| Chapter VIII | Miscellaneous Employee Activities and Organizations   |
| Chapter IX   | Personnel Services Given by Regional Cooperatives to Local Cooperatives                         |
| Chapter X    | Some Cost Figures on Personnel Administration   |
| Chapter XI   | Summary of the Significant Points of Present Personnel Programs in Regional Farmer Cooperatives |
| Chapter XII  | Conclusions, Evaluations, and Recommendations   |

### Major Findings of the Study

The major findings of the study are summarized as follows:

1. Personnel administration as a separate, specialized, major management function has been developed since 1940, the year in which a large regional cooperative set up a full scale personnel office.
2. Methods vary and a wide scope of functions are carried out by the majority of the cooperatives.
3. Personnel policies and practices of the simpler type are included in formal policies in practically all cooperatives. The more complex personnel policies, practices, and procedures are used by a smaller group of companies.
4. Outstanding features of personnel programs include employment services, liberal employee benefits, job skill training and information courses, assistance on personnel matters to local farmer member cooperatives, and employee group activities.
5. Less outstanding, and perhaps weaker in many respects, were the following programs: job evaluation and related factors, executive development, employee orientation and general information, and certain other policies and procedures.

The thesis closes with information on the cost of some personnel activities and employee benefits, and also includes some conclusions, evaluations, and recommendations on personnel administration in regional farmer cooperative associations.

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## CHAPTER I INTRODUCTION

This is a study of personnel administration in regional farmer cooperative associations. With the economic expansion of the United States and Canada, farmers have formed cooperative business associations which have increased in number and size. This results in the employment of increasing numbers of people.

Originally organized with a great degree of self-help when small, farmer cooperative associations had few employees. Personnel administration in farmer associations, as well as in business in general, is a minor factor when the business unit is small. As business units grow larger in all phases of the economy, personnel administration becomes a more specialized function than previously. Gradually more attention was given to the various personnel activities until there is today a recognition of personnel administration as an important branch of business administration.

Most businesses of substantial size now have personnel offices with trained administrators and staff giving special attention to the various personnel functions. It is the purpose of this study to report on what regional farmer cooperative businesses are doing in personnel administration.

### Scope of Study

There is included in this study eight phases of personnel administration in 33 regional farmer cooperatives. The phases as designated

by chapter headings are:

- Chapter III Development of Personnel Administration in Regional Farmer Cooperatives
- Chapter IV Recruiting and Selection Techniques
- Chapter V Employment Policies and Practices
- Chapter VI Employee Benefit Programs
- Chapter VII Employee Information and Training Programs
- Chapter VIII Miscellaneous Employee Activities and Organizations
- Chapter IX Personnel Services Given by Regional Cooperatives to Local Cooperatives
- Chapter X Some Cost Figures on Personnel Administration
- Chapter XI Summary of the Significant Points of Present Personnel Programs in Regional Farmer Cooperatives

It is pointed out that the scope of study was limited to those phases of personnel administration for which a reasonable amount of information could be secured. In a personnel management survey, Mathewson<sup>1</sup> found that the more involved the personnel procedure, the fewer business organizations there were that used it. The same can be said for the findings in the present study.

There are ten to twenty broad subjects in a personnel program indicated in the booklet on personnel functions issued by the Metropolitan Life Insurance Company<sup>2</sup>. The booklet further notes

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<sup>1</sup> S. B. Mathewson. A Survey of Personnel Management in 195 Companies. Personnel Journal, Vol. X, No. 4 (December 1931) pp. 225-231.

<sup>2</sup> Metropolitan Life Insurance Company. Functions of the Personnel Director, New York City, (1937). pp. 9-11



66 activities covered by a typical personnel program of a large company. Time alone forced a limit in the scope of this study and the area covered herein was felt to be an adequate coverage of the status of personnel administration in regional farmer cooperatives.

### Procedure

Data used in this study was secured by questionnaire, a copy of which is in Appendix V, followed by letters and personal contact to clarify certain points. The questionnaires were mailed to 64 organizations and addressed to the head of the personnel office where such was known to exist, or to the executive management office of the company.

Although a number of the companies did not return any information for the study, many remarks made in their letters indicated their interest in personnel administration progress, and especially in this study of personnel work in cooperative businesses.

Some of the information was sorted into material for arrangement into tables. Other material was summarized into groups of statements.

### Source of Data

A list of 33 organizations returning sufficiently usable information on questionnaires and letters is included in Appendix IV. In most cases additional letters were used to clarify some answers. In 16 cases personal contact with key personnel helped to secure and clarify information. In six other cases personal contact was made asking for cooperation with the study prior to sending of the request for data. The percent of return of information in the study

was 51% and undoubtedly personal approach, acquaintance, and contact helped a great deal to secure usable material.

A number of the companies stated they had no objection to being identified and quoted in the survey, while others preferred to remain unidentified. The data therefore, is entirely coded in the tables. For the benefit of further inquiry, organizations listed in Appendix IV can be contacted.

The 64 regional farmer cooperative associations to which questionnaires were sent were selected from lists furnished by the offices of the United States Department of Agriculture, Farm Credit Administration, Cooperative Research and Service Division; National Council of Farmer Cooperatives; American Institute of Cooperation; and United Cooperatives, Inc. The last named is an international purchasing and manufacturing cooperative which has regional groups as its members. It has headquarters at Alliance, Ohio. The Farm Credit agency serves cooperatives in the United States on matters of research and information. The National Council of Farmer Cooperatives serves as legislative study group and spokesman, while the American Institute of Cooperation is an information and education organization.

#### Definition of Terms

Personnel administration. One of the most generally accepted definitions of personnel administration found in a standard college text on this subject by Scott, Clothier, Mathewson, and Spriegel, will best describe this work.

The personnel department is charged with the responsibility of advising management from the chairman of the board of directors to the lowest line supervisors on all questions

affecting the employer-employee relationship, is responsible for performing all the functions of employing workers for the various departments within the organization, represents management in many of the relationships that affect the organization as a whole, and is further charged with representing the legitimate claims of the workers to management. The personnel department is the centralized clearing agency for aiding all other departments effectively <sup>1</sup> to carry out their responsibilities in all personnel matters.

Regional farmer cooperative association. A regional farmer cooperative association is a business unit serving farmers in a substantial portion of a state in the United States or a province in Canada, or in some cases covering several states, and performing either purchasing or marketing functions, or in some cases multiple functions including processing. Part of the associations in the United States operate under the Capper-Volstead Act rules and part prefer to operate only under the non-profit or cooperative association or regular corporate acts of the respective states. Dollar volume, especially after initial organization stages are passed, is in million dollars plus figures.

The various personnel functions are briefly described in most cases in the study at the properly related place.

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<sup>1</sup> Walter Dill Scott, Robert C. Clothier, Stanley B. Mathewson, William R. Spriegel, Personnel Management. New York: McGraw-Hill Book Company, 1941. p. 29.

## CHAPTER II BACKGROUND AND REVIEW OF LITERATURE

In order to properly explain and to relate the findings of this study to personnel administration generally, it is necessary to give a background of the development of modern industry and management methods. The background is followed later with a review of literature at the appropriate place.

### Development of Industry and Management Methods

The Industrial Revolution is understood and accepted by economists and historians as having been started in 1765 with the development of the steam engine and textile machinery in England, followed by other inventions. With the growth of industries employing large groups of people and urban areas becoming thickly populated, it became necessary for agricultural production to become commercialized also. Development later of new farming methods and techniques, especially machinery, enabled the farmer to produce in increasing quantities for the growing urban populations. As farmers produced more farm produce, livestock, and other items, they encountered problems of marketing. As they purchased more farm supplies, they encountered problems of purchasing at the right price and securing the right quality and item. It was somewhat of a natural event for farmers to get together and form cooperative organizations as described later.

Together with developments in industry, came developments in ideas of management of people. To understand the relationship of



efficient handling of machinery, materials, and methods, it is necessary to trace the development of handling manpower.

The development of scientific management in American business began with Frederick W. Taylor during the period prior and just after 1900. He and his followers developed the idea that management is "the function of planning, organizing, and controlling the activities of an organization in whole or in part, to the end that it may achieve its objectives with reasonable economy and efficiency."<sup>1</sup>

Taylor further emphasized that to achieve this goal effective management must:

1. Accurately measure the forces, factors, and effects in any business situation,
2. establish laws of managerial and operative performance,
3. develop standards of proper conditions and relations,
4. pre-plan activities, and
5. develop definite procedures for management and operative performance.

Most large businesses, especially those commonly called million dollar businesses, were managed at the turn of the century by executives familiar with Taylor's ideas and with those of others following later. By the time of World War I large businesses were appreciative of the principles of scientific management, and that knowledge assisted substantially to create the huge industrial production growth during the period 1910-1920.

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<sup>1</sup> R. C. Davis. Industrial Organization and Management. New York: Harper and Brothers, 1940. pp. 12-15.

According to Davis<sup>1</sup>, Scott<sup>2</sup>, and others, it was the first World War period that brought out to American business leaders the large losses resulting from poor handling of labor problems. The personal contact between employer and employee was being replaced by contacts through other people, written publications, and other means.

It was inevitable that misunderstandings would arise. Business also regarded labor as another business expense rather than a part of the enterprise with a stake in the future of that enterprise. Feelings of injustice and insecurity grew with the depression period of 1929-32. When national laws were adopted affecting millions of employees, personnel departments were called upon by management to handle wage, hour, and social security problems in addition to employment procedures, social and athletic programs, safety services, and similar functions often called welfare activities. Then the personnel office became a top management function with greater importance attached to it, and gradually it became established as such in larger business units.

Slow growth in the professional aspect of personnel administration began in 1917 with the appointment of the Committee on Classification of Personnel in the Army. This was created by the United States War Department and was composed of outstanding business leaders, college administrators, and army officers. The experience, knowledge, and results gained from that committee and its work provided stimulus to

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<sup>1</sup> Ibid.

<sup>2</sup> Walter Dill Scott, Robert C. Clothier, Stanley B. Mathewson, William R. Spriegel. Personnel Management. New York: McGraw-Hill Book Company, 1941. pp. ix-x.

study and focused attention on personnel problems of business and industry.

The first generally known professional personnel management service came from the Scott Company organized after World War I by certain members of the above mentioned Committee on Classification of Personnel in the Army. In 1923 this company had forty clients among a variety of large businesses. Slowly other firms entered into this type of service and colleges added personnel administration subjects to the curricula in one way or another.

In addition, several associations have held conferences and have issued publications for many years on personnel work. The earlier associations were:

The American Management Association, New York, 1930 to 1932, issued irregular personnel pamphlets and has done so annually since 1933.

The National Occupational Conference, New York, since 1933 has issued publications on occupations and testing.

The Personnel Research Federation, New York has issued an annual journal since 1933.

The Life Office Management Association, Hartford, Connecticut, since 1936 has issued information and test materials in this field.

The Life Insurance Sales Research Bureau, Hartford, Connecticut, since 1922 has issued materials and tests on sales activities in this field.

There were later other personnel groups and management associations organized but these were the pioneers in personnel administration.

From the above information, it is readily seen that as late as the early 1930's a great share of large businesses in America were not very well advanced in knowledge and practice of what was later known as personnel administration. Regional farmer cooperatives in America likewise found themselves in a similar position in knowledge and practice of scientific management as to personnel administration.

There are many standard texts on the subject of personnel administration in business and many published and unpublished reports on special aspects of personnel work. These are used by personnel administrators in business, government, and other circles to guide their personnel programs. A lengthy listing is made in the bibliography of the particular publications reviewed in connection with this study.

In addition to text books there are pamphlets and articles published by agencies interested in personnel administration. A listing is made in the bibliography of most of these and the place where they are available is stated.

All of these publications contain personnel administration information of value but the problem in regional farmer cooperatives has been to get the attention of farmer cooperative business leaders. How this has been done is described in the following paragraphs.

#### Sources of Information for Farmer Cooperatives

While farmer cooperatives had been responsible for many improvements in connection with the marketing of farm products and in

manufacturing and distribution operations of certain farm supplies,<sup>1</sup> very little attention was paid to "that phase of management which deals with the efficient control of manpower",<sup>2</sup> as Yoder briefly defines personnel administration. What regional farmer cooperatives have done and when is described in Chapter III of this thesis.

For personnel administration functions applicable for use in regional farmer cooperatives, several organizations are active, especially in recent years, in bringing together in conferences and in publications much information on this subject.

The first, and perhaps the most concerned with this, is the American Institute of Cooperation, Washington, D. C. Since 1925, its date of incorporation, this organization has been holding yearly and other conferences in which farmer cooperatives have been discussed from a number of angles. It publishes a yearbook, "American Cooperation", after each annual summer, week-long institute. The yearbook is a collection of papers and reports gathered from the speakers, chairmen, and others participating in the meetings of the conferences. Earliest mention of a phase of personnel administration was in the first year, 1925. In many of the yearly conferences the subject was not discussed. In Appendix I there is listed a complete record of personnel subjects

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<sup>1</sup> Example fully described in Doc. #347, 67th Congress, 4th session, Senate, Fertilizer Industry letter from acting chairman of Federal Trade Commission, transmitting in response to Senate resolution of June 17, 1922, a report on Certain Phases of the Fertilizer Industry, March 3, 1923. Washington, D. C. U. S. Government Printing Office, 1923.

<sup>2</sup> Dale Yoder, Personnel and Labor Relations. New York: Prentice-Hall, Inc., 1938. p. 2.

presented year by year from 1925 through 1950. It is apparent from this record that meetings of recent years have given increasing attention to phases of personnel work. It appears that this is especially true since 1946. There were 16 talks, papers, and discussions during the last five years, 1946-1950, contrasted to 13 presentations during the first twenty years, 1925-1945.

It is important to point out that at least seven times during the conferences of the American Institute of Cooperation, the desirability of college training for cooperative employees was mentioned. For example, in the first conference in 1925, R. W. Balderston, secretary, Inter-State Milk Producers Association, Philadelphia, discussed "College Training for Cooperative Service", in which he said,

The cooperative marketing associations of the country furnish employment for many trained men and are looking toward our agricultural colleges to give these men a foundation for their work.<sup>1</sup>

There were also at least eight instances in the conferences in which cooperative leaders presented training programs in cooperatives. For example, J. A. McConnell, general manager, Cooperative Grange-League Federation Exchange, Inc., Ithaca, New York, the largest farmer purchasing cooperative in America, stated, "A good man's training is never finished"<sup>2</sup>, in a discussion of adjustment of employee training

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<sup>1</sup> R. W. Balderston. American Cooperation, American Institute of Cooperation, Washington, D. C. Vol. I, 1925. p. 194

<sup>2</sup> J. A. McConnell. American Cooperation, American Institute of Cooperation, Washington, D. C. 1940. p. 265.

to changed world conditions in 1940. He further stated at that time, "A great proportion of the training of cooperative employees must be done by regular employees who are sound in their thinking and in their basic philosophy."<sup>1</sup>

There are several instances of outstanding leaders in specialized fields giving their views at the meetings. One noted in 1938 was Dick Carlson, management consultant, who discussed "Training Personnel for Purchasing Cooperatives". He stated, "The program in each organization or association should be tailor made to fit its particular problems."<sup>2</sup> He further emphasized that the training of employees was an important responsibility of management at all levels.

There are several employee relations types of presentations and at one of these Dr. William A. Nielander, professor of Business Administration, University of Texas, summarized his views with the statement, "Cooperative management must be the pacesetter in good employee relations as it is in its other activities."<sup>3</sup>

Some talks are highly technical such as the one by D. M. Braun, training specialist, United States Department of Agriculture, on "Time and Motion Study Analysis".<sup>4</sup> However, he brought out an interesting

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<sup>1</sup> Loc. cit.

<sup>2</sup> Richard Carlson. American Cooperation, American Institute of Cooperation, Washington, D. C. 1938. p. 688.

<sup>3</sup> Dr. William A. Nielander. American Cooperation, American Institute of Cooperation, Washington, D. C. 1947. p. 213.

<sup>4</sup> D. M. Braun. American Cooperation, American Institute of Cooperation, Washington, D. C. 1946. pp. 301-306.

description of scientific management study principles developed for industry by Frank and Lillian Gilbreth, but which were adapted to office work by William H. Leffingwell.

Practically every phase of personnel work has been discussed in the above conferences, either by specialists in personnel work, or by cooperative leaders telling of particular experiences.

The National Council of Farmer Cooperatives, organized in 1929 in Washington, D. C., had appointed in January 1946, a standing Labor-Management committee. Since that time it has considered phases of personnel administration in board and committee meetings at various times, as well as in discussions and addresses at the annual meetings.

This organization is primarily concerned with issues affecting farmer cooperatives. Therefore, its program has emphasized the presentation to government of the viewpoint of farmer cooperatives on legislation affecting labor and management relations of the farmer cooperatives. It has in addition made the regional farmer cooperatives aware of certain phases of personnel administration in its annual programs. Study of the programs for the annual meetings of the National Council of Farmer Cooperatives since 1946, reveals that personnel administration received attention as recorded in Appendix II.

Another source of information on personnel administration for farmer cooperatives is the United States Department of Agriculture, Farm Credit Administration, Cooperative Research and Service Division, in its various reports and in its monthly news publication, "News For Farmer Cooperatives". A search of the files indicates a growing



attention to personnel matters in newsworthy stories printed from 1935 to 1950. A list of these articles is recorded in Appendix III.

Feature articles in this publication were usually of substantial length. In addition, short items on personnel work were printed here and there in the publication. For the last eight years the number of feature news articles averaged five per year, while for the first eight years, the average was two and one half per year. In other words, during the last half of the life of the publication, since 1943, the number of news articles featuring personnel work has doubled.

As stated in its index, the subject matter in the "News For Farmer Cooperatives" is chiefly concerned with the practical application of cooperative principles and with the development of the most effective operating procedures by agricultural cooperatives. In keeping with this objective, a large share of the articles feature success stories and how cooperatives do things. There is also a balance of information by reports of Farm Credit studies and of work of specialists in various fields including personnel administration.

Examples of stories on how cooperatives do things is the short untitled report in the December 1936 issue about the Producers Dairy Company, Brockton, Massachusetts, stressing good employee relations through 1) up to date equipment, 2) uniforms for employees, and 3) employee bonuses in the form of debentures.<sup>1</sup>

Another example is the article, "Setting The Pace In Human Relations", by D. E. Hirsch, agricultural economist of the Farm Credit

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<sup>1</sup> News For Farmer Cooperatives. (December 1936), p. 10

Administration, in February 1950.<sup>1</sup> This describes the highlights of personnel work of The Golden Guernsey Dairy Cooperative, Milwaukee, Wisconsin, stressing a well balanced program.

There were at least nine such employee relations stories in the magazine during the sixteen year period, 1935-1950.

Training of employees as a single function received perhaps the most attention with 22 articles during the period 1935-1950. An example is the story of cooperation between the University of Missouri and the Missouri Farmers Association in which is described the work of a one week employees' school of information arranged by Dr. H. H. Haag of the University, and J. Silvey of the cooperative.<sup>2</sup>

Special studies and reports gathered together by Farm Credit Administration staff members, keeps cooperatives informed of current developments from time to time. In May 1947, for example, four cooperative leaders reported on current employee problems and how they handled personnel matters.<sup>3</sup>

Another general exchange of ideas is that by A. W. McKay, principal economist, Farm Credit Administration, in which he discusses generally sound employee relationships as he sees them. He stresses 1) selection, 2) pay, 3) working conditions, 4) training, and 5) security, and gives illustrations from various cooperative organizations.<sup>4</sup>

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<sup>1</sup> D. E. Hirsch. Setting The Pace In Human Relations. News For Farmer Cooperatives. (February 1950), p. 7.

<sup>2</sup> Missouri Farmers' Association Employees School. News For Farmer Cooperatives. (June 1941), p.13.

<sup>3</sup> Employees Can Lay Bricks Or Build Cathedrals. News For Farmer Cooperatives. (May 1947), p.10.

<sup>4</sup> A. W. McKay. Co-ops And Their Employees. News For Farmer Cooperatives. (June 1939), pp. 5-6.

A preliminary report in October 1941 on a survey of 32 marketing and ten purchasing cooperatives by R. G. Beers, personnel management advisor, Farm Credit Administration, tells of personnel problems as of that date.<sup>1</sup>

Some of the most interesting and penetrating writings observing farmer cooperative personnel practices were done by W. O. Riddle, manager, Business Service Association, Des Moines, Iowa, in a series of three articles in October, November, and December 1938. He covers selecting, discharging, and training respectively, and has the following to say: "The viewpoint of most leaders in the cooperative movement is that unsatisfactory employees are too often, or too long, retained."<sup>2</sup> He analyzes five reasons for discharging employees. In another article he likens selection of employees to choosing baseball players for a team in which he points out that the object is to get the best player at each position.<sup>3</sup> On training he says the following:

No military leader would think of risking battle with untrained recruits if it could be avoided. Cooperative leaders, on the other hand, frequently risk their entire program upon the use of inexperienced and untrained men.<sup>4</sup>

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<sup>1</sup> R. G. Beers. Other Co-ops Have Problems Too. News For Farmer Cooperatives. (October 1941), p. 29.

<sup>2</sup> W. O. Riddle. Discharging Employees. News For Farmer Cooperatives. (November 1938), p. 7.

<sup>3</sup> W. O. Riddle. Selecting Employees. News For Farmer Cooperatives. (October 1938), p. 3.

<sup>4</sup> W. O. Riddle. Training Employees. News For Farmer Cooperatives. (December 1938), p. 11.

He discusses fully the methods of training and handling employees and makes an observation of the extent of failure of cooperative managers due to failure to observe the common rules.

From time to time the status of cooperative business and its phases of management are commented upon by officials of the Farm Credit Administration in the magazine. Such is the comment in January 1950 by Harold Hedges, chief, Cooperative Research and Service Division, Farm Credit Administration, in which he says, "Employee relationships also need considerably more attention in cooperatives. Some organizations are doing good jobs along this line, others neglecting them entirely."<sup>1</sup>

A look at the listing in "Publications on Agricultural Cooperation", Circular A-23, August 1950, shows that in its published materials, the emphasis of the Farm Credit Administration work is primarily on commodity and operating problems. There are 37 general publications listed, three of which deal with management or personnel administration, with one of these being the "News For Farmer Cooperatives". The total of other publications listed by this agency is 25 on credit and 116 on commodity, purchasing, processing, service and other cooperative subjects. Of this total, one is on labor-management relations. Excluding the monthly magazine, the total of publications found dealing with personnel work of various kinds, therefore, is three. The several special Farm Credit reports and bulletins concerning cooperatives and phases of personnel work are listed in the bibliography of this study.

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<sup>1</sup> Harold Hedges. Redesigning Underway In '49. News For Farmer Cooperatives. (January 1950), p. 8.

The Cooperative League of the U. S. A., Chicago, has held various personnel management conferences and workshops to which some regional and local farmer cooperatives have sent representatives. Especially since 1944 has this organization sponsored intermittent conferences emphasizing personnel and management relations information.

The contributors to the publications and conferences of the above groups have been participating in each others programs and are drawn from people employed by the Farm Credit Administration, land grant and other colleges, and farmer cooperatives, as well as from other leaders in specialized fields.

A review of the above literature and information indicates the significance of these sources for knowledge about farmer cooperatives and their management, including personnel administration.

#### Description of Regional Farmer Cooperative Activities

Regional farmer cooperative associations are found in all parts of the United States and Canada. The earliest marketing organization that was formed in the 1870's or 1880's and which has continued up to the present date, is the California Fruit Growers Exchange. Its affiliate, Fruit Growers Supply Company, was formed in 1907 and is the oldest regional farm supply cooperative. In 1950 there were about one hundred regional farmer cooperatives in the United States and about twenty in Canada.

In Table 1 facts and figures are presented to show the size in dollar business volume and in numbers of permanent employees of the regional farmer cooperatives participating in this study. From the table it is apparent that regional farmer cooperatives are substantial

TABLE 1

## VOLUME, NUMBER OF EMPLOYEES, AND TYPE OF BUSINESS OF REGIONAL FARMER COOPERATIVES

| Organization  | Volume       | Permanent Employees | Type                                 |
|---|--------------|---------------------|--------------------------------------|
| 1. Alberta Cooperative Wholesale Association, Ltd.      | \$ 1,508,041 | 290                 | Purchasing, marketing, manufacturing |
| 2. American Rice Growers Cooperative                    |              |                     | Marketing                            |
| 3. Arkansas Farmers Association                         |              |                     | Purchasing                           |
| 4. California Fruit Exchange                            |              | 65                  | Marketing                            |
| 5. California Fruit Growers Exchange                    |              | 600                 | Purchasing, marketing, manufacturing |
| 6. California Walnut Growers Association                |              |                     | Marketing                            |
| 7. Central Cooperative Wholesale                        | 10,375,387   | 229                 | Purchasing, marketing                |
| 8. Challenge Cream and Butter Association               |              | 1,040               | Marketing                            |
| 9. Consolidated Badger Cooperative                      |              |                     | Marketing                            |
| 10. Consumers Cooperative Association                   | 55,118,417   | 2,414               | Purchasing, marketing                |
| 11. Cooperative Grange League Federation Exchange, Inc. | 247,498,069  | 3,867               | Purchasing, marketing, manufacturing |
| 12. Cotton Producers Association                        | 60,133,814   | 250                 | Purchasing, marketing                |
| 13. Dairymen's League Cooperative Association, Inc.     |              |                     | Marketing                            |

TABLE 1 continued

| Organization   | Volume        | Permanent Employees | Type                                    |
|--|---------------|---------------------|---|
| 14. Farm Bureau Cooperative Association, Inc.            | \$ 54,747,979 | 564                 | Purchasing, marketing,<br>manufacturing |
| 15. Farm Bureau Service Company of<br>Missouri, Inc.     | 2,108,180     |                     | Purchasing                              |
| 16. Farm Bureau Services, Inc.                           | 17,694,661    | 399                 | Purchasing, marketing,<br>manufacturing |
| 17. Illinois Farm Supply Company                         | 44,985,284    | 375                 | Purchasing                              |
| 18. Indiana Farm Bureau Cooperative<br>Association, Inc. | 38,916,207    | 880                 | Purchasing, marketing,<br>manufacturing |
| 19. Iowa Farm Service Company and Affiliates             | 9,434,865     | 385                 | Purchasing                              |
| 20. Maine Potato Growers, Inc.                           |               | 108                 | Purchasing, marketing,<br>manufacturing |
| 21. Manitoba Cooperative Wholesale                       | 4,872,241     | 108                 | Purchasing, marketing,<br>manufacturing |
| 22. Merrimack Farmers Exchange, Inc.                     | 11,536,839    | 300                 | Purchasing                              |
| 23. Midland Cooperative Wholesale                        | 27,114,613    | 434                 | Purchasing, manufacturing               |
| 24. Northwest Wholesale, Inc.                            | 2,957,302     |                     | Purchasing, manufacturing               |
| 25. Pacific Supply Cooperative                           | 17,494,163    | 223                 | Purchasing                              |

TABLE 1 continued

| Organization   | Volume        | Permanent Employees | Type                                 |
|--|---------------|---------------------|--------------------------------------|
| 26. Pennsylvania Farm Bureau Cooperative Association | \$ 18,004,179 | 259                 | Purchasing, manufacturing            |
| 27. Poultry Producers of Central California          | 56,177,000    | 1,500               | Purchasing, marketing                |
| 28. Saskatchewan Cooperative Wholesale               | 14,803,516    |                     | Purchasing, marketing, manufacturing |
| 29. Southern States Cooperative, Inc.                | 120,532,678   | 2,345               | Purchasing, marketing, manufacturing |
| 30. Tennessee Farmers Cooperative                    | 3,206,324     | 28                  | Purchasing                           |
| 31. Tri Valley Packing Association                   |               | 230                 | Marketing                            |
| 32. United Cooperatives of Ontario                   | 45,036,460    | 300                 | Purchasing, marketing, manufacturing |
| 33. Wisconsin Cooperative Farm Supply                |               |                     | Purchasing                           |

Note: Information in the table above was obtained from the cooperatives listed and also from Handbook on Major Regional Farm Supply Purchasing Cooperatives 1948 and 1949, Miscellaneous Report 141, Farm Credit Administration, United States Department of Agriculture, Washington, D. C. June 1950.



business organizations and as such, in need of definite personnel policies and administrative procedures.

Regional farm cooperatives in most cases are complicated organizations structurally due to the variety of activities carried on. Inter-relationship with subsidiary and affiliated companies, and in a number of cases with general farm organizations, makes personnel management more of a service staff or clearing house function than ordinarily in business.

Generally, the more simplified in function and structure, the greater the tendency to have the personnel office function in a line capacity as well as a staff capacity. In a meeting of cooperative personnel staff members in 1946, a statement endorsing the preference for the staff type of relationship was made as a function in keeping with best personnel policy and service in regional cooperatives.<sup>1</sup>

The experience of the early regional cooperative business leaders was in a variety of activities, many of which were not large scale business enterprises. From personal sketches in numerous publications, a typical regional farmer cooperative leader had a successful farming background, or had agricultural college faculty experience, or had a federal government job in one of the agencies serving agriculture. The result was an organizational structure in which personnel administration was part of general management functions. Although some of the regional farmer cooperatives grew to be large businesses in a relatively short time, the personnel functions were not independently recognized

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<sup>1</sup> W. Victor Bielinski. American Cooperation. American Institute of Cooperation, Washington, D. C. 1946. p. 299.

until considerably later in practically all organizations as indicated on the first page of Chapter III.

In the growth and development of regional farmer cooperatives, the organizational structure patterns and methods of operations were found to be greatly varied as described especially in the numerous publications and reports cited in the bibliography of this thesis, and as noted in various annual reports, house organs, talks and letters. However, there are several general comments about regional cooperatives that should be repeated.

Regional farmer cooperatives operate in several ways. One method is in the centralized type in which one organization operates over a wide area with central headquarters, branches, warehouses, and other units to serve the farmers. Another type is in the federated system in which a regional cooperative has only a headquarters and operates through local cooperatives only. Then there are some organizations which have combined the two types of set-up and operate in both manners.

Geographically most of the regional cooperatives cover an area ✓  
generally agreed upon as a large territory. Included in the territories are large areas of one state, an entire state, several states, and in some cases more than a half dozen states.

Regardless of their organizational structure and geographical ✓  
area, regional farmer cooperatives are found to exist to serve local farmer cooperatives and farmers. In some cases the farmers are served by dealers or agents franchised by the regional in certain areas.

Regional cooperatives serve local cooperatives by acting as a wholesale purchasing agency or marketing agency, and in many cases,

serve as both. In addition, many regional cooperatives, either by themselves or with other regional cooperatives, own and operate large manufacturing enterprises. In some cases manufacturing cooperatives are organized to do business on a national or international scale. Local cooperatives are found to be member stockholders in the federated regionals. In this way local cooperatives in the various areas become co-owners of the regional cooperatives.

Probably the most complete general description of the types and activities of local farmer cooperatives and their relationship to regional and national farmer cooperative organizations is found in Farm Credit Bulletin 54 by Fetrow and Ellsworth.<sup>1</sup>

There are four periods in the historical development of farmer cooperatives, according to Fetrow and Ellsworth. They are: 1) first period from 1810 to 1870 when only local cooperatives were formed, especially in New England; 2) second period in the 1870's and 1880's stimulated by the Grange organization with a few organizations going beyond the scope of local activities; 3) third period from 1890 to 1920 when cooperatives of state, regional and national scope became a part of the economic system through enabling legislation; and 4) fourth period of the 1920's and the 1930's when the phrase "orderly marketing" became popular among the larger marketing cooperatives and when the Farm Bureau organization, with its support for larger purchasing and other types of cooperatives, came into being.

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<sup>1</sup> W. W. Fetrow and R. H. Ellsworth. Agricultural Cooperation in the United States. Washington, D. C. United States Department of Agriculture, Farm Credit Administration, April 1947. 209 pp.

In Canada the impetus came from educational institutions and organized farmers with some governmental assistance.

Most of the farmer cooperatives in America have passed through these last two periods especially, and today have adopted as a commonly understood definition, the following:

An agricultural cooperative association is a business organization, usually incorporated, owned and controlled by member agricultural producers, which operates for the mutual benefit of its members or stockholders, as producers or patrons, on a cost basis after allowing for expenses of operation and maintenance and other authorized deductions for expansion and necessary reserves.<sup>1</sup>

Fundamental principles accepted by all farmer cooperatives generally are defined by Fetrow as 1) democratic control by members, 2) payment for capital limited to a conservative rate, and 3) sharing the benefits and savings of cooperation in direct proportion to the patronage of each member.<sup>2</sup> These principles are perhaps more simplified than those promoted by other authors or agencies, but are understood clearly because of their simplicity.

Many regional cooperatives, due to their structure, size, and scope of operations, have been confronted with many problems as the years pass. The problem of proper personnel administration is one. Just as the fundamental principles of farmer cooperative organization need to be followed up by intensive application to a complicated scope of business activities including finance, credit, manufacturing,

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<sup>1</sup>L. S. Hulbert. Legal Phases of Cooperative Associations. United States Department of Agriculture, Farm Credit Administration, Cooperative Research and Service Division, Washington, D. C. Bulletin 50, 1942. p. 1

<sup>2</sup>W. W. Fetrow. Three Principles of Agricultural Cooperation. United States Department of Agriculture, Farm Credit Administration, Cooperative Research and Service Division, Washington, D. C. Circular E-24, 1940. p. 1

distribution, etc., so do the fundamentals of personnel management defined as "efficient control of manpower" by Yoder,<sup>1</sup> need to be followed by intensive application to a variety of sound personnel procedures to be effective.

To summarize, regional farmer cooperatives are big businesses and as such are affected by and are in need of increasing attention to personnel administration. Size, perhaps alone and apart from any other factor, forces business in America to become conscious of the development of personnel administration as a branch of activities of scientific management.

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<sup>1</sup> Dale Yoder. Personnel and Labor Relations. New York: Prentice-Hall, Inc., 1938. p. 2.

### CHAPTER III DEVELOPMENT OF PERSONNEL ADMINISTRATION IN REGIONAL FARMER COOPERATIVES

In this chapter there is discussed the actual chronological development of personnel offices in regional farmer cooperatives, and also the handling of personnel functions prior to the creation of the personnel offices. There is also presented the designation by title of the person in charge of the personnel function, and the individual to whom he is responsible.

#### Development of Personnel Offices

Personnel administration of sufficient stature to receive designation as such in regional farmer cooperative business associations, is of recent origin. The earliest date found in this study indicating a separate staff to handle personnel work on a company-wide basis in a regional cooperative was July 1, 1941. In this year Cooperative Grange League Federation Exchange, Inc., Ithaca, New York, set up a personnel department headed by a Director of Employee Relations. The survey further showed the following development of personnel offices in regional cooperatives:

Farm Bureau Cooperative Association, Inc., Columbus,  
Ohio, April 1942

Consumers Cooperative Association, Kansas City, Missouri,  
May 1942

Midland Cooperative Wholesale, Minneapolis, Minnesota,  
January 1943

Pennsylvania Farm Bureau Cooperative Association,  
Harrisburg, Pennsylvania, June 1943.\*

Farm Bureau Services, Inc., Lansing, Michigan, July 1944\*

Indiana Farm Bureau Cooperative Association, Indianapolis,  
Indiana, 1945\*

Southern States Cooperative, Inc., Richmond, Virginia, 1946

Illinois Farm Supply Company, Chicago, Illinois, 1946\*

Central Cooperative Wholesale, Superior, Wisconsin, 1946

Poultry Producers of Central California, San Francisco,  
California, 1946

Dairymen's League Cooperative Association, Inc., New York  
City, 1947

Saskatchewan Federated Cooperatives, Ltd., Saskatoon,  
Canada, 1947

Farm Bureau Service Company of Missouri, Inc., Jefferson  
City, Missouri, 1947\*

Pacific Supply Cooperative, Walla Walla, Washington, 1948

Consolidated Badger Cooperative, Shawano, Wisconsin, 1948

Wisconsin Cooperative Farm Supply, Madison, Wisconsin, 1948\*

United Cooperatives of Ontario, Toronto, Canada, 1948

Manitoba Cooperative Wholesale, Ltd., Winnipeg, Canada, 1949

Iowa Farm Service Company, Des Moines, Iowa, 1949\*

Arkansas Farmers Supply, Little Rock, Arkansas, 1950

The above status of personnel administration in 1950 was compared to the status that existed in 1940, the year when first bonafide, wide-scale operations type of personnel office was brought into existence.

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\* Indicates personnel office responsibility in cooperation with Farm Bureau federation and affiliates of the respective states.

In the report in which marketing cooperatives primarily were surveyed, by Beers in 1941, the following statement was made:

Unlike many other successful business organizations of comparable size, not one of these cooperatives has a key executive whose primary responsibility is to serve as the general manager's assistant in charge of coordinating personnel management policies.<sup>1</sup>

It is clearly evident that considerable progress was made in the ten years since 1940.

#### Personnel Administration Prior to Creation of Personnel Office

There was split responsibility for personnel administration prior to the present personnel offices. The various associations were asked to indicate where the various phases of personnel work were handled prior to creation of the present personnel office responsibility.

In general, recruiting, selecting, hiring, and paying employees were handled by major department and division heads. In almost all cases final approvals and decisions were made only after consultation with the general management.

Policy and practice interpretations on vacation, sick leave, employee activities and organizations were closely supervised by the general management and by the major division or department heads.

Detailed matters such as group insurance, health-hospital-medical-surgical insurance, injury and compensation reports, and retirement plan were usually delegated to offices such as payroll, accounting, insurance, and legal.

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<sup>1</sup> R. G. Beers. Personnel Management in Farmers' Cooperatives. United States Department of Agriculture, Farm Credit Administration, Washington, D. C. May 1941. pp. 34-35.



Table 2 indicates details of administrative location of responsibility for personnel functions prior to the creation of present personnel offices.

#### Present Administration of Personnel Functions

Many of the companies still find it more convenient to handle some personnel functions in offices other than the personnel office. In the companies with regularly established personnel offices now, these functions are cleared or recorded in the personnel office though handled in detail in some other office. The offices listed in Table 2 still continue with a few exceptions.

The personnel functions requiring handling of detailed reports such as needed for injuries, unemployment and workmen's compensation, are usually taken care of by the accounting, payroll, or other office customarily engaged in detailed record work. Similarly, where payroll and accounting procedures involve employee deductions and employee contributions, the details are handled in some associations by the payroll and treasurer's offices.

The following is a listing indicating the various personnel functions which are handled by some office other than the personnel office at the time of the study, and the number of cooperatives in which the respective functions are so handled:

| <u>Personnel Function</u>   | <u>Number of Cooperatives</u> |
|-----------------------------|-------------------------------|
| 1. Recruiting and selecting | 2, 4 others in part only      |
| 2. Training and information | 2, 2 others in part only      |
| 3. Policy interpretation    | 3, 1 other in part only       |
| 4. Group insurance          |                               |

ADMINISTRATIVE LOCATION OF PERSONNEL FUNCTIONS PRIOR TO ESTABLISHMENT OF PRESENT PERSONNEL SYSTEMS

| Personnel Function        | Name of Office Handling Function Indicated |                                 |         |            |           |                               |                     |                                      |
|---------------------------|--|---------------------------------|---------|------------|-----------|-------------------------------|---------------------|--------------------------------------|
|                           | General Management                         | Each Department, Division, etc. | Payroll | Accounting | Insurance | Office or Employment Managers | Secretary-Treasurer | Miscellaneous                        |
| Recruiting and Selection  | 1  | 19                              |         |            |           | 2                             | 1                   | 2-Sales                              |
| Training and Information  | 2  | 17                              |         |            |           | 1                             |                     | 1-Sales, 2-Membership & Education    |
| Policy Interpretation     | 12   | 9                               |         |            |           | 3                             |                     |                                      |
| Group Insurance           | 1  | 1                               | 5       | 1          | 5         | 2                             | 5                   |                                      |
| Retirement Plan           | 4  |                                 | 1       | 1          | 3         |                               | 6                   | 1-Consultant                         |
| Hospital-Medical-Surgical | 1  | 3                               | 5       | 2          | 4         | 3                             | 1                   | 1-Employee Group                     |
| Injury Reports            | 2  | 5                               | 3       | 3          |           | 2                             | 3                   |                                      |
| Unemployment Compensation | 1  | 1                               | 5       | 6          | 1         | 5                             | 4                   | 1-Legal                              |
| Workmen's Compensation    | 1  | 1                               | 3       | 6          | 6         | 3                             | 4                   |                                      |
| Employee Activities       | 4  | 4                               |         |            |           | 1                             | 1                   | 3-Limited, 7 Employee Groups         |
| Employee Organizations    | 2  |                                 |         |            |           |                               | 1                   | 1-Legal, 1 Director Public Relations |
| Length of Service Awards  | 4  | 1                               |         | 1          |           | 1                             |                     | 1-Director Public Relations          |

| <u>Personnel Function</u>    | <u>Number of Cooperatives</u> |
|------------------------------|-------------------------------|
| 5. Retirement plan           | 4                             |
| 6. Hospital-medical-surgical | 9                             |
| 7. Injury reports            | 1                             |
| 8. Unemployment compensation | 8                             |
| 9. Workmen's compensation    | 2                             |
| 10. Employee activities      | 2                             |
| 11. Employee organizations   | 10                            |
| 12. Length of service awards | 13                            |

In only six companies is there a complete handling of all personnel functions by the presently established personnel office. In nine companies these matters are handled by the general manager's office or by a first line assistant. Therefore, the information given in Table 2 and in the above listing applies to the remaining eighteen cooperatives of the 33 participating in the study.

#### Designation of Personnel Responsibilities and Titles Used

Responsibilities and job titles are designated in 33 associations in two general groupings. The first group of 19 companies has responsibilities of personnel administration organized into a department including a person with a title clearly indicating this responsibility as follows:

| <u>Job Title Used</u> | <u>No. of Cooperatives</u> |
|-----------------------|----------------------------|
| Personnel Director    | 8                          |
| Personnel Manager     | 4                          |
| Personnel Officer     | 1                          |

| <u>Job Title Used</u>                            | <u>No. of Cooperatives</u> |
|--|----------------------------|
| Manager of Industrial Relations                  | 1                          |
| Director of Personnel and Public Relations       | 1                          |
| Office Manager and Director of Personnel         | 1                          |
| Office Manager                                   | 1                          |
| Office Manager and Comptroller                   | 1                          |
| Office Manager and Assistant Secretary-Treasurer | 1                          |

It is noted that 16 organizations in the above group use a wording to emphasize and include personnel administration. In three organizations the emphasis is on the office and departmental administration job.

The second group of 14 organizations handles personnel work either by the office of the general manager, by his assistant, or by a major division head as follows:

| <u>Title of Person in Charge</u>       | <u>No. of Cooperatives</u> |
|--|----------------------------|
| General Manager                        | 5                          |
| Assistant General Manager              | 2                          |
| Assistant Treasurer                    | 2                          |
| Assistant Treasurer and Office Manager | 1                          |
| Secretary                              | 1                          |
| Comptroller and Office Manager         | 1                          |
| Assistant to General Manager           | 1                          |
| Production Manager                     | 1                          |
| General Branch Manager                 | 1                          |
| Division Manager                       | 1                          |

Two of the above 14 have clerical employees in an office commonly known as the personnel office or department, but these people are supervised by a major division head whose main job is concerned with work other than personnel work.

Three of the above 14 were studying the need and desirability of a personnel office at the time of this survey. In one case a personnel budget was set up for a period of one year in 1947, but was not renewed. In another case a personnel policy committee to study employee relations was announced at the last annual meeting and in the annual report. The third cooperative said that management was studying the need for a separate personnel office.

#### Accountability

Accountability of the personnel office as such, or the office handling personnel functions, in 22 associations is to the executive management of the company. In three other companies the personnel office reports to a board of directors' executive, or a management committee. In five associations the general manager's office itself performs the personnel administrative function.

It is significant that in only three associations does personnel administration receive attention lower than two steps from the executive management of the company.

## CHAPTER IV RECRUITING AND SELECTION TECHNIQUES

In this chapter there is presented a variety of personnel procedures used for recruiting and selecting employees. Only two companies out of the 33 participating did not answer the section of the questionnaire dealing with this topic. It is assumed that these two firms used at least part of the methods commonly used to get people for jobs.

Special attention is given to the methods used in interviewing people and the various other techniques of screening out the less suitable from the more suitable applicants.

The basis for final selection by the regional cooperative of certain people over other applicants is indicated. In addition, some information on the "selling points" used by cooperatives to convince desirable applicants to accept employment is given in this part of the thesis.

### Recruiting Employees

Present and former employees and friends were mentioned by 19 cooperatives as a highly potent source of all types of prospective employees. One cooperative awards cash prizes to current employees who recruit prospects later hired by the company.

Advanced and specialized institutions of learning, such as business colleges, universities, land grant and other colleges are used by 21 cooperatives as highly rated sources for such administrative jobs as fieldmen and office staff, and also for executive positions such

as local managers, department managers, office supervisors, district managers, and trainees for these and similar positions.

High school and business school graduates are preferred by 17 cooperatives for clerical positions requiring bookkeeping, typing, stenography, and other similar jobs. These sources are indicated as good for these jobs.

Newspaper advertisements are used by 17 organizations for special purposes and at special periods for the jobs in warehousing and processing activities and especially for seasonal and emergency periods. This source is regarded as good but for limited use.

Employment agencies, both government and private, are used by 22 cooperatives primarily for labor for plants and warehouses and also for offices. Six of these 22 note that this source is not as good as other sources for the same jobs, but the other 16 companies rate this a good source especially for certain areas and in seasonal periods.

Rural agencies, including all types of local, state, and federal government units, and rural area businesses, including local cooperatives, are used by nine regionals as a source for employees. These are rated as excellent sources for experienced people for field and administrative jobs.

Labor unions are used for recruiting processing plant personnel by three cooperatives. This arrangement is a detail of the labor union contracts in effect at the respective plants.

#### Screening Practices

Obviously not all applicants can be hired and regional cooperatives were asked how they screened more suitable applicants from the less

suitable. All indicated that either of three methods is used with satisfactory results. The first method includes checking over the written application to determine factual information. Only three cooperatives did not mention the use of a written application blank. Two companies use a preliminary short application in addition to a regular type. A brief reading of the application by a personnel staff employee determines quickly whether by age, education, training, and experience the applicant warrants consideration for a job.

The second method is the short screen interview in which attitude, language, habits, and other personality factors are brought out. As the name implies, this type of interview separates, through procedures in a somewhat routine manner, the less suitable applicants from the more suitable ones. Brief as it may be, this type of interview when handled by personnel people familiar with it, determines general suitability or non-suitability. In 13 organizations two or more such screen interviews are held. In 18, only one screen interview is used to arrive at a decision of suitability for further consideration. Two organizations did not indicate the use of a screen interview.

The third method used is the checking of references given by the applicant. Eight cooperatives did not indicate that they use this method, while 25 stated that this is a regular and an important part of their selection procedure.

Table 3 records in detail the various methods used by the regional cooperatives to screen out the less suitable from the more suitable applicants.



TABLE 3

## SCREENING METHODS USED BY REGIONAL COOPERATIVES IN SELECTION OF EMPLOYEES

| Co-ops<br>by<br>Code | Written<br>Application<br>Blank | Screen<br>Interviews<br>Used | References<br>Checked | Medical<br>Examination<br>Used | Tests<br>Used | Comment on Value<br>of Tests          |
|----------------------|---------------------------------|------------------------------|-----------------------|--------------------------------|---------------|---------------------------------------|
| 1.                   | (a)                             | 2                            | x                     | x                              | x             | As an aid                             |
| 2.                   | x                               | 2                            | x                     |                                |               |                                       |
| 3.                   | x                               | 2                            | x                     | x                              | x             | For specific jobs                     |
| 4.                   | x                               | 2                            | x                     | x                              | x             | Information and aid                   |
| 5.                   | x                               | 3                            | x                     |                                | x             | Practical aids                        |
| 6.                   | x                               | 2                            | x                     |                                | x             | Aid for some jobs                     |
| 7.                   | x                               | 1                            | x                     | x                              |               | Seldom used                           |
| 8.                   | x                               | 2                            | x                     |                                |               | Good for aptitudes and<br>personality |
| 9.                   | x                               | 2                            | x                     |                                | (e)           | Depend on them 100%                   |
| 10.                  | (b)                             | (b)                          | (b)                   |                                |               |                                       |
| 11.                  | x                               | 2                            | x                     |                                |               |                                       |
| 12.                  | (b)                             | 1                            | (b)                   |                                |               |                                       |
| 13.                  | x                               | 1                            | x                     |                                | x             | Fair for office jobs                  |
| 14.                  | x                               | 1                            | x                     | x                              |               |                                       |
| 15.                  | x                               | 1+                           | (b)                   |                                |               |                                       |
| 16.                  | (a)                             | 1                            | (b)                   | (d)                            |               | Excellent                             |

TABLE 3 continued

| Co-ops<br>by<br>Code | Written<br>Application<br>Blank | Screen<br>Interviews<br>Used | References<br>Checked | Medical<br>Examination<br>Used | Tests<br>Used | Comment on Value<br>of Tests |
|----------------------|---------------------------------|------------------------------|-----------------------|--------------------------------|---------------|------------------------------|
| 17.                  | x                               | 2                            | x                     |                                | x             | One factor in selection      |
| 18.                  | x                               | 1                            | x                     |                                | x             | Auxiliary device             |
| 19.                  | x                               | 1                            | x                     | x                              | x             | As an aid                    |
| 20.                  | (b)                             | 1                            | (b)                   |                                |               |                              |
| 21.                  | x                               | 1                            | x                     | x                              | x             | Part of selection            |
| 22.                  | x                               | 1                            | x                     |                                | x             | Depends on them extensively  |
| 23.                  | x                               | 1                            | (c)                   |                                |               | Being studied                |
| 24.                  | (a)                             | 1                            | (c)                   | x                              | x             | Helpful                      |
| 25.                  | x                               | (b)                          | (b)                   |                                |               |                              |
| 26.                  | x                               | 1                            | (b)                   |                                |               | About 50%                    |
| 27.                  | x                               | 1                            | (b)                   |                                |               |                              |
| 28.                  | x                               | 1-2                          | x                     |                                |               |                              |
| 29.                  | x                               | 1                            | x                     | x                              |               |                              |
| 30.                  | x                               | 1-2                          | x                     | x                              | x             | General guide                |
| 31.                  | x                               | 1                            | x                     |                                |               | Indicator                    |
| 32.                  | x                               | 1                            | x                     |                                |               | Eliminates 50% of applicants |
| 33.                  | x                               | 1                            | x                     | x                              | x             | Valuable tool                |

(a) Preliminary application form used in addition to regular application form.

(b) No indication as to use.

(c) Indicates use of private investigation agency in addition to regular references.

(d) In processing plant only.

(e) Done by outside agency.

Of the regional cooperatives that use a written application blank to secure basic information about applicants, several mentioned the use of an enlarged application form designed by personnel consultants to assist in securing information and evaluating it. A large file of applicants is kept by all of the cooperatives - at least large enough in the opinion of their staffs. One cooperative, for example, mentioned that it keeps a current file of over six hundred applicants. Others mentioned that a file of some size and of up-to-date character is a necessary part of their personnel system.

The following factors on the application blank are listed by the number of cooperatives indicated, as determining immediate qualification or disqualification for further consideration:

| <u>Employment Factor</u>   | <u>No. of Cooperatives</u> |
|----------------------------|----------------------------|
| Age of applicant           | 2                          |
| Training and/or experience | 14                         |
| Ability and/or knowledge   | 21                         |
| Condition of health        | 3                          |

In the other cooperatives there is no definite policy or routine procedure at this step to eliminate the applicant on the basis of the above.

The following indicates the extent to which the screen type of interviews is in use:

18 cooperatives use only one screen interview.

2 cooperatives use one to two screen interviews regularly,  
depending on circumstances.

1 cooperative uses more than one screen interview.

9 cooperatives use two screen interviews regularly.

1 cooperative has a system of three screen interviews regularly.

The summary below indicates the extent of the use of screening practices by regional cooperatives:

30 cooperatives use a regular written application form. Of these, three use in addition a short preliminary application blank. Only three companies gave no indication of use of a written application form.

12 cooperatives use medical examinations to weed out possibly unsuited employees.

15 cooperatives use tests of aptitude, ability, personality, etc., to determine suitability. One of these uses an outside agency to do the testing, while the other fourteen do their own testing.

6 cooperatives, although not regular users of tests, did comment favorably as to the value of tests as part of the selection procedure.

In addition to the data in Table 3, four organizations stated they use a definite probationary or tryout period as a method of screening out poorer prospects.

### Selection of Employees

The variety of answers received to the question of final selection of employees is summarized below and in Table 4. Of the 33 cooperatives studied, twenty-nine answered this question.

One group of answers indicates that the employees' records of performance are the most widely used as guides in selection of people. These include the ability to do the job at hand, previous training and experience, together with basic attributes such as honesty, stability, and morality.

TABLE 4

FACTORS USED AS GUIDES TO SELECTION OF EMPLOYEES BY  
REGIONAL FARMER COOPERATIVES

| General Description<br>of<br>Section Factor  | Number of<br>Cooperatives<br>Stressing Use<br>of Factor |
|--|---|
| Basic stability, honesty, morality, etc.   | 14  |
| Record of performance indicating<br>ambition, willingness, capacity<br>for hard work, etc. | 18  |
| Ability to handle job at hand  | 14  |
| Previous training and experience   | 14  |
| Personality  | 13  |
| Ability to get along with people   | 10  |
| Promotability  | 4   |
| Attitude   | 3   |
| Knowledge  | 4   |
| Age  | 3   |
| Health   | 3   |
| Interest in cooperatives   | 4   |
| "Balanced" set of factors  | 4   |

Closely grouped behind these are the factors of personality and the ability to get along with people. Other guides that are used in a smaller group of companies include promotability, attitude, knowledge, age, health, and interest in cooperatives.

It is significant that interest in cooperatives is highly stressed in only four places, while four other companies stated that a "balanced" set of guides or a composite picture of the employee's record, ability, personality, etc., is emphasized for selection.

In addition to the statement made by the four using a "balanced" set of factors, a review of the factors being used as guides by the respective organizations shows that:

- 1 cooperative uses eight guides
- 3 cooperatives use six guides
- 6 cooperatives use five guides
- 4 cooperatives use four guides
- 7 cooperatives use three guides
- 4 cooperatives use two guides
- 1 cooperative uses only one guide
- 7 cooperatives did not answer

From the above it is apparent that except for one instance, more than one factor influences the selection of employees.

#### Hiring of Employees

In only three cooperatives does the personnel office actually hire and place people on the job. In fifteen cooperatives the personnel office recommends and assists in hiring, but the department supervisor

concerned actually made the decision to hire employees. In eight cooperatives the decision to hire is entirely made by the department supervisor. In seven cooperatives which did not have a personnel office, the hiring decision is either made by the general manager, or was subject to his approval.

#### Convincing Applicants to Accept Cooperative Employment

The cooperatives questioned were asked to rate what they used as "selling points" to convince suitable applicants to accept employment with their organization. Of the 33 cooperatives participating, twenty-eight answered this question as shown in Table 5. Five companies did not answer. It is significant that the factors that were rated the highest were working conditions, opportunity, and treatment of people as individuals.

It is also significant that the lowest rated factors included training programs, the fact that the organization was a cooperative type of business, and the location of the place of employment.

Factors somewhat closer to the middle, or of some value in the consideration of applicants in taking employment with cooperatives, included pay, interesting work, prestige, and security.

Fuller detail of how each factor rated as a selling point to convince applicants to accept employment with cooperatives is shown in Table 5.

In this chapter it is significant to note that the regional cooperatives realize that a large variety of methods and techniques are needed in recruiting and selecting employees. It is also noteworthy that the cooperatives agree substantially on the important factors which are used as guides in the selection of employees.

TABLE 5

**IMPORTANCE OF VARIOUS FACTORS TO CONVINCE SUITABLE APPLICANTS TO ACCEPT A JOB WITH  
REGIONAL FARMER COOPERATIVES AS RATED BY THE COOPERATIVES\***

| Description of the<br>Various Factors Used as<br>"Selling Points" | Number of Co-ops<br>Giving an<br>Important Rating |   |   |       | Number of Co-ops<br>Giving Rating of<br>Some Value |   |   |   |       |   |   | Number of Co-ops<br>Giving Rating of<br>Little or No Value |   |       |  |  |
|---|---|---|---|-------|--|---|---|---|-------|---|---|--|---|-------|--|--|
|   | 10  | 9 | 8 | Total | 7  | 6 | 5 | 4 | Total | 3 | 2 | 1  | 0 | Total |  |  |
|   |   |   |   |       |  |   |   |   |       |   |   |  |   |       |  |  |
| Prestige of the cooper-<br>ative in the community                 | 4   | 2 | 7 | 13    | 1  | - | 3 | 6 | 10    | 2 | 3 | 1  | - | 6     |  |  |
|   | -   | 4 | - | 4     | 1  | 1 | 3 | 2 | 7     | 6 | 4 | 7  | - | 17    |  |  |
|   | 1   | 1 | 1 | 3     | 4  | - | 7 | 1 | 12    | 3 | 5 | 1  | 2 | 11    |  |  |
| Location  | 3   | 3 | 5 | 11    | 2  | 9 | 2 | 2 | 15    | 1 | 1 | 1  | - | 3     |  |  |
| Pay   | 12  | 3 | 5 | 20    | 2  | - | 4 | - | 6     | 3 | 1 | -  | - | 4     |  |  |
| Security  | 5   | 3 | 3 | 11    | 2  | 2 | 3 | 4 | 11    | - | 5 | 2  | - | 7     |  |  |
| Interesting work  | 5   | 6 | 2 | 13    | 5  | 5 | 2 | 2 | 14    | 3 | - | -  | - | 3     |  |  |
| Working conditions  | 11  | 7 | 6 | 24    | 2  | 4 | 1 | 1 | 8     | 1 | 2 | -  | - | 3     |  |  |
| Cooperative type of<br>business                                   | 2   | - | 1 | 3     | 2  | 1 | 4 | 3 | 10    | - | 8 | 3  | 2 | 13    |  |  |
| Treating of employees<br>as individuals                           | 10  | 5 | 2 | 17    | 3  | 1 | 1 | 2 | 7     | 3 | - | -  | - | 3     |  |  |

\* Questionnaire requested cooperative to rate from 10 as the most important down to 0 as of no importance.



## CHAPTER V EMPLOYMENT POLICIES AND PRACTICES

The regional farmer cooperatives were asked about the various factors that make up the pay of the employees in one way or another. The answers to these questions are given in Chapter V and include job class, pay rate ranges, overtime pay, bonuses, commissions, and special awards. The scope of these various monetary factors is presented showing what employee groups are included. How many of the cooperatives use the various plans involved in pay, is also shown.

In addition, the policies pertaining to vacations, sick leave, holidays, and other time off from work are also described.

### Job Classes

For wage jobs, twenty-three of the 33 cooperatives have a job class and description of duties system for part or all of the employees so classified. The scope of wage jobs covered by a classification system in these 23 cooperatives is indicated by the following:

| <u>Scope</u>                     | <u>Number of<br/>Co-ops</u> |
|----------------------------------|-----------------------------|
| All wage jobs                    | 16                          |
| Mill and manufacturing jobs only | 3                           |
| Office jobs only                 | 2                           |
| Some jobs only                   | 2                           |

The other ten cooperatives having no classification system for wage jobs are grouped to indicate their present status on this feature as follows:

| <u>Status</u>                      | <u>Number of<br/>Co-ops</u> |
|------------------------------------|-----------------------------|
| Job classification now under study | 2                           |
| No system in effect                | 7                           |
| No answer                          | 1                           |

For salary jobs, 14 cooperatives have a job classification system for all or part of the employees so classified. The scope of job classes for salaried jobs is as follows:

| <u>Scope</u>                  | <u>Number of<br/>Co-ops</u> |
|-------------------------------|-----------------------------|
| All salary jobs               | 12                          |
| Limited number of salary jobs | 1                           |
| Some salary jobs              | 1                           |

The other 19 cooperatives having no job classification system for salary jobs are grouped to indicate their present status on this feature as follows:

| <u>Status</u>                      | <u>Number of<br/>Co-ops</u> |
|------------------------------------|-----------------------------|
| Job classification now under study | 1                           |
| No system in effect                | 17                          |
| No answer                          | 1                           |

#### Pay Rate Ranges

For wage jobs, 22 cooperatives have a pay rate range system in effect for all or part of the employees so classified. The scope of

wage jobs covered by rate ranges in these 22 cooperatives is as follows:

| <u>Scope</u>                     | <u>Number of<br/>Co-ops</u> |
|----------------------------------|-----------------------------|
| All wage jobs                    | 16                          |
| Office jobs only                 | 3                           |
| Mill and manufacturing jobs only | 2                           |
| Some wage jobs                   | 1                           |

The other 11 cooperatives that indicated no rate range plan in effect are grouped to indicate their present status as follows:

| <u>Status</u>                  | <u>Number of<br/>Co-ops</u> |
|--------------------------------|-----------------------------|
| Rate range study now under way | 1                           |
| No rate range plan in effect   | 9                           |
| No answer                      | 1                           |

For salary jobs, 15 cooperatives have a pay rate range system in effect for all or part of the jobs so classified. The following is the summary of the scope of the plans in operation:

| <u>Scope</u>       | <u>Number of<br/>Co-ops</u> |
|--------------------|-----------------------------|
| All salary jobs    | 14                          |
| Junior salary jobs | 1                           |

For the other 18 cooperatives with no salary ranges in effect, the present status is indicated by the following:

| <u>Status</u>                                    | <u>Number of<br/>Co-ops</u> |
|--|-----------------------------|
| Rate ranges for salaried jobs<br>now under study | 2                           |
| No rate ranges on salary jobs<br>in effect       | 15                          |
| No answer  | 1                           |

### Overtime Pay

All except four of the 33 cooperatives studied pay overtime at one and one half times the regular rate for all hours worked over forty hours per week as required by the federal regulations. The four which do not pay overtime have certain activities which are exempt from the overtime premium payment. Three of the 29 paying overtime premium payment, also pay double time for holidays worked, which in one case also includes the seventh consecutive day worked by any employee.

### Bonus

Eighteen of the 33 cooperatives pay a bonus of some type to all or part of the employee staff. Following is a description of the employees included in the plans and the number of cooperatives using the several methods:

| <u>Employees Included</u>  | <u>Number of<br/>Co-ops</u> |
|--|-----------------------------|
| All employees  | 7 (a)                       |
| Local managers   | 6 (a)                       |
| Production workers   | 4 (b)                       |
| Salary employees   | 2 (b)                       |
| Being tried out in two small<br>groups of employees  | 1                           |
| (a) One cooperative pays bonus to all employees<br>except local managers on one basis; local<br>managers are included in the second group<br>on another basis. |                             |
| (b) One cooperative pays bonus to salary employees<br>on one basis and to production employees on<br>another basis.  |                             |

Fourteen cooperatives pay no bonus as such and one cooperative did not answer the question.

### Commissions

Of the 33 regional cooperatives participating, twenty-four do not pay any commissions of any kind to employees. Two cooperatives did not answer the question. The seven cooperatives paying commissions make use of the commission system as follows:

| <u>Employees Included</u>     | <u>Number of<br/>Co-ops</u> |
|-------------------------------|-----------------------------|
| Generally to all sales people | 4                           |
| Petroleum employees only      | 1                           |
| Petroleum and farm equipment  | 1                           |
| "A few times"                 | 1                           |

In only three companies are both the bonus and commission systems used.

### Special Awards

Twelve cooperatives use special awards of cash, merchandise and trips for business and pleasure as special incentives at various times. Twenty cooperatives stated they use no special awards of any kind. One cooperative did not answer this question.

The twelve cooperatives that use special awards were further studied and the use of various kinds of special awards is as follows:

|                                  |                |
|----------------------------------|----------------|
| "Cash" awards used               | 1 cooperative  |
| "Some" special awards used       | 2 cooperatives |
| Special awards of all kinds used | 9 cooperatives |

Of the twelve using awards of this type, three mentioned the use of awards in the form of trips to cooperatively owned factories, or to sources of supply. Two mentioned the use of pleasure trips as awards to commodity sales contest winners.

## Vacation Plans

Only two out of the 33 regional farmer cooperatives have no formal policy on grants of an annual vacation with pay to employees. Of the 31 vacation plans in effect, 29 have a basic two weeks vacation, one has a one week vacation, and one has a three week vacation. The plans vary in the length of time an employee must work before he is eligible for the vacation. The variety of plans is divided into several general groupings.

The first group includes 22 cooperatives which allow a two week annual vacation and no more, and is summarized as follows:

8 cooperatives allow one week after six months service.

1 cooperative allows two weeks after six months service.

13 cooperatives allow two weeks only after the first full year of service.

The second group includes three cooperatives which grant two weeks after a period longer than one year as follows:

2 cooperatives allow one week after one year of service and two weeks after three years of service.

1 cooperative allows one week after one year of service and two weeks after five years of service.

There was only one cooperative which limits annual vacations to only one week annually. One other cooperative allows three weeks vacation annually.

There were two cooperatives which vary grants of vacation to different classes of employees. One cooperative requires one year of

service for executive employees, two years of service for office employees, and three years of service for plant employees before the respective groups of employees are eligible for two weeks annual vacation. Another cooperative limits the vacation of two weeks annually to salary employees only.

Six cooperatives out of the 22 in the first group mentioned above, recognize length of service by additional vacation. Four of these six allow three weeks vacation after ten years of employment. One of these four allows two extra days over regular two weeks for service of from five to ten years. Two cooperatives allow three weeks of vacation after fifteen years of service.

#### Sick Leave Policies

Nine cooperatives indicated that no formal policy exists in the granting of sick leave or absence with pay from work due to illness or injury of employee. However, such absence is allowed at the discretion of the management, or depending on the circumstances, or depending on the length of service for the individual employee. This type of policy applies to illness and injury which did not occur in the course of employment. All of the cooperatives are subject to state laws requiring them to carry insurance for compensation for time lost due to injury and illness to employees in the course of their employment.

The range of time in the remaining 24 cooperatives which grant sick leave, is from a minimum of a flat five days per year, to a maximum of 24 weeks. The variety of periods and the conditions under which sick leave is allowed are grouped generally into two types of plans. One is the accumulative sick leave plan and the other is the non-cumulative plan.

Accumulative sick leave plans. Sixteen of the cooperatives allow sick leave to accumulate so that if unused in one year, it can be added to subsequent years. The result is a type of sick leave credit or account against which an employee can draw for actual illness or injury. Four cooperatives stated no limit as to amount of sick leave allowed to accumulate; one of these pays cash for unused sick leave at retirement.

Twelve cooperatives have limits to the amount of sick leave allowed to accumulate to the credit of an employee. The range of time allowed to accumulate is from a minimum of two weeks to a maximum of approximately half a year. The plans of the twelve companies spread out as follows:

| <u>Maximum Time Allowed</u>  | <u>Number of<br/>Co-ops</u> |
|--|-----------------------------|
| Up to two weeks--this cooperative pays cash annually for all time accumulated over two weeks | 1                           |
| Up to two weeks for non-salary employees and up to four weeks for salary employees           | 1                           |
| Up to thirty days  | 2                           |
| Up to forty days   | 1                           |
| Up to six weeks  | 1                           |
| Up to sixty days   | 2                           |
| Up to three months   | 1                           |
| Up to 108 days   | 1                           |
| Up to 24 weeks   | 1                           |
| Up to 180 days   | 1                           |

From the above figures it is seen that actually ten companies allow up to thirty days sick leave on an accumulative basis, while four companies allow up to three months time on this basis.



Non-cumulative sick leave plans. Eight cooperatives use the non-cumulative type of annual allowance for sick leave. These eight use the following systems:

| <u>Time Allowed</u>  | <u>Number of<br/>Co-ops</u> |
|----------------------|-----------------------------|
| Five days per year   | 1                           |
| Six days per year    | 1                           |
| One week per year    | 2                           |
| Ten days per year    | 1                           |
| Twelve days per year | 1                           |
| Two weeks per year   | 2                           |

#### Paid Holidays

Holidays which are observed by the regional cooperatives and for which pay is given to employees, vary in number from a minimum of one and one half days per year to a maximum of nine days. The spread among thirty out of the 33 cooperatives participating is as follows:

| <u>Number of Holidays</u>   | <u>Number of Co-ops</u> |
|---|-------------------------|
| 1 1/2   | 1                       |
| 3   | 1                       |
| 5   | 2                       |
| 6   | 17                      |
| 7   | 1                       |
| 8   | 2                       |
| 9   | 4                       |
| 8 to office employees<br>and 7 to plant employees                       | 1                       |
| 7 to office employees<br>and 3 to processing and<br>warehouse employees | 1                       |

The four cooperatives allowing nine days are all located in Canada. They observe some British and Canadian holidays in addition to holidays customarily observed in the United States.

The six most generally observed paid holidays are New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Three cooperatives did not state their policy on holidays.

#### Time Off With Pay

Seventeen cooperatives out of the 33 participating have a policy of allowing time off to employees with pay for a variety of reasons, such as death in the family, need of medical or dental service, jury or election board duty, religious observances, civic or relief duties, and company sponsored social affairs. A further break-down of the 28 cooperatives answering this question shows that:

- 10 cooperatives have a definite policy on time off with pay to employees for various purposes. One of these ten has a credit system which allows up to three days per year for this privilege. Another allows one day at a time but requires it to be made up.
- 7 cooperatives have an informal policy in which time off with pay is "rare", "to a certain extent", and "at discretion of management".
- 5 cooperatives stated they have a policy of allowing no time off with pay.
- 8 cooperatives have no formal policy.
- 3 cooperatives gave no answer to this question.

### Military Leave\*

Fifteen of the cooperatives grant military leave to employees who are members of organized military reserves as follows:

- 6 cooperatives grant military leave but did not state how much.
- 4 cooperatives grant military leave "as necessary".
- 2 cooperatives grant one weeks pay, though one of these allows a two weeks period for the leave.
- 2 cooperatives grant up to two weeks time and pay the difference in pay between the military payment and the employee's regular pay.
- 1 cooperative grants from one to four weeks military leave with pay.
- 4 cooperatives grant no military leave.
- 11 cooperatives have no policy on military leave.
- 3 cooperatives did not answer this question.

### Leave of Absence

Nine of the cooperatives grant leaves of absence for a variety of reasons other than the military leaves as shown above. The purposes mentioned and the number of cooperatives granting leave for each particular purpose, are listed as follows:

| <u>Purpose of Leave</u>       | <u>Number of Co-ops</u> |
|-------------------------------|-------------------------|
| For illness or injury         | 3                       |
| For education                 | 2                       |
| For service with allied co-op | 2                       |
| For jury service              | 1                       |
| For slack seasonal period     | 1                       |

---

\* For additional discussion of this type of policy, see last paragraph of Leave of Absence section below.

In most cases because of indefiniteness of need, the time allowed for leave of absence was not stated. However, four cooperatives have policies of stating time limits in leaves other than for military service. These plans are:

- 1 cooperative allows up to thirty days time.
- 1 cooperative allows one month; additional time upon approval of management.
- 1 cooperative allows from two to twelve weeks time.
- 1 cooperative allows up to two months with the job held open; in addition, leave is allowed up to twelve months time but employee's job is not held open and employee is given whatever job is open upon return from the leave.

A group of twelve cooperatives have no definite policy on leave of absence but stated that in various ways leaves are granted depending on "good reason", "extreme cases", "as justified", and handling "each case on its merits". Six of these stated that management approval is necessary for such leaves of absence as are granted.

One cooperative stated that no leave of absence is granted for any purpose. Three did not answer the question and eight stated that they have no definite policy on leaves.

It may be pointed out that the regional farmer cooperatives, together with all other employers, are subject to national laws passed to protect jobs of employees who are drafted or who volunteer for regular national military service. To this extent all of the 33 regional cooperatives are forced to have a leave of absence policy to cover at least this type of military service.

In this chapter it is significant to note that practically all of the organizations have complete and formal policies on the simpler of the employment policies such as vacations, overtime pay, and bonuses. In contrast, there is less use of the more complex employment policies such as leaves for various purposes, job evaluation systems, and special incentives.

## CHAPTER VI EMPLOYEE BENEFIT PROGRAMS

This chapter covers the various employment benefit programs for the employees of regional farmer cooperatives. Included are descriptions of the programs and the extent to which they are available to employees. The benefits so described are group life insurance, health and retirement plans.

### Group Life Insurance Programs

Of the 33 regional cooperatives studies, twenty-seven have group life insurance protection on the life of the individual employee. The remaining six cooperatives have no such benefit for the employee. In the 27 companies that provide group life insurance, the cost is paid by these methods:

|  |    |
|--|----|
| By cooperative entirely                | 11 |
| By employee entirely                   | 1  |
| By cooperative and<br>employee jointly | 15 |

The basis for the amounts allowed in group life insurance to employees includes four different ideas. In seven organizations the amount of salary determines the amount of life insurance allowed. In five others the job class held by the employee qualifies him for a stated amount. In two companies the length of service qualifies the employee for an increasing amount of life insurance protection. In one cooperative the married employee is allowed more life insurance protection than the single employee.

The amount of group life insurance is fixed at a flat amount in eight companies and is a scaled amount in 17 companies. Two companies did not state which system they use. The two largest groupings are in the fixed amount of \$1,000 in five cooperatives and in the scaled amounts \$1,000 - \$5,000 in five cooperatives. There is a total of twenty companies in the combined grouping with fixed and scaled amounts not over \$5,000. The group life insurance programs range from the lowest amount of \$500 to the highest amount of \$18,000. The summary of the amounts available in the two systems is as follows:

Flat Amount:     \$1,000 in 5 cooperatives  
                     2,000 in 2 cooperatives  
                     5,000 in 1 cooperative

Scaled Amounts:   \$ 500 - \$ 1,000 in 1 cooperative  
                         500 - 10,000 in 1 cooperative  
                         1,000 - 2,000 in 2 cooperatives  
                         1,000 - 2,500 in 1 cooperative  
                         1,000 - 3,000 in 1 cooperative  
                         1,000 - 4,000 in 1 cooperative  
                         1,000 - 5,000 in 5 cooperatives  
                         1,500 - 5,000 in 1 cooperative  
                         1,000 - 10,000 in 1 cooperative  
                         3,000 - 5,000 in 1 cooperative  
                         1,000 - 18,000 in 1 cooperative

#### Health Services and Insurance

Of the 33 cooperatives studied, fifteen make available the Blue Cross-Blue Shield group health protection service. In eleven cooperatives

an insurance company group health protection plan is available. In six cooperatives a cooperative group health plan is in operation. Only one cooperative out of the total of 33 has no group health plan available to its employees through the employer.

Of the fifteen Blue Cross-Blue Shield plans, nine cover employees for the hospital-surgical-medical type of service, three for the hospital-surgical type, and three for only the hospital type of service. Of these fifteen groups, 14 provide for payment of cost by the employee entirely, and only one provides for joint payment on an equal basis by the employee and the employer.

In the six cooperative group health plans, four provide the hospital-surgical-medical type of service, one provides the hospital-surgical type, and one provides only the hospital service. Cost is paid entirely by the employer in the one hospital plan, and in two of the hospital-surgical-medical plans. In the one hospital-surgical plan the cost is paid entirely by the employee. In the two remaining hospital-surgical-medical plans, the cost in one is shared equally by the employee and the employer; in the other, the employer pays for all of the hospital service portion and the employee pays for all of the surgical and medical service portion of the plan.

Of the eleven insurance company plans, eight are part of a combination group life insurance, health and accident benefit package plan. Of the eight combination plans, seven provide for lump payments for accidental death and disability, and for weekly sickness. Of the seven, five are forced onto the employer by the state laws of the respective states.



In the seven hospital-surgical-medical plans, the cost is shared jointly between the employee and the employer, while in two plans it is paid entirely by the employer.

In the four hospital-surgical plans, two are paid by the employee entirely, one by the employer entirely, and one is paid jointly.

All of the employers except three provide for payroll deduction methods by which the employees pay for the cost. The other three employers make arrangements for the employees to pay directly to a Farm Bureau county organization.

All of the 33 regional farmer cooperatives stated that they are required by the state laws in their respective states to carry workmen's compensation and unemployment compensation types of insurance on their employees.

Table 6 summarizes the types, scope, and methods of payment for health service in the various combinations which the regional cooperatives have made available on a group basis to their employees.

#### Retirement Plans

Retirement or pension plans are in effect in 23 of the regional farmer cooperatives studied, while ten companies have none. Of the 23 plans in effect, sixteen are the insured type guaranteed by a life insurance company, and seven are the trust type in which the cooperative has some definite responsibilities.

The age provision for retirement is 65 in all, although most provide for optional retirement at age 55 or sixty. For women employees, two plans provide a retirement age of sixty.

TABLE 6

TYPES, SCOPE, AND METHODS OF PAYMENT FOR HEALTH SERVICES  
FOR EMPLOYEES OF REGIONAL FARMER COOPERATIVES

| Type<br>of<br>Plan    | Scope<br>of<br>Protection     | Number<br>of<br>Co-ops | Number of Co-ops<br>Where Plan Is |                     |                 |
|-----------------------|-------------------------------|------------------------|-----------------------------------|---------------------|-----------------|
|                       |                               |                        | Paid by<br>Employee               | Paid by<br>Employer | Paid<br>Jointly |
| Blue Cross            | Hospital-Surgical-Medical (a) | 11                     | 11                                |                     |                 |
| Blue Cross            | Hospital-Surgical (b)         | 3                      | 2                                 |                     | 1 (c)           |
| Blue Cross            | Hospital                      | 3                      | 3 (d)                             |                     |                 |
| Cooperative<br>Health | Hospital-Surgical-Medical (a) | 4                      |                                   | 2                   | 2 (e)           |
| Cooperative<br>Health | Hospital-Surgical (b)         | 1                      | 1                                 |                     |                 |
| Cooperative<br>Health | Hospital                      | 1                      |                                   | 1                   |                 |
| Insurance Co.         | Hospital-Surgical-Medical (a) | 7                      |                                   | 2                   | 5 (c)           |
| Insurance Co.         | Hospital-Surgical (b)         | 4                      | 2                                 | 1 (f)               | 1 (g)           |

(a) Hospital-surgical-medical service coverage.

(b) Hospital-surgical service coverage.

(c) Joint payments of 50% each.

(d) One cooperative offers choice to employees of either Blue Cross plan or an insurance company plan.

(e) One cooperative pays for the hospital portion of the service, and the employees pay for the balance of service.

(f) Employee pays for dependents.

(g) Employer pays 60% and employees pay 40%.

Eligibility age - the age at which people are accepted into retirement plans - is 25 in four cooperatives, thirty in another, and 35 in three others. The rest have no such age limitation.

The cost of retirement plans is paid entirely by seven cooperatives; two cooperatives pay the entire cost on salaries up to \$3,000 and share the cost on the balance of the salary. In 14 cooperatives the cost is shared with employee and employer contributions in various proportions. Table 7 gives the main features of retirement plans in effect among the regional farmer cooperatives.

The earliest date given in the study for the adoption of a retirement plan by a regional farmer cooperative, was 1927. Although dates in some cases were not given, the decade of the 1940's is noted as the period during which practically all other retirement plans of regional farmer cooperatives were adopted.

An outstanding feature of the usual regional farmer cooperative retirement plan is the eligibility of local cooperative employees in either of two ways. First, in a number of regional cooperatives which manage local cooperatives by contractual arrangements, there are provisions for local cooperative employee participation. In such cases the bulk of the solicitation and records are part of the responsibility of the regional cooperative's personnel office.

Second, in some regional cooperatives which have local cooperatives as members, there are provisions for participation of local cooperative employees. In these cases the responsibility for the bulk of the solicitation and records is taken over by the insurance company.

TABLE 7

## MAIN FEATURES OF RETIREMENT PLANS IN EFFECT AMONG REGIONAL FARMER COOPERATIVES

| Co-op<br>by<br>Code | Type<br>of<br>Plan | Employee Cost  | Employer Cost    | Approximate<br>Amount of Benefits   | Eligi-<br>bility<br>Age | Retire-<br>ment<br>Age |
|---------------------|--------------------|--|------------------|---|-------------------------|------------------------|
| 1.                  | Trust              | 3-3/4%   | 6%               | 1 1/2% x years of service   | 25                      | 65                     |
| 3.                  | Trust              | None   | All              | 1% x years of service   | 25                      | 65                     |
| 4.                  | Insured            | 2 1/2% first \$3,000<br>5% over \$3,000                                  | 6.5%             | \$1 per month for each \$30 of<br>employee contribution                         | 35                      | 65                     |
| 5.                  | Insured            | 2.67%  | 3.55%            | 1% x years of service   | (a)                     | 65                     |
| 6.                  | Insured            | 3%   | 5% approximately | 1% x years of service   | 25                      | 65                     |
| 7.                  | Trust              | 3%   | 5%               |   |                         |                        |
| 8.                  | Insured            | (b)  | (b)              |   |                         |                        |
| 9.                  | Insured            | 48% for 15 years or<br>less service, 24%<br>for service over 15<br>years | Balance          | \$10 per unit purchased by<br>employee  |                         | 60 Women<br>65 Men     |
| 10.                 | Insured            | 5%   | Balance          | Schedule of units based on<br>service and pay                                   |                         | 65                     |
| 11.                 | Insured            | None   | All              | 1/2 of average lifetime pay<br>including Social Security                        | 35                      | 65                     |
| 13.                 | Trust              | 2% first \$3,000<br>4% over \$3,000                                      | 5%               | \$180 month for 10 years serv-<br>ice; \$240 month for over<br>10 years service | 35                      | 65                     |

TABLE 7 continued

| Co-op<br>by<br>Code | Type<br>of<br>Plan | Employee Cost  | Employer Cost | Approximate<br>Amount of Benefits  | Eligi-<br>bility<br>Age | Retire-<br>ment<br>Age |
|---------------------|--------------------|--|---------------|--|-------------------------|------------------------|
| 14.                 | Insured            | None   | All           |  |                         | 65                     |
| 15.                 | Insured            | 5%   | 5%            | Approximately $1\frac{1}{2}\%$ x years of service                                |                         | 65                     |
| 16.                 | Insured            | $2\frac{1}{2}\%$ up to \$3,600<br>5% over \$3,600                    | Balance       | $1\frac{1}{2}\%$ x years of service<br>(maximum \$200 per month)                 | Up to<br>59             | 65                     |
| 17.                 | Insured            | None   | All           | $1\%$ x years of service   | 30                      | 65                     |
| 19.                 | Insured            | 5%   | 5%            | Approximately $1\frac{1}{2}\%$ x years of service                                |                         | 65                     |
| 21.                 | Insured            | 5% on maximum of<br>\$6,000 per year                                 | 5%            | Approximately $1\frac{1}{2}\%$ x years of service                                |                         | 60 Women<br>65 Men     |
| 22.                 | Trust              | $3\%$  | 4.8% approx.  | $1\%$ x years of service   |                         | 65                     |
| 23.                 | Trust              | 5%<br>---Limited to first<br>\$2,400 salary---                       | 5%            |  |                         | 65                     |
| 24.                 | Insured            | None on first<br>\$3,000; 4% on<br>next \$2,000; 8%<br>on additional | 6.5%          | $1\%$ x years of service<br>$2\%$ x years of service<br>$2\%$ x years of service |                         | 65                     |

TABLE 7 continued

| Co-op<br>by<br>Code | Type<br>of<br>Plan | Employee Cost                   | Employer Cost   | Approximate<br>Amount of Benefits | Eligibility<br>Age | Retire-<br>ment<br>Age |
|---------------------|--------------------|---------------------------------|---|-----------------------------------|--------------------|------------------------|
| 25.                 | Insured            | None<br>----Covers only first   | All<br>\$5,000 salary----                                     | 1/2 of 1% x years of service      | 29½                | 65                     |
| 30.                 | Trust              | 3%                              | 4.8%  | 1% x years of service             | All                | 65                     |
| 33.                 | Insured            | None on first<br>\$3,000 salary | All on salary<br>up to \$3,000;<br>balance on over<br>\$3,000 | 2/3 of 1% x years of service      | All                | 65                     |

(a) No stated age for eligibility; only requirement is length of service.

(b) Cost shared jointly; percent not given.

Some cooperatives listed various benefits as being of special interest or value to their employees. These benefits did not fall into any of the classifications previously discussed and are stated below as to type and the number of cooperatives using them.

| <u>Type of Benefit</u>  | <u>Number of<br/>Cooperatives</u> |
|---|-----------------------------------|
| Purchase of company products by<br>employees at special discounts | 4                                 |
| Partial payment of employees' cost<br>of education                | 2                                 |
| Library for employees   | 1                                 |
| Christmas presents  | 1                                 |
| Cost of living bonus  | 1                                 |

Five cooperatives emphasized liberal sick leave policy as being of significant benefit to their employees. One cooperative stressed group health benefits for employees' families as being especially important.

In this chapter it is significant to note that a group life insurance and health program is found in practically all of the regional farmer cooperatives. The type and amount of benefits in each organization vary a great deal. Similarly, the majority of the cooperatives studied have retirement plans which vary considerably in cost, benefits at age 65, and other details.

## CHAPTER VII EMPLOYEE INFORMATION AND TRAINING PROGRAMS

In this chapter are presented the results of the survey of the work done by the regional cooperatives on employee information and training programs in the following sections: orientation; job and department information; information about cooperatives; job skills training; and personality development.

### Orientation

In summary, the thirty cooperatives reported orientation or general information programs for the benefit of new employees and stated they spend the following amounts of time for such programs:

| <u>Period of Time</u> | <u>Number of<br/>Cooperatives</u> |
|-----------------------|-----------------------------------|
| 1/2 hour              | 1                                 |
| 1 hour                | 2                                 |
| 1/2 day               | 1                                 |
| 8 hours               | 1                                 |
| 12 hours              | 1                                 |
| 2 weeks               | 1                                 |
| 3 weeks               | 1                                 |
| 6 weeks               | 1                                 |
| 2 months              | 2                                 |
| 3 months              | 1                                 |
| 6 months              | 1                                 |
| 6-12 months           | 1                                 |
| 6 months-3 years      | 1                                 |
| "Brief"               | 11                                |
| "Varied"              | 4                                 |
| "No specific period"  | 1                                 |
| No answer             | 2                                 |



The cooperatives also indicated that the period of time from date of hire during which general information is given to employees, varies from "at once" and "immediately", to six months. Only seven organizations have definite time periods, 25 do not set such time periods, and two did not answer.

When asked how soon after hire new employees got information about cooperatives, twenty-eight out of the 33 cooperatives gave answers in terms of the period used from "promptly" to "by end of the first year". The summary of answers is as follows:

| <u>Period of Time</u>        | <u>Number of<br/>Cooperatives</u> |
|------------------------------|-----------------------------------|
| By the end of one week       | 1                                 |
| By the end of two weeks      | 1                                 |
| By the end of 2-6 weeks      | 2                                 |
| By the end of one month      | 1                                 |
| By the end of 1-2 months     | 1                                 |
| By the end of six weeks      | 1                                 |
| By the end of 1-6 months     | 1                                 |
| By the end of 6 months       | 1                                 |
| By the end of one year       | 2                                 |
| "Promptly"                   | 2                                 |
| "Gradually"                  | 5                                 |
| "Indefinite"                 | 1                                 |
| "Immediately"                | 2                                 |
| "Brief" at hire or interview | 4                                 |
| "At meetings later"          | 1                                 |
| None                         | 3                                 |
| No answer                    | 4                                 |

Only three cooperatives said they give no information about cooperatives to their employees.

#### Job and Department Information

The amount of time used to give the new employee information about the job and the department varies in length in nineteen cooperatives. Eleven cooperatives have no definite time established for giving this information to the employee. The answers were summarized as follows:

| <u>Period of Time</u> | <u>Number of<br/>Cooperatives</u> |
|-----------------------|-----------------------------------|
| 1 hour                | 1                                 |
| 1 day                 | 1                                 |
| 2 days                | 2                                 |
| 1 week                | 1                                 |
| 2 weeks               | 1                                 |
| 3 weeks               | 1                                 |
| 30 days               | 1                                 |
| 1-2 months            | 3                                 |
| 2 months              | 2                                 |
| 3 months              | 3                                 |
| 6 months              | 1                                 |
| 6-12 months           | 1                                 |
| 6 months-3 years      | 1                                 |
| "Brief"               | 1                                 |
| "Varied"              | 7                                 |
| "Indefinite"          | 1                                 |
| "Some"                | 2                                 |
| No answer             | 3                                 |

The above summary was further broken down into the following groups:

| <u>Period of Time</u> | <u>Number of<br/>Cooperatives</u> |
|-----------------------|-----------------------------------|
| 1 week or less        | 5                                 |
| 2 weeks-3 months      | 11                                |
| 6 months or more      | 3                                 |
| Indefinite            | 11                                |

#### Job Skill Training

Table 8 indicates the types of job skill training courses carried on in twenty-two of the 33 regional cooperatives. The table shows that the job of the local retail manager receives attention by more regional cooperatives than any other, although courses for employees concerned in the handling of farm supplies, farm equipment, petroleum, and retail bookkeeping are not far behind.

#### Executive and Personality Development Training

The programs in effect to develop executive and personality abilities in employees of regional farmer cooperatives were summarized in Table 9. It is evident that general supervision operations technique on an informal conference basis is most commonly used. It also appears that supervisory employee relations and sales promotion are stressed most in executive training programs.

This type of training program is used in twenty-one of the 33 regional farmer cooperatives studied.

In addition to the information in Table 9, it is interesting to note some of the comments made by a few of the other cooperatives. One out of

TABLE 8

## JOB SKILL TRAINING PROGRAMS CONDUCTED BY REGIONAL FARMER COOPERATIVES

| Co-op<br>by<br>Code | Subject Matter Contained in the Training Programs |   |                         |                                  |                      |                       |   |  |
|---------------------|---|---|-------------------------|----------------------------------|----------------------|-----------------------|---|--|
|                     | Farm<br>Supply                                    | Farm Equip.<br>Electricity<br>Refrigeration | Petroleum<br>and Allied | Marketing<br>of Farm<br>Products | Retail<br>Management | Retail<br>Bookkeeping | Misc.<br>Plant<br>Operations <sup>a</sup> | Misc.<br>Office<br>Operations <sup>b</sup> |
| 1.                  | x   | x   | x                       |                                  | x                    | x                     | x   |  |
| 3.                  | x   | x   | x                       | x                                | x                    | x                     | x   |  |
| 4.                  | x   | x   | x                       |                                  | x                    | x                     |   |  |
| 5.                  | x   | x   |                         | x                                | x                    |                       | x   |  |
| 6.                  | x   | x   | x                       | x                                | x                    | x                     |   |  |
| 7.                  | x   | x   | x                       |                                  |                      |                       |   |  |
| 8.                  |   |   |                         | x                                | x                    | x                     |   |  |
| 11.                 | x   |   |                         | x                                | x                    | x                     |   |  |
| 13.                 |   |   |                         | x                                |                      |                       | x   | x  |
| 16.                 |   |   |                         |                                  |                      |                       | x   |  |
| 17.                 | x   |   | x                       |                                  |                      | x                     | x   |  |
| 18.                 |   |   |                         |                                  |                      |                       |   | x  |
| 19.                 |   |   |                         |                                  |                      |                       |   | x  |
| 22.                 |   | x   | x                       |                                  | x                    | x                     | x   |  |

TABLE 8 continued

| Co-op<br>by<br>Code | Subject Matter Contained in the Training Programs |   |                         |                                  |                      |                       |   |  |
|---------------------|---|---|-------------------------|----------------------------------|----------------------|-----------------------|---|--|
|                     | Farm<br>Supply                                    | Farm Equip.<br>Electricity<br>Refrigeration | Petroleum<br>and Allied | Marketing<br>of Farm<br>Products | Retail<br>Management | Retail<br>Bookkeeping | Misc.<br>Plant<br>Operations <sup>a</sup> | Misc.<br>Office<br>Operations <sup>b</sup> |
| 23.                 |   | x   | x                       |                                  | x                    | x                     | x   |  |
| 24.                 | x   | x   | x                       | x                                | x                    | x                     | x   | x  |
| 25.                 | x   | x   |                         |                                  | x                    | x                     |   |  |
| 28.                 | x   | x   | x                       |                                  | x                    |                       |   |  |
| 29.                 |   |   |                         |                                  |                      |                       | x   |  |
| 30.                 |   | x   | x                       |                                  | x                    |                       |   |  |
| 32.                 |   |   |                         |                                  | x                    |                       |   |  |
| 33.                 | x   | x   | x                       |                                  | x                    | x                     | x   |  |
| Total               | 12  | 12  | 11                      | 7                                | 14                   | 11                    | 10  | 5  |

a Includes safety, sanitation, processing, etc.

b Includes bookkeeping, typing, office machines, etc.

TABLE 9

EXECUTIVE AND PERSONALITY DEVELOPMENT TRAINING  
PROGRAMS OF REGIONAL FARMER COOPERATIVES

| Type of<br>Training Program   | No. of Cooperatives<br>Conducting This<br>Type of Program |
|---|---|
| General supervisory operation<br>techniques - formal <sup>1</sup>   | 12  |
| General supervisory operation<br>techniques - informal <sup>2</sup> | 20  |
| Human or employee relations   | 8   |
| Public relations  | 4   |
| Membership relations  | 4   |
| Sales and promotion methods   | 8   |
| Organization and conference leadership                              | 3   |

<sup>1</sup> Formal - in classes or group meetings called for the purpose of training people in general supervisory operations with or without outside people assisting.

<sup>2</sup> Informal - in connection with staff meetings or conferences not called specifically for training purposes, but with some attention given to general supervisory operations for the purpose of information to all concerned. Rarely called with outside people present.

the remaining twelve admitted frankly that executives are hired on a "trial and error" basis. Another out of the remaining twelve stated that executives are hired by "putting them on the job". Four others apparently follow the same procedure for they indicated in their answer that they have no such training program. Two organizations out of the twelve stated that they are studying recommended programs of executive development. Four other companies gave no answer to the question.

One cooperative sends selected management caliber men to a state university for training, and another offers scholarships for the same purpose for study at a land grant college. Three cooperatives go further and pay 50% of expenses of tuition and books to employees studying at any type of institution which assists them toward advancement and development. G. I. Veterans Training benefits are mentioned as being used by practically all of the organizations as part of this type of employee ability improvement program.

In this chapter it is interesting to note that orientation for new employees varies a great deal in the amount of time spent, and also in the time when it is done in relation to the date of hiring of new employees. Obviously there is a difference in the interpretation of orientation.

It is important to notice the emphasis on certain job skills and on certain groups of employees in connection with the employee training work done in cooperatives.

## CHAPTER VIII MISCELLANEOUS EMPLOYEE ACTIVITIES AND ORGANIZATIONS

In addition to the personnel matters described in previous chapters, Chapter VIII presents some miscellaneous employee activities and organizations. Included are the following: credit unions (mutual savings and loan societies), social clubs, athletic leagues, musical groups, buying clubs, welfare groups, and labor unions. Also included in this chapter are findings about the extent of cafeteria or lunchroom facilities, and awards for recognition of length of service.

### Types of Employee Groups

The most popular employee organization in number is the credit union. This is a mutual savings and loan association and is found in nineteen of the 33 cooperatives studied. The next most popular organized activity is the social club which is sponsored in fifteen of the 33 cooperatives. Close behind is the bowling league found in 14 cooperatives. The complete list of employee organizations and activities and the number of cooperatives sponsoring them is as follows:

| <u>Type of<br/>Organization</u>                      | <u>Number of<br/>Cooperatives</u> |
|--|-----------------------------------|
| Credit union   | 19 <sup>a</sup>                   |
| Cooperative buying club, store,<br>association, etc. | 7 <sup>b</sup>                    |
| Complete athletic league                             | 7 <sup>c</sup>                    |
| Bowling  | 14 <sup>d</sup>                   |
| Golf   | 4 <sup>d</sup>                    |
| Basketball   | 2 <sup>d</sup>                    |



| <u>Type of<br/>Organization</u>  | <u>Number of<br/>Cooperatives</u> |
|--|-----------------------------------|
| Curling  | 1                                 |
| Social including bridge, dancing,<br>games, miscellaneous programs<br>of entertainment | 15 <sup>e</sup>                   |
| Glee club or choir   | 3                                 |
| Welfare or charity club  | 2                                 |

<sup>a</sup> One cooperative has four separate credit unions due to wide geographical distribution of operations and employees.

<sup>b</sup> One cooperative has four separate cooperative health associations due to wide geographical distribution of operations and employees.

<sup>c</sup> Includes five cooperatives in which employees' associations, clubs or councils have a complete year around program; also one cooperative which belongs to a local Y.M.C.A. athletic league for all men's sports.

<sup>d</sup> Does not duplicate those in athletic leagues.

<sup>e</sup> Includes ten cooperatives in which employee councils or clubs operate a year around extensive social program.

#### Labor Unions

In thirteen of the cooperatives studied, all of which have extensive processing operations, there are labor unions of substantial size in terms of membership of employees. All of these cooperatives operate in and around large urban and processing areas.

In the other twenty cooperatives there is little or no labor union activity. What little labor union membership is found is located in two types of activity. The first is in manufacturing and processing. The second is in over-the-road transportation activities, especially in contact with manufacturing, processing and warehousing establishments. No further details were asked for in this study on labor unions.

### Cafeteria and Lunchroom Service

In ten cooperatives there is cafeteria or lunchroom service of various types. In three cooperatives the cafeteria is operated entirely by an employees' club or association. In the other seven the facilities and the arrangements vary as to degree of sponsorship by management or employees. Further details on this subject were not requested.

### Recognition for Length of Service

Fifteen of the 33 cooperatives studied recognize length of service of employees as part of company policy. Of this number, 14 award pins, buttons, watches, and extra vacations. One organization awards only certificates. The various methods and awards for recognition of length of service are:

#### Length of Service Period Recognized

Ten cooperatives recognize five years and the anniversary of five years thereafter.

Three cooperatives recognize only 25 years of service.

One cooperative recognizes two years, five years, and each anniversary of five years thereafter.

One cooperative recognizes five years and each year thereafter.

#### Types of Awards Used

One cooperative uses only certificates.

Nine cooperatives award only pins and buttons.

One cooperative awards both pins and certificates.

Types of Awards Used (continued)

One cooperative awards pins or buttons and an extra week of vacation in the five year anniversary year.

One cooperative awards pins for 5, 10, 15, and 20 years, and awards watches for 25 years.

One cooperative awards watches only after 25 years.

One cooperative awards watches after 25 years and adds an extra week of vacation in the 30 year anniversary year.

One cooperative stated that it now has under consideration a plan to add extra vacations to its present program of pin and button recognition. Of the 18 cooperatives that stated they have no length of service recognition, three said they are giving the idea study now.

Recognition programs are held banquet style with some ceremony in all but one cooperative. This cooperative prefers to make awards on the job by the immediate supervisor in a simple presentation to the particular worker in the company of fellow employees.

In addition to the two cooperatives listed above which grant extra vacation periods as part of a formal recognition of length of service, there are six other cooperatives which grant extra vacation benefits to employees with longer service records. The plans are explained on page 53. These six make no ceremony of any kind in the granting of additional vacations.

These six cooperatives added to the fifteen included in this section, make an actual total of 21 regional farmer cooperatives giving recognition for length of service of employees.

In this chapter it is significant that of the large variety of employee activities, the most popular are the credit unions, social clubs, athletic leagues, and labor unions. It is also noteworthy that almost half of the regional farmer cooperatives studied recognize length of service with various awards.

## CHAPTER IX PERSONNEL SERVICES GIVEN BY REGIONAL COOPERATIVES TO LOCAL COOPERATIVES

This chapter presents the various personnel services which the regional farmer cooperatives offer to local cooperatives.

Twenty-four regional cooperatives of the federated type offer and perform various personnel services for local member farmer associations. Since six of the cooperatives surveyed are of the centralized type and have only area-wide branches and warehouses, they obviously do not have local member cooperatives, although some regional cooperatives operate as a combination federated-centralized organization. Only three of the federated type of cooperative offer no help to local member groups. Table 10 shows the types of services given to local cooperatives, the number assisted, and the year such help started.

As is apparent from this table, the extent to which the services to local cooperatives are offered varies considerably. The most common service performed is government regulation information and assistance. The least common service so performed is that concerned with group accident and health benefit payment plans.

PERSONNEL SERVICES PERFORMED BY REGIONAL FARMER  
COOPERATIVES FOR LOCAL FARMER COOPERATIVES

[illegible]

TABLE 10 continued

| Regional<br>Co-op<br>by<br>Code | Type of Personnel Service Performed |           |          |                           |              |                            |                      |                |                |               |                          |                 |                 | No. of<br>Co-ops<br>Served | Year<br>Service<br>Started |
|---------------------------------|-------------------------------------|-----------|----------|---------------------------|--------------|----------------------------|----------------------|----------------|----------------|---------------|--------------------------|-----------------|-----------------|----------------------------|----------------------------|
|                                 | Recruiting<br>Interviewing          | Selection | Training | Government<br>Regulations | Labor Unions | Social and<br>Recreational | Personnel<br>Records | Group Hospital | Group Surgical | Group Medical | Group<br>Health-Accident | Group Insurance | Retirement Plan |                            |                            |
| 23.                             | x                                   | x         |          | x                         |              |                            |                      |                |                |               |                          |                 | x               | 123                        | 1948                       |
| 24.                             | x                                   |           |          | x                         | x            | x                          |                      | a              | a              | a             |                          |                 |                 | 85                         | 1935                       |
| 28.                             | x                                   | x         | x        | x                         |              |                            |                      | x              | x              |               |                          |                 |                 | 46                         | 1937                       |
| 30.                             |                                     |           |          | x                         | x            | x                          |                      | x              | x              | x             | x                        | x               | x               |                            | 1938                       |
| 31.                             | x                                   |           | x        | x                         | x            |                            | x                    | x              | x              | x             |                          |                 |                 | 24                         | 1947                       |
| 32.                             |                                     |           |          | x                         | x            |                            |                      |                |                |               |                          |                 |                 | 123                        | 1940                       |
| 33.                             | x                                   | x         | x        | x                         | x            | x                          | x                    | x              | x              |               |                          | x               | x               | 151                        | 1933                       |

x Indicates that the regional cooperative performs the service for local cooperatives.

a Available through nearest County Farm Bureau.

b Advice and aid at times asked for.

c Information service program only.

d For local manager jobs only.

e Available through County Medical Cooperative.

f Expected to expand gradually to most of 130 other cooperatives.

The seven most popular services for local cooperatives are listed in order by the type of service and the number of regional cooperatives which perform the service, as follows:

| <u>Type of Service</u>                              | <u>Number of<br/>Cooperatives</u> |
|---|-----------------------------------|
| Government regulation information<br>and assistance | 22                                |
| Employee training                                   | 18                                |
| Recruiting  | 18                                |
| Hospital service plans                              | 16                                |
| Retirement plans                                    | 16                                |
| Group insurance plans                               | 14                                |
| Surgical-hospital combination plans                 | 14                                |

The seven least popular services for local cooperatives are listed in order by the type of service and the number of regional cooperatives which perform the service, as follows:

| <u>Type of Service</u>                         | <u>Number of<br/>Cooperatives</u> |
|--|-----------------------------------|
| Accident-health payment plans                  | 6                                 |
| Social and recreational programs               | 7                                 |
| Labor union negotiations                       | 9                                 |
| Medical-surgical-hospital<br>combination plans | 11                                |
| Employee selection                             | 12                                |
| Employee interviewing                          | 13                                |
| Personnel records                              | 13                                |



It is interesting to note that many regional farmer cooperatives have been assisting local farmer cooperatives for many years in various personnel services. The earliest date recorded for the start of such services is 1900. Four of the regional cooperatives started such services in the 1920's, ten in the 1930's, and eight in the 1940's.

It is apparent from Table 10 that the most necessary services are most often performed for local cooperatives. Under conditions existing in 1950, the problem of explaining and assisting with government regulations appears to be one that regional and local cooperatives feel is important and one on which help is most vitally needed.

The second most pressing problem appears to be that of the two-fold manpower need, first, that of recruiting employees and second, that of training employees.

Close behind the first two problems and grouped quite closely together are the programs of employee benefits such as retirement plans, hospital service, and group insurance, as well as the problems of interviewing and selecting employees, and the keeping of personnel records.

## CHAPTER X SOME COST FIGURES ON PERSONNEL ADMINISTRATION

A number of the replies to the study questionnaire indicated that due to the complexity of inter-departmental and inter-company relationships, the costs of most of the personnel functions are not segregated. This is especially true of the regional cooperatives which are a part of a family of cooperatives, or where a cooperative operates over a very large area. It is also true of the organizations affiliated with the Farm Bureau headquarters of their respective states where the personnel office serves all of the affiliated organizations in personnel matters.

Several personnel directors of regional cooperatives questioned the ability to secure comparable cost figures on personnel activities due to the different methods of handling personnel functions in the various organizations. However, it was determined that in spite of these complications, it would be of informational value to make an attempt at collecting some cost figures.

Tables 11 and 12 include information supplied by twenty-one of the 33 companies. This information was divided into two related groups of personnel functions.

In Table 11 it is apparent that a great variation exists in cost figures for the various personnel activities. The figures obtained were further studied and broken down to show highest, lowest, and median

TABLE 11

## COSTS OF VARIOUS PERSONNEL ACTIVITIES OF REGIONAL FARMER COOPERATIVES

| Co-op<br>by<br>Code | Recruiting<br>and<br>Selection | Training | Co-op<br>Infor-<br>mation | Social | Athletics | Misc. | News-<br>paper | Sugges-<br>tion<br>System | Length<br>of<br>Service | Personnel<br>Office |
|---------------------|--------------------------------|----------|---------------------------|--------|-----------|-------|----------------|---------------------------|-------------------------|---------------------|
| 1.                  | \$24.06                        | \$       | \$                        | \$6.87 | \$        | \$    | \$             | \$                        | \$                      | \$36.64             |
| 2.*                 | 5.00                           | 100.00   | 20.00                     | 8.00   |           |       |                |                           |                         |                     |
| 3.                  | 17.00                          | 1.50     | 1.50                      | 3.00   | .50       |       | 1.00           |                           | 1.50                    | 14.50               |
| 4.                  | 3.83                           | 17.10    | .60                       | 5.84   | (a)       |       | .48            | 2.25                      | 4.50                    | 39.24               |
| 5.                  |                                |          |                           | 9.70   | 4.38      | 2.23  |                |                           |                         |                     |
| 6.                  | .77                            | 25.00    | .60                       | 3.20   | 3.33      |       | 2.02           | 3.00                      |                         | 19.25               |
| 7.                  | 4.30                           | 9.36     |                           | .25    | .65       |       |                |                           |                         |                     |
| 8.                  | 3.50                           |          | 3.50                      | 1.20   |           |       |                |                           |                         | 31.50               |
| 13.                 |                                |          |                           | 2.50   |           |       | 2.15           |                           | 7.00                    |                     |
| 14.                 |                                |          |                           |        |           |       |                |                           | 5.00                    |                     |
| 17.                 |                                |          |                           | 5.00   | 29.79     | 2.00  |                |                           |                         |                     |
| 18.*                | 45.00                          | 10.00    |                           |        |           |       |                |                           |                         | 18.00               |
| 19.                 | .60                            | 1.00     | 2.00                      | .60    | .75       |       | 2.00           |                           |                         | 33.00               |
| 22.                 | 1.45                           | 1.50     | 1.50                      | .85    | .42       | 1.50  |                |                           |                         | 11.25               |

TABLE 11 continued

| Co-op<br>by<br>Code | Recruiting<br>and<br>Selection | Training | Co-op<br>Infor-<br>mation | Social | Athletics | Misc. | News-<br>paper | Sugges-<br>tion<br>System | Length<br>of<br>Service | Personnel<br>Office |
|---------------------|--------------------------------|----------|---------------------------|--------|-----------|-------|----------------|---------------------------|-------------------------|---------------------|
| 23.                 | \$ 2.00                        | \$       | \$ 1.00                   | \$ .32 | \$        | \$    | \$             | \$                        | \$                      | \$                  |
| 24.                 | 6.00                           | 5.00     | 5.00                      | 7.00   | (a)       | (a)   | (a)            | 5.00                      | .66                     | 20.00               |
| 26.                 | 1.50                           |          | 2.10                      | 7.55   | (a)       | (a)   | (a)            |                           |                         |                     |
| 29.                 |                                |          |                           |        |           |       |                |                           | 2.25                    |                     |
| 30.                 | 15.53                          | 24.22    | 10.67                     | 9.28   | 11.30     |       | 1.51           | 5.87                      | 1.15                    | 88.00               |
| 32.                 | .65                            | 34.75    |                           |        | 2.00      |       |                |                           |                         |                     |
| 33.                 |                                |          |                           |        | 5.00      |       |                |                           |                         |                     |

Note: Unless otherwise indicated figures are from budget or annual report, and indicate total cost of payments made by employer divided by actual number of employees participating in the respective personnel program.

\* Estimate

(a) Included in social activities cost.

1  
2  
3

4 5 6

7 8 9 10 11 12

13

14 15 16

17

18

19

20 21 22 23

24 25 26 27

28

29 30 31 32 33 34

35 36 37

38 39 40 41 42

43

44 45 46 47 48 49 50 51

TABLE 12

## COSTS OF MEDICAL, GROUP INSURANCE, AND RETIREMENT BENEFITS FOR EMPLOYEES OF REGIONAL FARMER COOPERATIVES

| Co-op<br>by<br>Code | Physical<br>Exam          | First<br>Aid | Hospital | Surgical | Medical | Cash<br>Benefits | Group<br>Ins. | Retirement<br>Plan |
|---------------------|---------------------------|--------------|----------|----------|---------|------------------|---------------|--------------------|
| 1.                  | \$ 3.50                   | \$5.29       | \$ a     | \$ a     | \$ a    | \$               | \$9.92        | \$288.43           |
| 2.*                 |                           | .50          | a        | a        | a       |                  |               |                    |
| 3.                  | Included in<br>Recruiting |              | 18.00    | a        | a       |                  | 10.00         | 96.00              |
| 4.                  | 5.00                      | .25          | a        | a        | a       |                  | 6.80          | 234.47             |
| 5.                  |                           |              | a        | a        | a       |                  | 15.71         | 89.75              |
| 6.                  | 5.00                      | .50          | a        | a        | a       |                  | 8.51          | 217.52             |
| 7.                  |                           | .10          | 2.05     | 2.00     | 3.00    |                  | a             | 36.40              |
| 8.                  |                           |              | 14.54    | 7.89     |         | 30.51            | 31.55         | 387.50             |
| 13.                 |                           | 12.50        | a        |          |         |                  | 10.95         | 248.82             |
| 14.                 | 1.50 to 5.00              |              | b        | 5.72     |         |                  | 53.88         | 19.98              |
| 17.                 |                           |              | a        | a        |         |                  |               |                    |
| 18.*                |                           | 1.20         |          |          |         |                  |               |                    |
| 19.                 | 4.00                      |              |          |          |         |                  | 1.87          | 92.87              |
| 22.                 |                           |              |          | \$24.00  | -----   | 2.00             | 6.00          | 105.00             |

TABLE 12 continued

| Co-op<br>by Code | Physical<br>Exam | First<br>Aid | Hospital | Surgical             | Medical | Cash<br>Benefits | Group<br>Ins. | Retirement<br>Plan |
|------------------|------------------|--------------|----------|----------------------|---------|------------------|---------------|--------------------|
| 23.              | \$               | \$           | \$ a     | \$ a                 | \$ a    | \$               | \$            | \$ 60.00           |
| 24.              | 3.00             | 2.00         | a        | a                    | a       |                  | 20.49         | 346.00             |
| 25.              |                  |              |          | \$14.40 <sup>c</sup> |         |                  | 5.08          | 129.82             |
| 26.              |                  | .50          |          |                      |         |                  |               |                    |
| 29.              |                  |              | a        | a                    | a       |                  |               |                    |
| 30.              | 3.50             |              |          | \$12.30              |         |                  | 13.83         | 162.00             |

Note: Unless otherwise indicated figures are from budget or annual report, and indicate total cost of payments made by employer divided by actual number of employees participating in the respective benefit program.

\* Estimate

a Indicates paid entirely by employee.

b Indicates partial payment made by employee on a percent of pay basis.

c Indicates employer pays for the employee only; employee pays balance necessary to cover his family.

costs for possible significant figures or at least costs that may be closer to the middle of any range of costs. This was done in Table 13.

The same was done for the medical, insurance, and retirement plan costs in Table 14.

It is quickly apparent that great variations in cost figures are due to the variety of programs and the scope of activities in personnel work of the regional cooperatives. However, the information in Tables 13 and 14, through the data of the median figures, gives a guide for a reasonable average. In other words, there are as many below as above that figure which gives interested people a cost figure in the middle.

Some of the personnel functions have a median cost of \$5.00 or more per participating employee and are listed from the most expensive to the least expensive as follows: retirement plan, personnel office operation (records, personnel, overhead), training, health services (hospital-surgical-medical either separately or combined), group insurance, and social activities.

It is significant from the several tables, that there is a pattern to some degree. Some of the cooperatives present a balanced or consistently higher cost in all activities, while some of the cooperatives have high costs in some programs and low costs in others.



TABLE 13

RANGE OF COSTS FOR SOME PERSONNEL ACTIVITIES OF  
REGIONAL FARMER COOPERATIVES

| Designation of<br>Personnel Item | No. of<br>Co-ops | Range of Costs Per Participating Employee |                |                |
|----------------------------------|------------------|---|----------------|----------------|
|                                  |                  | Highest<br>Cost                           | Lowest<br>Cost | Median<br>Cost |
| Recruiting and<br>selection      | 15               | \$ 45.00                                  | \$ .60         | \$ 3.83        |
| Training                         | 10               | 100.00                                    | 1.00           | 17.10          |
| Cooperative<br>information       | 11               | 10.67                                     | .20            | 1.50           |
| Social activities                | 14               | 9.70                                      | .25            | 5.00           |
| Athletics                        | 10               | 29.79                                     | .42            | 3.33           |
| Employees'<br>newspaper          | 6                | 2.15                                      | .48            | 2.00           |
| Suggestion system                | 4                | 5.87                                      | 2.25           | 3.00           |
| Length of service<br>recognition | 7                | 7.00                                      | .66            | 2.25           |
| Personnel office                 | 10               | 88.00                                     | 11.25          | 31.50          |

TABLE 14

RANGE OF COSTS FOR SOME EMPLOYEE BENEFIT PROGRAMS OF  
REGIONAL FARMER COOPERATIVES

| Designation of<br>Benefit Program      | No. of<br>Co-ops | Range of Costs Per Participating Employee |                |                |
|--|------------------|---|----------------|----------------|
|  |                  | Highest<br>Cost                           | Lowest<br>Cost | Median<br>Cost |
| Physical exams                         | 7                | \$ 5.00                                   | \$ 3.00        | \$ 4.00        |
| First aid                              | 8                | 12.50                                     | .10            | .50            |
| Hospital-surgical-<br>medical services | 7                | 24.00                                     | 5.72           | 14.40          |
| Group insurance                        | 13               | 53.88                                     | 1.87           | 10.00          |
| Retirement plan                        | 15               | 387.50                                    | 19.98          | 129.82         |

## CHAPTER XI SUMMARY OF THE SIGNIFICANT POINTS OF PRESENT PERSONNEL PROGRAMS IN REGIONAL FARMER COOPERATIVES

In this chapter the significance of the present personnel programs in regional farmer cooperatives is discussed and the important highlights of each chapter are summarized.

It is important to note that, from the information presented in Chapter III, personnel administration in regional farmer cooperatives has become an important part of top management responsibilities only during the last decade.

The scope of the work of the personnel office in regional cooperatives is varied depending on the structure and scope of the respective organizations. Even though some large cooperatives do not have a personnel office as such in name, the responsibility is placed with a top ranking office of the company.

Although some cooperatives do not now have a separate personnel office, there are indications of some serious study of the desirability and the need of the segregation of the personnel functions into a department apart from other departments.

It is significant in Chapter IV that the regional farmer cooperatives realize that a large variety of methods are needed and are used for the recruiting of employees. Different types of employees appear to need different methods of recruiting.

It is also important to note that a variety of selection procedures are used by the various organizations. These procedures include

various kinds of interviews, written applications, checking of references, medical examinations, and testing of aptitudes, personality, ability, etc.

Factors which are emphasized as important guides in the selection of employees by the cooperatives are also varied, but it is significant that the facts produced by the record of a person are carefully checked. Factors found most important were the records of performance, ability to do the job at hand, previous experience or training, and the basic attributes of honesty, stability, and morality. It is also evident that several or more factors are used by almost all of the companies.

An interesting and significant part of the study shows that applicants are most often convinced by regional cooperatives to accept employment because the applicants are impressed by the opportunity, the working conditions, and treatment of people as individuals. In contrast, the training programs, the location, and the nature of the business as a cooperative are least used to convince applicants to accept employment.

In Chapter V it is interesting to note that the evaluation of jobs in regional cooperatives has progressed farther for those jobs paid on a wage basis than for those paid on a salary basis. More cooperatives are using job class and pay rate range systems for the wage type of job.

It is significant also that some supplemental incentive systems of pay are used. The bonus system is used in more than half of the organizations, while the commission system is used in only seven. In only three companies are both systems used. About one third, or twelve companies, use special awards of cash, merchandise, or trips.

Practically all of the regional farmer cooperatives studied have a formal policy on vacations. This is perhaps the simplest of the policy benefits for employees. However, as personnel procedures become complicated in handling and in record keeping, the practice is to be more informal or to allow more discretion and flexibility in the application of the policies.

It is interesting to note that a smaller group of cooperatives has a policy of actually refusing requests for time off for sickness, military duty (non-national), and other various purposes.

Chapter VI points out that twenty-seven out of the 33 cooperatives have group insurance plans for employees and that all but one have group health services available. There is a great variety in the type and the amount of the protection offered by the insurance and health plans.

It is important to note that twenty-three out of the 33 companies have retirement or pension plans. Although the purpose of all plans is the same, that of paying monthly benefits to employees retiring at age 65, only a few of the plans are alike in their entirety. In fact, only two cooperatives have retirement plans exactly alike and this is due to a joint planning of the program. All of the other plans vary in the numerous details.

A noteworthy feature of the benefit plans discussed in Chapter VI is that employees of local affiliated cooperatives are eligible to participate in the various programs.

Chapter VII brings out the fact that practically all of the regional cooperatives studied provide for employee information and training programs. There apparently is a great deal of difference in the interpretation of the meaning of several information terms. For example, orientation in the amount of time used varies from one half hour up to twelve months. Similarly, the length of time after hiring in which new employees get information, varies from a brief period of time, such as a week, to a long period of time, such as one year.

It is also noteworthy that the job skill training programs cover about seven types, with local cooperative management operations being emphasized throughout.

In addition to the above, regional farmer cooperatives emphasize in special training programs the development of employees so they will understand and be able to handle executive responsibilities such as supervision, handling people, promotion of sales, etc. A few cooperatives are making strong efforts by securing the assistance of colleges and universities in working out academic courses of instruction for selected employees for the purpose of developing capabilities needed in cooperative business.

Chapter VIII indicates that the most popular group activity of employees of the regional farmer cooperatives is the credit union. This is a mutual savings and loan society encouraging thrift and providing a source for the borrowing of money for personal needs. It is quite in keeping with cooperative business principles.

Social and athletic activities are also popular and varied in practically all of the cooperatives. A number of the cooperatives have organizations with a planned year around schedule of activities.

To a smaller degree, employee purchasing through a cooperative buying society or club, is found. This includes some cafeteria and lunchroom services.

Labor unions of substantial size are found in the larger urban and processing areas of thirteen regional cooperatives.

Length of service of employees is recognized with a variety of awards in about half of the regional farmer cooperatives, usually at the five year interval. Awards in use are certificates, pins, buttons, watches, and extra vacations.

A significant fact brought out in Chapter IX is that twenty-four out of the 27 federated regional farmer cooperatives in the study, assist local cooperatives in various personnel matters. The pattern of this assistance follows the rule that the more vital the personnel service to the local cooperative, the greater the number of regional cooperatives providing that service. For example, the most common service performed is that of information and assistance on government regulations concerning employees. The least common service is the group health payment plan in which benefit payments are made for time lost from work due to any cause whatsoever.

It is significant that the help given to local cooperatives by regional cooperatives has gradually expanded since 1920, although one regional has offered such help since 1900.

It is interesting to note in Chapter X the great variance in the cost of the various personnel activities carried on by the regional farmer cooperatives. In fact, some of the cooperatives do not keep separate accounts of the different phases of personnel work. Some activities are charged to other departments. For example, the cost of group insurance is a general administrative expense in one company. In several other cooperatives, the cost of the employees' newspaper is absorbed in the expense of the work of the publicity office. However, the figures included in the study do provide some information on what the various cooperatives spend for the different phases of personnel administration. Breaking these figures down to a per participating employee basis is an attempt to make the comparison of cost figures more understandable and of more value as information.



## CHAPTER XII CONCLUSIONS, EVALUATIONS, AND RECOMMENDATIONS

This final chapter presents the conclusions and evaluations of personnel administration in regional farmer cooperatives as seen from the material studied and the personal contacts made. There is presented also a recommended outline for a personnel administration policy for regional farmer cooperatives.

### Conclusions and Evaluations

One conclusion arrived at after a study of the information is that only a small number of the regional farmer cooperatives have a well balanced or an integrated personnel administration policy. The majority of them carry out excellent work in some parts of their personnel functions, but are weak in other phases. What are the reasons for the small number with complete personnel programs? They are as follows:

1. There appears to be a lack of support by boards of directors and executive management. This may be simply a lack of interest in some cases, or a lack of recognition of the relationship of the work of the personnel office to the work of other parts of the business.

It is in other instances due to a lack of a clear, long-time objective. This in turn is caused by an error of omission in most organizations in which either the board of directors or the executive management, or both, have failed to take time to discuss and set forth

as a matter of record a clear or even a general personnel program objective. Most of the personnel departments were organized on a basis of an appropriation for and an assignment to handle an indefinite but limited variety of the simpler personnel functions. As these functions grew, budgets were increased to meet genuine needs, usually not on a basis of appraisal of the relationship to the whole organization, but only on a basis of being tolerated.

2. There is a lack of ability on the part of personnel administrators, together with executive management, to interpret in understandable terms the values of an effective personnel program so that farmer boards of directors will accept recommendations on personnel work.

This calls for research in specific areas of personnel work which, while difficult and time consuming, must be done to show how effective personnel programs improve productivity and maintain morale. Opinions must be supported with facts to prove these points. When this is done, farmer boards of directors and executive management will understand and will support a personnel program adequately.

3. The third reason for the small number of regional farmer cooperatives with complete personnel programs is the lack of skilled people to properly administer an adequate personnel program. Because of the conservative nature and philosophy of farmer organizations, personnel people in regional cooperatives must not only be skilled in the technical handling of the personnel functions, but also be skilled

in the knowledge and background of what farmer cooperatives are, and why they exist. This skill includes also the ability to perform creditably on a small scale or budget, and to gain the confidence of the executive management and board of directors.

A second general conclusion is that an imposing array of personnel activities is included in a well balanced personnel program as carried on by some regional cooperatives. The mere listing of twenty, thirty, or more activities conducted under the direction of a personnel office, imposing as it may be, does not necessarily mean an effective program. However, it does indicate a wide scope of work with much of it perhaps unknown to board members or others. Nevertheless, a listing of personnel activities and descriptions of the extent of the activities, informs cooperative leaders of the scope of a personnel program.

A look at the annual reports of regional farmer cooperatives indicates that only a minority of them give a satisfactory statement of the personnel program in their organization. In many of them the fact that people are employed can only be assumed because no direct mention is made of numbers employed, nor of activities concerning employees. Unconsciously, the majority of the regional farmer cooperatives are too coy about telling about the status and the kind of activities on behalf of the people, or human assets, which are needed to make the physical assets valuable. Yet only the latter are given in many reports.

Another conclusion is that most of the regional farmer cooperatives have some strong points or parts of a personnel program, even

though the entire program is not balanced. Some of these strong points found most frequently are:

1. The program concerned with employment procedures is usually well developed. This includes a wide awake recruiting program, well adapted to special kinds of people needed and the variety of times they are needed. The procedures of selecting people are greatly varied among the regional cooperatives. A heavy dependence is placed on interviewing and checking of references, while less than half of the companies use various mental tests and medical examinations.

2. Attention is given to the creation of a high degree of cooperative spirit or feeling among the employees as a result of the treatment of and attitude toward people as individuals. This is evident by the fact that the large majority of the companies have retirement, group life insurance, and health service plans in effect, and provide liberal vacation and sick leave benefits. Further evidence of a high morale among employees generally is that every regional cooperative studied has at least one employee activity group and the majority have more than one. In fact, about half of the companies have a variety of planned employee leisure time activities available the year around to a large number of people.

Almost half of the cooperatives help create good employee relations by recognition of length of service in various ways.

3. Practically all of the federated type of regional farmer cooperative provide a large measure of assistance to local farmer cooperatives in their respective areas. In the minds of some, this is possibly the strongest point of all. Local cooperative management is too busy with

daily operating problems and usually has neither the time nor the ability to do a satisfactory job of interpreting government regulations, or training or recruiting employees. Most of the local cooperatives have either too few employees or cannot afford the benefits possible in larger organizations. It is certainly an excellent example of cooperation in the pooling of knowledge and ability. It is also financially sound.

4. The employee training given in connection with the job, the department, the products and the services, is frequently well developed. Included in this type of work is the training of local cooperative employees by the regional organization, which is certainly a sound thing to do.

A further conclusion is that there are some real weaknesses in regional cooperative personnel programs. These are as follows:

1. Insufficient time and attention is given for new employee orientation in the organization. Less than half of the companies provide adequate amounts of time to give general information about their company, its place in the industry, and in the economy, and its cooperative methods. New and young employees need this information to properly understand regional farmer cooperatives.

2. Most regional cooperatives lack sufficient formalized training for the development of the executive and personality abilities needed for management. Only a small number of regional cooperatives are following a plan or a schedule of increasing the supply and improving the caliber of managerial and administrative personnel.

3. A number of procedure and program defects exist. These include lack of clear-cut policies and programs, lack of uniformity of

policies, difficulty of servicing local establishments and cooperatives, and lack of regular staff meetings on personnel matters. The majority of the companies appear to have one or more of these defects which must be overcome if the overall program is to be successful.

4. There is not sufficient skilled personnel and technical knowledge employed to properly administer a modern and adequate personnel program. A number of the organizations lack trained personnel people with complete technical information on the various phases of personnel administration. With the greater availability of information on personnel administration in recent years especially adapted to farmer cooperative businesses, there are sources of the knowledge necessary to do a good job. The manpower trained to handle a complete personnel program is also more available today than it was in the past.

#### Recommended Outline for Regional Cooperative Personnel Administration Policy

A series of eight recommendations are listed below which attempt to outline the essential elements of a balanced personnel policy for regional cooperatives. It would appear that a regional farmer cooperative can improve substantially its present method of dealing with people as employees by a comparison of the handling of its present personnel policies and practices with the information contained in this thesis. Whether or not the recommendations can be adopted in part or in entirety depends on the degree of belief that a cooperative puts in scientific management of its organization. The specific details of the program will vary with the particular conditions and laws under which a cooperative operates.

It is possible that certain cooperatives will find long vacations essential while others will find that higher wages, or an active social program will substitute for part of the vacation. It is not possible to generalize about cases such as these. However, it is believed that the following recommendations are generally applicable to the problems of administering personnel and the relation of the personnel office to the executive management. The recommendations are:

1. Adopt a definite written long term personnel policy in keeping with size and scope of operations.
2. Assign responsibility to a recognized personnel office accountable to the executive head of the organization.
3. Support adequately, morally and financially, to provide an effective and well balanced personnel program with a trained staff.
4. Study annually the performance and facilities of the personnel administration program in the same manner as an annual audit and report of assets, liabilities, and operations analyze the inventory and performance of physical and financial resources.
5. Make necessary changes in personnel program to inform and assist local cooperatives in their personnel matters, if this is not already a part of the regional program.
6. Publicize through handbooks, employee publications, and other means, current personnel policy and practice and necessary changes.
7. Conduct enough study and research to keep abreast of changing conditions affecting the efficient handling of manpower.

8. Exchange ideas and information with not only regional farmer cooperatives and their nationally affiliated programs, but also with other associations, companies and other sources recognized for their knowledge of personnel administration.

It would be good insurance for a regional farmer cooperative to follow the above recommendations, and especially refer to the detailed information mentioned not only in this thesis, but also in the numerous sources cited on the importance of a well balanced personnel administration as part of a modern management policy.



## APPENDIX

## APPENDIX

- I List of Personnel Administration Subjects Presented at Annual Sessions of American Institute of Cooperation as Recorded in "American Cooperation".
- II List of Personnel Administration Subjects Presented at Annual Conferences of National Council of Farmer Cooperatives as Recorded in Copies of the Printed Program of the Organization
- III List of Personnel Administration Subjects as Printed in "News for Farmer Cooperatives", Monthly Publication of Farm Credit Administration, Cooperative Research and Service Division
- IV Alphabetical List of Regional Farmer Cooperatives Furnishing Information for This Study
- V Questionnaire

## APPENDIX I

### LIST OF PERSONNEL ADMINISTRATION SUBJECTS PRESENTED AT ANNUAL SESSIONS OF AMERICAN INSTITUTE OF COOPERATION AS RECORDED IN "AMERICAN COOPERATION"

| <u>Subject</u>  | <u>Yearbook<br/>and Page</u> | <u>Type of<br/>Presentation</u>                         |
|---|------------------------------|---|
| College Training for Cooperative Service                            | 1925: 194-197                | Address and paper                                       |
| Office Management and Accounting                                    | 1925: 480-487                | Address and paper                                       |
| Duties and Compensation of Field Service Workers                    | 1926: 391-399                | Address and paper                                       |
| Subject not discussed in sessions 1927 - 1934                       |                              |   |
| Managerial and Personnel Methods                                    | 1935: 107-113                | Address and paper                                       |
| Personnel Factors in Retail Service                                 | 1935: 133-140                | Address and paper                                       |
| Membership and Personnel Problems of Livestock Cooperatives         | 1936: 249-257                | Address and paper                                       |
| Training of Personnel for the Cooperative Field                     | 1936: 735-742                | Digest of roundtable discussion from stenographic notes |
| Subject not discussed in 1937                                       |                              |   |
| Training Personnel for Purchasing Cooperatives                      | 1938: 684-689                | Address and paper                                       |
| Subject not discussed in 1939                                       |                              |   |
| Can We Adjust Our Employee Training Program to Coming World Events? | 1940: 265-272                | Address and paper                                       |
| Selecting and Training Cooperative Personnel                        | 1941: 122-123                | Address and paper                                       |

| <u>Subject</u>  | <u>Yearbook<br/>and Page</u> | <u>Type of<br/>Presentation</u> |
|---|------------------------------|---------------------------------|
| What Wage and Salary Policies<br>Should a Cooperative Follow?       | 1941: 122-123                | Address and paper               |
| Wartime Personnel Problems and<br>Programs of Cooperatives          | 1942-45: 118-124             | Paper                           |
| Meeting War Labor Problems<br>with Camps                            | 1942-45: 189-198             | Papers                          |
| Personnel Organization Practices                                    | 1946: 286-291                | Address and paper               |
| Personnel Selection and Training                                    | 1946: 292-300                | Address and paper               |
| Time and Motion Study Analyses                                      | 1946: 301-306                | Address and paper               |
| An Employee's Ideas About His<br>Cooperative                        | 1947: 208-213                | Address and paper               |
| Effective Employee Training<br>Programs                             | 1947: 214-218                | Address and paper               |
| Every Employee a Teacher  | 1947: 349-351                | Address and paper               |
| Responsibilities of Managers and<br>Other Employees of Cooperatives | 1948: 187-201                | Panel discussion<br>and papers  |
| The Merit Rating of Local<br>Cooperative Managers                   | 1948: 205-210                | Address and paper               |
| Selection and Training of Local<br>Managers for Cooperatives        | 1948: 211-216                | Panel discussion<br>record      |
| Management and Employee Relations                                   | 1949: 275-276                | Address and paper               |
| Dealing With Organized Labor  | 1949: 277-281                | Address and paper               |
| Incentive Plans, Bonuses, Share<br>Savings                          | 1949: 282-291                | Address and paper               |
| Retirement Plans for Cooperative<br>Employees                       | 1949: 292-301                | Address and paper               |
| Developing Efficient Management                                     | 1950: 38-42                  | Address and paper               |

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Abstract

**CONCLUSIONS**

1. **Introduction**  
 2. **Methodology**  
 3. **Results**  
 4. **Discussion**  
 5. **Conclusion**

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| <u>Subject</u>                   | <u>Yearbook<br/>and Page</u> | <u>Type of<br/>Presentation</u> |
|----------------------------------|------------------------------|---------------------------------|
| How to Develop Trained Personnel | 1950: 43-47                  | Address and paper               |
| What Employees Need to Know      | 1950: 269-270                | Address and paper               |

## APPENDIX II

### LIST OF PERSONNEL ADMINISTRATION SUBJECTS PRESENTED AT ANNUAL CONFERENCES OF NATIONAL COUNCIL OF FARMER COOPERATIVES AS RECORDED IN COPIES OF THE PRINTED PROGRAM OF THE ORGANIZATION

| <u>Subject</u>  | <u>Year</u> | <u>Type of Presentation</u>   |
|---|-------------|---|
| What Management Expects of Employees  | 1948        | Address and discussion in conference of cooperative editors, publicity, advertising, and membership relations workers |
| What Cooperative Employees Expect of Management   | 1948        | Address and discussion in conference of cooperative editors, publicity, advertising, and membership relations workers |
| Working Agreements With Labor Unions  | 1948        | Address and discussion in conference on farm supply and service   |
| Keeping Employees Informed on Operations and Policies of Their Organizations                | 1949        | Address and discussion in conference on labor and personnel relations   |
| Policies and Principles Applicable to Labor and Personnel Relations                         | 1949        | Address and discussion in conference on labor and personnel relations   |
| How To Negotiate Contracts and Deal With Labor Unions In Both Small and Large Organizations | 1949        | Address and discussion in conference on labor and personnel relations   |
| Training in Management Skills   | 1949        | Address and discussion in conference on labor and personnel relations   |
| Problems of Labor Management and Personnel  | 1949        | Forum discussion  |

| <u>Subject</u>   | <u>Year</u> | <u>Type of Presentation</u>   |
|--|-------------|---|
| Selecting and Training Store Managers                                | 1949        | Address and discussion in farm supply conference                      |
| Human Aspects of Labor Relations                                     | 1950        | Address at annual meeting general session followed by question period |
| Current Pension, Wage, Labor Relations, and Social Security Problems | 1950        | Address and discussion in conference on labor and personnel relations |
| Nebraska School for Cooperative Management                           | 1950        | Address and panel discussion in state councils conference             |



### APPENDIX III

#### LIST OF PERSONNEL ADMINISTRATION SUBJECTS AS PRINTED IN "NEWS FOR FARMER COOPERATIVES", MONTHLY PUBLICATION OF FARM CREDIT ADMINISTRATION, COOPERATIVE RESEARCH AND SERVICE DIVISION

| <u>Subject</u>                                   | <u>Volume and Date</u>          | <u>Page</u> |
|--|---------------------------------|-------------|
| Creamery Adopts Bonus Plan for<br>Employees      | Vol. 1, No. 12<br>March 1935    | 5           |
| Training of Personnel                            | Vol. 3, No. 7<br>October 1936   | 15          |
| Factors That Tend To Improve Labor               | Vol. 3, No. 9<br>December 1936  | 10          |
| Building Business Management                     | Vol. 5, No. 3<br>June 1938      | 9           |
| Selecting Employees                              | Vol. 5, No. 7<br>October 1938   | 3           |
| Five Good Reasons for Discharging<br>An Employee | Vol. 5, No. 8<br>November 1938  | 7           |
| Training Employees                               | Vol. 5, No. 9<br>December 1938  | 11          |
| Paid Membership Relations Workers                | Vol. 5, No. 11<br>February 1939 | 23          |
| Fill Vacancies Only At The "Bottom"              | Vol. 5, No. 12<br>March 1939    | 22          |
| Co-ops And Their Employees                       | Vol. 6, No. 3<br>June 1939      | 5           |
| Laws Affecting Cooperative Personnel             | Vol. 6, No. 5<br>May 1939       | 22          |
| CCA Has School for Embryo Managers               | Vol. 7, No. 2<br>May 1940       | 20          |

| <u>Subject</u>                                    | <u>Volume and Date</u>          | <u>Page</u> |
|---|---------------------------------|-------------|
| Co-op Gives Scholarships                          | Vol. 7, No. 3<br>June 1940      | 18          |
| Employee Training School for Ohio<br>Cooperative  | Vol. 7, No. 5<br>August 1940    | 12          |
| Commission or Salary - A Wool Co-op<br>Connundrum | Vol. 7, No. 9<br>December 1940  | 5           |
| Importance of Employees in Public<br>Relations    | Vol. 7, No. 12<br>March 1941    | 7           |
| These Employees Own A Stake                       | Vol. 8, No. 2<br>May 1941       | 8           |
| What Every Co-op Employee Should Know             | Vol. 8, No. 3<br>June 1941      | 13          |
| The Human Side of Cooperation                     | Vol. 8, No. 6<br>September 1941 | 14          |
| Other Co-ops Have Personnel<br>Problems, Too      | Vol. 8, No. 7<br>October 1941   | 29          |
| Co-ops Are Bolstering Manpower                    | Vol. 9, No. 8<br>January 1943   | 20          |
| Two CCA Schools                                   | Vol. 9, No. 9<br>February 1943  | 2           |
| How To Train New Employees and Keep<br>Old Ones   | Vol. 9, No. 10<br>March 1943    | 9           |
| Preparing for the Co-op Labor Peak                | Vol. 10, No. 2<br>May 1943      | 5           |
| Beating the Manpower Shortages                    | Vol. 10, No. 4<br>July 1943     | 14          |
| War Manpower Helps Co-ops Train<br>Green Hands    | Vol. 10, No. 4<br>July 1943     | 15          |
| Co-ops Find Wartime Roles for Women               | Vol. 10, No. 7<br>October 1943  | 5           |

| <u>Subject</u>                              | <u>Volume and Date</u>           | <u>Page</u> |
|---|----------------------------------|-------------|
| Labish Co-op Replaces Evacuated Japanese    | Vol. 10, No. 9<br>December 1943  | 7           |
| Some Last Words in Employee Training        | Vol. 11, No. 6<br>September 1944 | 11          |
| Salesmanship Not A Social Error             | Vol. 11, No. 10<br>January 1945  | Cover       |
| High Employee Morale Contributes to Success | Vol. 12, No. 2<br>May 1945       | 3           |
| Veterans, Co-ops, and the Colleges          | Vol. 12, No. 2<br>May 1945       | Cover       |
| Do Employees Help or Hold Back?             | Vol. 12, No. 5<br>August 1945    | 9           |
| Veterans and Colleges - The Co-op View      | Vol. 12, No. 7<br>October 1945   | Cover       |
| Manager Must Be On His Toes                 | Vol. 12, No. 7<br>October 1945   | 11          |
| Learning By Doing                           | Vol. 12, No. 12<br>March 1946    | 12          |
| Training Locker Employees                   | Vol. 13, No. 2<br>May 1946       | 8           |
| Canada Also Has Training Program            | Vol. 13, No. 2<br>May 1946       | 9           |
| Preparing Future Key Employees Now          | Vol. 13, No. 3<br>June 1946      | 17          |
| Group Insurance Makes Happier Employees     | Vol. 13, No. 6<br>September 1946 | 3           |
| Management Standards Need Jacking Up        | Vol. 13, No. 10<br>January 1947  | 3           |

| <u>Subject</u>                                    | <u>Volume and Date</u>           | <u>Page</u> |
|---|----------------------------------|-------------|
| Co-ops Solve Labor Problems                       | Vol. 13, No. 12<br>March 1947    | 6           |
| Working Together To Explain Ideas                 | Vol. 14, No. 1<br>April 1947     | 7           |
| Employees Can Lay Bricks or<br>Build Cathedrals   | Vol. 14, No. 2<br>May 1947       | 10          |
| Indiana Trains Veterans On The Job                | Vol. 14, No. 3<br>June 1947      | 14          |
| Pick Carefully and Train Well                     | Vol. 14, No. 8<br>November 1947  | 10          |
| GTA Grows Its Managers                            | Vol. 15, No. 3<br>June 1948      | 4           |
| Safety Program Begun by<br>Southern States        | Vol. 15, No. 4<br>July 1948      | 20          |
| College and Credit Co-ops Train<br>Future Leaders | Vol. 15, No. 5<br>August 1948    | 17          |
| Let's Face Management and<br>Employee Problems    | Vol. 15, No. 12<br>March 1949    | 6           |
| School Days at CCA                                | Vol. 16, No. 1<br>April 1949     | 2           |
| CCA Trains Prospective Managers                   | Vol. 16, No. 5<br>August 1949    | 6           |
| Future Leaders Need Training<br>in Many Fields    | Vol. 16, No. 6<br>September 1949 | 16          |
| Character Most Important Factor<br>in Employment  | Vol. 16, No. 7<br>October 1949   | 16          |
| Higher-Ups Give Lowdown for<br>Co-op Careers      | Vol. 16, No. 8<br>November 1949  | 8           |
| Security Ranks High                               | Vol. 16, No. 9<br>December 1949  | 2           |
| Need Better Personnel Training                    | Vol. 16, No. 10<br>January 1950  | 8           |

| <u>Subject</u>                          | <u>Volume and Date</u>           | <u>Page</u> |
|---|----------------------------------|-------------|
| Setting The Pace In Human Relations     | Vol. 16, No. 11<br>February 1950 | 7           |
| Canteen Gives Employees A Break         | Vol. 16, No. 12<br>March 1950    | 23          |
| School Days Again For Nebraska Managers | Vol. 17, No. 3<br>June 1950      | 5           |

## APPENDIX IV

### ALPHABETICAL LIST OF REGIONAL FARMER COOPERATIVES FURNISHING INFORMATION FOR THIS STUDY

| <u>Name</u>   | <u>Address</u>                                      | <u>Person Contacted</u>                      |
|---|---|--|
| 1. Alberta Cooperative Wholesale Association, Ltd.      | 10970 Eighth Street<br>Edmonton, Alberta<br>Canada  | R. V. Davies<br>General Manager              |
| 2. American Rice Growers Cooperative                    | Lake Charles,<br>Louisiana                          | Homer L. Brinkley<br>General Manager         |
| 3. Arkansas Farmers Association                         | 112 N. Cumberland<br>Little Rock, Arkansas          | Fred E. Henne<br>Personnel Manager           |
| 4. California Fruit Exchange                            | Sacramento,<br>California                           | Fred W. Read<br>Assistant General<br>Manager |
| 5. California Fruit Growers Exchange                    | Sunkist Building<br>Los Angeles 54,<br>California   | F. R. Wilcox<br>Assistant General<br>Manager |
| 6. California Walnut Growers Association                | 1745 E. 7th Street<br>Los Angeles 54,<br>California | C. V. Newton<br>Production Manager           |
| 7. Central Cooperative Wholesale                        | Superior, Wisconsin                                 | Harvey O. Sanders<br>Personnel Director      |
| 8. Challenge Cream and Butter Association               | 929 E. 2nd Street<br>Los Angeles 12,<br>California  | James P. George<br>General Branch<br>Manager |
| 9. Consolidated Badger Cooperative                      | Shawano, Wisconsin                                  | Henry A. Allheiser<br>Personnel Director     |
| 10. Consumers Cooperative Association                   | Box 2359<br>Kansas City 13,<br>Missouri             | Gardner W. Heidrick<br>Personnel Director    |
| 11. Cooperative Grange League Federation Exchange, Inc. | Ithaca, New York                                    | Gaylord W. Hymen<br>Personnel Office         |

|     | <u>Name</u>                                       | <u>Address</u>  | <u>Person Contacted</u>   |
|-----|---|---|---|
| 12. | Cotton Producers Association                      | 308½ Ivy Street, NE<br>Box 2210<br>Atlanta 1, Georgia | D. W. Brooks<br>General Manager                                   |
| 13. | Dairymen's League Cooperative Association, Inc.   | 100 Park Avenue<br>New York 17                        | H. A. McCulloch<br>Personnel Director                             |
| 14. | Farm Bureau Cooperative Association, Inc.         | 245 N. High Street<br>Columbus, Ohio                  | Paul Dilley<br>Personnel Director                                 |
| 15. | Farm Bureau Service Company of Missouri, Inc.     | Box 658<br>Jefferson City,<br>Missouri                | Josee R. Powell<br>Office Manager and<br>Director of<br>Personnel |
| 16. | Farm Bureau Services, Inc.                        | 221 N. Cedar Street<br>Lansing 4, Michigan            | W. Victor Bielinski<br>Personnel Director                         |
| 17. | Illinois Farm Supply Company                      | 100 E. Ohio Street<br>Chicago 11, Illinois            | Wilbert E. Scheer<br>Personnel Director                           |
| 18. | Indiana Farm Bureau Cooperative Association, Inc. | 47 S. Pennsylvania St.<br>Indianapolis 9,<br>Indiana  | Frank Beall<br>Personnel and Public<br>Relations Director         |
| 19. | Iowa Farm Service Company and Affiliates*         | Farm Bureau Building<br>Des Moines, Iowa              | Ben Hall<br>Office Manager  |
| 20. | Maine Potato Growers, Inc.                        | Box 271<br>Presque Isle, Maine                        | Lewis E. Libby<br>Comptroller and<br>Office Manager               |
| 21. | Manitoba Cooperative Wholesale                    | 230 Princess Street<br>Winnipeg, Manitoba<br>Canada   | J. B. Freeman<br>Personnel Officer                                |
| 22. | Merrimack Farmers Exchange, Inc.                  | Concord,<br>New Hampshire                             | R. W. Peaslee<br>General Manager                                  |
| 23. | Midland Cooperative Wholesale                     | 739 Johnson St., NE<br>Minneapolis 13,<br>Minnesota   | Elmer R. Johns<br>Personnel Manager                               |

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\* Includes Iowa Farm Serum Company and Iowa Plant Food Manufacturing Company.

| <u>Name</u>   | <u>Address</u>  | <u>Person Contacted</u>  |
|---|---|--|
| 24. Northwest Wholesale, Inc.                           | Box 849<br>Wenatchee, Washington                          | Ralph B. Johnson   |
| 25. Pacific Supply Cooperative                          | Box 1004<br>Walla Walla,<br>Washington                    | Otho McLean<br>Assistant Treasurer                                 |
| 26. Pennsylvania Farm Bureau<br>Cooperative Association | Box 23<br>Harrisburg,<br>Pennsylvania                     | Miss Madelyn Kilmoier<br>Office Manager and<br>Assistant Treasurer |
| 27. Poultry Producers of<br>Central California          | 840 Battery Street<br>San Francisco,<br>California        | John V. O'Brien<br>Manager, Industrial<br>Relations                |
| 28. Saskatchewan Cooperative<br>Wholesale               | 211 Avenue D, North<br>Saskatoon,<br>Saskatchewan, Canada | R. W. Allen<br>Personnel Manager                                   |
| 29. Southern States<br>Cooperative, Inc.                | Richmond 13,<br>Virginia                                  | Robert E. Bentley<br>Director of Personnel                         |
| 30. Tennessee Farmers<br>Cooperative                    | Box 953<br>Nashville, Tennessee                           | J. B. Jones<br>General Manager                                     |
| 31. Tri Valley Packing<br>Association                   | 64 Pine Street<br>San Francisco,<br>California            | L. L. Lehtin<br>Secretary  |
| 32. United Cooperatives<br>of Ontario                   | 28 Duke Street<br>Toronto 2, Ontario<br>Canada            | Harvey A. Giles<br>Personnel Director                              |
| 33. Wisconsin Cooperative<br>Farm Supply                | 18 S. Thornton<br>Madison, Wisconsin                      | M. H. Pendleton<br>Assistant Treasurer                             |



## APPENDIX V

### QUESTIONNAIRE

Thesis for Completion of Masters Degree at Michigan State College

Subject: Personnel Policies and Practices of Regional Farmer Co-ops

Your cooperation is asked in order to write a thesis in this phase of co-op business. Many suggestions have been made by co-op leaders, college staff, and other men. Out of the advice given me to date has come the attached questionnaire.

The questionnaire is designed to make answering as easy as possible. Two copies are enclosed so you may keep a copy if you wish.

You perhaps would like to know who I am. My job since 1944 is personnel director for Farm Bureau Services, Inc., the regional purchasing co-op in Michigan. Prior to that I spent  $3\frac{1}{2}$  years in sales and traffic, 5 years in seed processing and wholesale distribution, and a half year in a retail co-op after graduation from Michigan State College in 1936. You can see that my interest is not purely academic.

In my contacts with personnel men from a number of regional co-ops, I am convinced that a study of this type will be of value. Therefore, their suggestions are included in the questionnaire. Their assistance as well as yours will make the results possible. All co-ops contributing shall receive at my expense two copies of the completed study.

Your further suggestions and comments are welcome. Please fill out questionnaire and return to me by February 28, 1950.

W. Victor Bielinski  
Personnel Director

Questionnaire

Personnel Policies and Practices of Regional Farmer Cooperatives

**I Personnel Administration General Information**

- A. Who is responsible for administration of personnel policies and practices in your organization?**

Name \_\_\_\_\_

Title \_\_\_\_\_

- B. In what year was this responsibility designated?** \_\_\_\_\_

How many employees are now handling personnel matters directly in the personnel office? \_\_\_\_\_; indirectly in other offices but handling some personnel matters because of custom or special reason? \_\_\_\_\_

- C. Is the individual named in A above responsible to your general manager?** \_\_\_\_\_

If not, to whom is he responsible? \_\_\_\_\_

- D. Prior to the setting up of a Personnel Office as such, what offices handled the phases of Personnel Administration in your organization? (Perhaps list below will assist in checking this.)**

1. Recruiting, Selection, Placement \_\_\_\_\_
2. Training and Information \_\_\_\_\_
3. Policy Interpretation and Uniformity of Practices \_\_\_\_\_
4. Group Insurance \_\_\_\_\_
5. Health, Hospital, Surgical, Medical Service \_\_\_\_\_
6. Injury Reports \_\_\_\_\_
7. Length of Service Recognition \_\_\_\_\_
8. Retirement Plan \_\_\_\_\_
9. Employee Activities \_\_\_\_\_
10. Employee Organizations \_\_\_\_\_
11. Unemployment Compensation \_\_\_\_\_
12. Workmen's Compensation \_\_\_\_\_

- E. Are any of the items in D above or other items in your organization being handled now by other offices and why?** \_\_\_\_\_

## II Personnel Service to Local Co-ops

- A. Does your regional co-op serve all or any local co-ops in your area in personnel matters? Please check the following:

- |   |       |    |
|---|-------|----|
| 1. Recruiting employees                                     | Yes   | No |
| 2. Interviewing employees                                   | Yes   | No |
| 3. Selecting employees                                      | Yes   | No |
| 4. Training employees                                       | Yes   | No |
| 5. Advice on government regulations<br>concerning employees | Yes   | No |
| 6. Labor union negotiations                                 | Yes   | No |
| 7. Personnel records  | Yes   | No |
| 8. Social and recreational programs                         | Yes   | No |
| 9. To how many local co-ops do you now give such help?      | _____ |    |
| 10. When did you first begin to give such help?             | _____ |    |
| 11. What are some of the problems in giving such help?      | _____ |    |

- B. Does your regional co-op make it possible for local co-ops in your area to participate in group benefits for their employees not obtainable by local co-ops otherwise? Please check as follows:

1. Group Life Insurance \_\_\_\_\_
2. Group Hospital Service \_\_\_\_\_
3. Group Surgical Service \_\_\_\_\_
4. Group Medical Service \_\_\_\_\_
5. Health and Accident Insurance \_\_\_\_\_
6. Retirement Plan \_\_\_\_\_

- C. Do you have any particular policy, program, or opinions on whether your organization should or should not be of service to local co-ops in these items in A and B? \_\_\_\_\_

## III Wage and Salary Practices

- A. Do you have wage rate ranges for hourly rated employees? \_\_\_\_\_;  
job classes and descriptions? \_\_\_\_\_
- B. Do you have salary rate ranges for executive, administrative, professional, field representatives or outside salesmen type of jobs? \_\_\_\_\_; job classes and descriptions \_\_\_\_\_
- C. In addition to base pay for a 40 hour work week, do you have in your set-up
1. Overtime pay at  $1\frac{1}{2}$  rate \_\_\_\_\_
  2. Overtime on any other basis \_\_\_\_\_
  3. Bonus \_\_\_\_\_; how determined \_\_\_\_\_

4. Commissions \_\_\_\_\_; to what groups and how determined \_\_\_\_\_
  5. Do you use campaign cash awards \_\_\_\_\_; other special prizes and awards in merchandise, trips, etc. \_\_\_\_\_
- D. Do you have any special incentive payment plans in your co-op (in addition to items in C above)? Explain briefly or attach copies.

#### IV Employee Benefits and Activities

(Would you kindly send latest booklet or handbook on these items if available, or please explain briefly your policies on the following:

- A. Vacation \_\_\_\_\_
- B. Sick Leave \_\_\_\_\_
- C. Military Leave \_\_\_\_\_
- D. Time Off with Pay \_\_\_\_\_
- E. Holidays \_\_\_\_\_
- F. Leave of Absence \_\_\_\_\_
- G. Do you have employee organizations, committees, activities?

Name or Type

Purpose

Credit Union \_\_\_\_\_  
 Employees Co-op \_\_\_\_\_  
 Athletic League \_\_\_\_\_  
 Others \_\_\_\_\_

- H. Do you have Group Insurance? Briefly describe \_\_\_\_\_
- I. Do you have Retirement Plan? Briefly describe \_\_\_\_\_
- J. Do you have Group Hospital, Surgical, Medical, Health Insurance or Services? Briefly describe \_\_\_\_\_
- K. Are you covered by Workmen's Compensation State Laws for Injuries to employees? \_\_\_\_\_; for Unemployment Compensation? \_\_\_\_\_
- L. Do you have any other or special benefits for your employees? \_\_\_\_\_
- M. Length of Service Recognition Awards or Clubs? Briefly describe \_\_\_\_\_

#### V Recruiting and Selection, and Training

##### A. Recruiting Employees

1. What are your best sources of employees? (Indicate in your answer sources for all types of employees.) Please state also why some sources are better or poorer than others.
- \_\_\_\_\_

B. Screening Practices

1. What is your routine or practice in screening out the more suitable applicants from the less suitable? \_\_\_\_\_

C. Interviewing Techniques

1. How do you conduct your interviewing? For example-
  - a. How many people interview a prospect prior to a decision on hiring? \_\_\_\_\_
  - b. Is it done all in one office \_\_\_\_, or is it done in several places or departments? \_\_\_\_\_
  - c. Do you "show a person around" during \_\_\_\_, prior \_\_\_\_, after the interview \_\_\_\_, or do you leave that until after hiring \_\_\_\_ as part of employee information?
  - d. Have your interviewers been trained in interviewing \_\_\_\_; how and where? \_\_\_\_\_
  - e. Do you depend on your own tools and methods of interviewing \_\_\_\_, or do you use commercially developed aids? \_\_\_\_\_
  - f. Do you use tests prior \_\_\_\_, during \_\_\_\_, or after \_\_\_\_ the interviewing? Why particular preference as to time? \_\_\_\_\_
  - g. To what extent do you use tests? \_\_\_\_\_
  - h. What weight or value do you place on tests? \_\_\_\_\_

D. Interviewing Selling Points

1. Obviously two things happen in an interview - a) the employer sizes up the applicant, and b) the applicant sizes up the employer. The techniques of interviewing, checking references, tests, etc. all assist the employer. What do you consider to be the most important selling points of your organization to convince suitable applicants to accept an offer of a job with you? (Please rate beginning with #10 for most important, #9

for second most important, #8 for next important, etc. until you get #0 for those factors of no importance.)

| <u>Selling Points</u>                             | <u>Your Rating</u> |   |   |   |   |   |   |   |   |   |   |
|---|--------------------|---|---|---|---|---|---|---|---|---|---|
|   | 10                 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
| a. Prestige of your organization in the community |                    |   |   |   |   |   |   |   |   |   |   |
| b. Training program                               |                    |   |   |   |   |   |   |   |   |   |   |
| c. Location                                       |                    |   |   |   |   |   |   |   |   |   |   |
| d. Pay  |                    |   |   |   |   |   |   |   |   |   |   |
| e. Opportunity to advance in jobs                 |                    |   |   |   |   |   |   |   |   |   |   |
| f. Retirement plan                                |                    |   |   |   |   |   |   |   |   |   |   |
| g. Interesting work                               |                    |   |   |   |   |   |   |   |   |   |   |
| h. Working conditions pleasant                    |                    |   |   |   |   |   |   |   |   |   |   |
| i. It's a co-op                                   |                    |   |   |   |   |   |   |   |   |   |   |
| j. Treat employees as individuals                 |                    |   |   |   |   |   |   |   |   |   |   |
| k. _____  |                    |   |   |   |   |   |   |   |   |   |   |

#### E. Selection

1. On what factors do you finally select an employee? \_\_\_\_\_
2. By whom or how is final decision made on hiring? \_\_\_\_\_

#### F. Placement

1. Just how is placement done and who does it? \_\_\_\_\_

#### G. Orientation

1. What is the period of time you use for orientation of a new employee? \_\_\_\_\_  
By whom is this done and how? \_\_\_\_\_

#### H. General Information

1. When does the new employee get general information about his department? \_\_\_\_\_; co-ops in general? \_\_\_\_\_

(Do you have copies of your employee information and education program available? If so, please enclose.)

#### I. Training of Job Skills

1. In what specific or general skills do you conduct training programs for your employees? (Do you have copies of lists or schedules for the past 12 months, or during your last fiscal year? If so, please enclose or list below.)

Type of training

Kind of employee attending

\_\_\_\_\_

#### J. Personality and Executive Development

1. What do you do to build people as individuals by personality, executive, management, leadership, etc. type of training and information programs?

Type of program

Kind of employee attending

\_\_\_\_\_

#### VI Costs of Personnel Administration

Attempt is being made to classify personnel costs into some commonly understood groups. In order to arrive at costs of these items as described, I am suggesting the use of a "per participating employee" basis.

Example: Recruiting is getting new employees. You spend a) \$500 for advertising, checking references, and general interviewing during the year to secure b) 100 new employees; cost per participating employee c) is therefore, \$5.00.

In the same manner you determine the cost per participating employee for other items. Use only the costs to you as employer. Disregard all or portion employees pay for any activity or benefit themselves. There are possibly some items other offices handle. Please include their figures or estimates in the items below.

Period on which figures below are based \_\_\_\_\_

Total permanent employee force at end of period \_\_\_\_\_

(You may combine or lump any of the items below as you see fit if you can't get figures separately. Try to stick to the 8 groups if possible.)

| <u>Item and Description</u>  | <u>Divide (b) into (a) to get (c)</u> |                      |                         |
|--|---------------------------------------|----------------------|-------------------------|
|  | <u>(a)</u>                            | <u>(b)</u>           | <u>(c)</u>              |
|  | <u>Total Cost</u>                     | <u>Employees</u>     | <u>Cost Per</u>         |
|  | <u>Per Year</u>                       | <u>Participating</u> | <u>Employee Per Yr.</u> |
| A. Recruiting  |                                       |                      |                         |
| Advertising, checking references and general interviewing for employees hired during past year   | _____                                 | _____                | _____                   |
| B. Selection   |                                       |                      |                         |
| Testing, extended and special interviewing, visits, trips, hired consultants, etc. for employees hired   | _____                                 | _____                | _____                   |
| C. Placement and Training  |                                       |                      |                         |
| On the job programs, special schools, conferences, college course, commodity and service information, executive training, etc. for new and old employees | _____                                 | _____                | _____                   |
| D. Co-op Information   |                                       |                      |                         |
| Non-vocational information pertaining to your organization history, operations, co-op philosophy etc. for all employees                                  | _____                                 | _____                | _____                   |
| E. Employee Activities   |                                       |                      |                         |
| 1. Social affairs, parties, picnics, etc.  | _____                                 | _____                | _____                   |
| 2. Athletics   | _____                                 | _____                | _____                   |
| 3. Hobby and craft clubs such as music, art, dancing, photography, cooking, sewing, etc.   | _____                                 | _____                | _____                   |
| 4. Employees newspaper or magazine   | _____                                 | _____                | _____                   |



| <u>Item and Description</u>  | <u>Divide (b) into (a) to get (c)</u> |                      |                         |
|--|---------------------------------------|----------------------|-------------------------|
|  | <u>(a)</u>                            | <u>(b)</u>           | <u>(c)</u>              |
|  | <u>Total Cost</u>                     | <u>Employees</u>     | <u>Cost Per</u>         |
|  | <u>Per Year</u>                       | <u>Participating</u> | <u>Participating</u>    |
|  |                                       |                      | <u>Employee Per Yr.</u> |
| <b>F. Employees Benefit Programs</b>   |                                       |                      |                         |
| 1. Physical Exams  | _____                                 | _____                | _____                   |
| 2. First Aid Service   | _____                                 | _____                | _____                   |
| 3. Hospital Service  | _____                                 | _____                | _____                   |
| 4. Medical Service   | _____                                 | _____                | _____                   |
| 5. Surgical Service  | _____                                 | _____                | _____                   |
| 6. Weekly Cash Benefit Insurance (beyond sick leave)   | _____                                 | _____                | _____                   |
| 7. Group Life Insurance  | _____                                 | _____                | _____                   |
| 8. Retirement Plan   | _____                                 | _____                | _____                   |
| <b>G. Miscellaneous Activities</b>   |                                       |                      |                         |
| 1. Length of Service Awards, etc.  | _____                                 | _____                | _____                   |
| 2. Suggestion Prizes, Awards, etc.   | _____                                 | _____                | _____                   |
| <b>H. Personnel Office Maintenance</b><br>Salaries, travel, office supplies, rent, etc. charged                                | _____                                 | _____                | _____                   |
| <b>I. Does all of the above total up to a <u>grand total of ALL EXPENSES</u> for <u>Costs of Personnel Administration</u>?</b> | _____                                 | _____                | _____                   |
| <b>J. If not, what else should be added and for what type of personnel service is it spent?</b>                                | _____                                 | _____                | _____                   |

(For those organizations objecting, I shall use a code system in charts or comparisons.)

VII Appraisal of Present Personnel Policies and Practices

- A. In your opinion what have been or are now the weakest points of cooperative personnel programs? Why? \_\_\_\_\_
- B. What do you think have been or are now the strongest points? Why? \_\_\_\_\_
- C. What are your recommendations for strengthening personnel programs in cooperatives? \_\_\_\_\_
- D. Any other comments or suggestions? \_\_\_\_\_

VIII Do you have any objection to being quoted as a cooperative executive, or your cooperative as an organization being named as furnishing data to the study? \_\_\_\_\_

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American Management Association  
330 West 42nd Street  
New York City

Industrial Relations Section  
Massachusetts Institute of Technology  
Cambridge, Massachusetts

National Industrial Conference Board  
247 Park Avenue  
New York City

Department of Economics and Social Institutions  
Princeton University  
Princeton, New Jersey

Society for the Advancement of Management  
84 William Street  
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Bureau of Industrial Relations  
University of Michigan  
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