

MEMBERSHIP RELATIONS

OF

COOPERATIVE
ASSOCIATIONS.

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Membership Relations *of* Cooperative Associations

*Some Methods and Costs
of Membership Contacts*

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FARM CREDIT ADMINISTRATION

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Summary

COOPERATIVE associations are characterized by a lack of uniformity in the methods used to maintain contact between membership and management. A study of the methods used should reveal whether the objective is only to get new members and to hold or increase the volume of business or whether it is to develop local leadership and create within the rank and file of the membership a feeling of ownership in the organization and of responsibility for its success.

The form of the organization and the nature of the services performed have some influence on the relationship existing between the member and his association and also on the methods employed in maintaining membership contact. The federated and the centralized types of organization each appear to have some problems and advantages inherent in the type. Some of these problems are perhaps more properly attributed to policies that have grown up with the organization and which later proved to be assets or liabilities.

The attitude of managers and directors toward the members, together with constructive membership policies, is important in building up satisfactory membership relations. Loyalty on the part of the members and understanding of association affairs will be invaluable to the organization in case of temporary reverses. Self-analysis for managers and directors and the attitudes that may reasonably be expected of them are suggested here by a list of leading questions.

The characteristics of directors are important in determining whether membership relations are to be satisfactory or unsatisfactory. When well informed and cooperative minded, a director may contribute much to the member's understanding of his association. When indifferent, poorly informed, or seeking personal advantage through his position as director, he may provoke or aggravate an unfavorable attitude on the part of the member. This means that much time and effort on the part of the employees is necessary to promote a helpful attitude on the part of the members and obtain from members the cooperation that is necessary for the association's success.

Loyalty, based on understanding, enables the members—who are the owners—to work out the problems facing the association or to

employ individuals who can assist in analyzing conditions responsible for its limited success.

The ideal commonly expressed for cooperative associations is that they should be "farmer owned" and "farmer controlled." In extreme cases this is more of a fiction than a reality, since members are not always conscious of ownership. In some associations most of the capital has been derived from "earned operating income" and is in the hands of the management without allocation to individual members. In such cases probably only a few members participate in voting for directors or in any other activities of the association. In other instances members of the associations make direct contributions to the capital structure and, by districts, select the directors to represent them in association affairs.

There are two stages in the organization of a cooperative association—first, obtaining an adequate membership, and, second, organizing the members for participation in association affairs. Organizers of such associations have been prone to think that the first stage only was necessary. In practically all associations, however, the second stage is continuous or recurrent and its implications cannot be ignored with safety during the life of the association. For this reason special methods have been developed for promoting members' participation in association affairs.

Some associations specify definitely the responsibilities of members while a few consider membership very informal and merely incidental to the use of the organization's services. In a few associations this attitude of the management has resulted in cooperation being more *for* farmers than *by* farmers.

The majority of the associations included in this study attempt to further membership contact and disseminate information by means of speeches or informal talks made by employees of the organization. Frequently the material presented has not been carefully developed and prepared, and is not sufficiently well presented to stimulate the member's interest in attending meetings.

Members of some associations have been "talked to death"; that is, they have heard many speeches and have been supplied with much information; but insufficient provision has been made for the participation of the members and the community in meetings called for the purpose of presenting association affairs.

On the other hand, some associations have developed a technique in holding local and annual meetings so successful that many members take an active part and eagerly look forward to the next meeting.

The fieldmen employed by the associations were invited to express their opinions on information to members. They were found to believe generally that members should be given all the information

they might ask for regarding the association, because complete information tends to build confidence which is the keystone of membership morale.

It is impractical for any association to expect to eliminate merely through the employment of special personnel membership dissatisfaction. Successful associations have attempted to develop local leaders who will assume responsibility for encouraging the rank and file of members to participate in association affairs and for disseminating information concerning the association's policies, problems, and progress.

Some associations have found that members' interest and participation have been stimulated by arousing the interest of the farm family, instead of only that of the contract signer.

Membership administration must be definitely planned to be successful, and supervision of local meetings and their programs is necessary for smooth functioning. Voluntary leadership, directed and supervised, ultimately reduces the expense that must be incurred by an association in developing an alert and well-informed membership.

Many associations attempt to supply information to members through the public press, through mimeographed news letters or house organs. Satisfactory relations with the public press depend upon the accuracy of news releases and the extent and nature of background material supplied to the editors.

The cost of administering the membership service of the associations studied ranged from 8 cents per member to \$20.50 per member. There was as great a variety in the type of work involved in membership administration as there was in the expense incurred. There seems to be no relation between the size of the association and the expense per member for membership administration. Most federations spend relatively little for this purpose, leaving such work and expenditure to the units comprising the federation.

The size of house organs issued by the associations studied ranged from 4 to 36 pages per issue. The percentage of space in the house organs devoted to association affairs ranged from 4.8 percent to 62.5 percent. The space in the house organs devoted to advertisements ranged from 0 to 36.7 percent. There was perhaps equally as wide a range in the quality of material relating to association affairs.

Appendix

THE following exhibits illustrate the manner in which the central office of a large organization can delegate to district offices and local officials the details of planning local meetings:

Exhibit A.—Copy of a letter written by the management of an association to the local or branch manager, transmitting plan sheets for the local annual meeting.

DEAR MR. ———: You will herewith find attached our suggestions as to the form of planning sheet for the annual meetings to be held in January. The questions cover three items—the physical handling of the meeting, the program, and the plan for electing directors. You are at liberty to change the questions submitted if you deem such changes will improve the information you will receive.

These planning sheets are to be filled in by boards of directors of _____ associations at their November meetings. You should supply each association with three copies. All three copies should be filled in, one to be kept by the association and two to come to you, you forwarding one immediately to _____.

In completing these planning sheets have every board place within the program numbers a period for an explanation of the corporate set-up of the district _____, the method for its control, and the important part _____ associations are bound to play in a sound, permanent _____ structure for agriculture. The district office will supply a speaker for this topic. Let them also designate within the program numbers a place for the yearly operating statement of the local association and reserve a very definite portion of the meeting for the nomination and election of directors.

Aside from the above, the entire arrangement of program is left to the local board and to you. Entertainment, refreshments, special speakers can be included if thought necessary. The board is planning this meeting for the users and prospective users of the association's services. The program will have to be good enough to attract the folks they have invited and send them back home, ready to speak a good word, when the occasion arises.

Very truly yours,

In charge of _____

Exhibit B.—Planning sheet for the annual meeting, prepared by the central office and transmitted to the local or branch manager, which, when filled out, will provide the central office with detailed information regarding the time, place, and type of program for the annual meeting.

Final Planning Sheet, Annual Meeting of the Association

What date will your annual meeting be held? _____
(Fill in date)

Time of day _____ Place _____
(Specify hall and community)

How many meeting notifications to members will you need? _____
Upon what date will your suggested copy for the above notifications be in the association's office? _____ What other methods will you use to induce members and others to attend your meetings?

How do you intend to greet the folks and make them feel at home? _____

Program for the Meeting

Who will be chairman? _____ Who will take the minutes of the meeting? _____
Will someone give a synopsis of the organization meeting and subsequent board meetings? _____ Who? _____
(State in the numbered spaces below the program which the meeting will follow.)

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

If you are going to serve refreshments, how will they be handled?

Will the meeting place be large enough, with comfortable accommodations?
_____ Quiet? _____ Supplied with comfortable chairs? _____
Properly heated and ventilated? _____ Lighted? _____
What plan do you propose to follow in nominating and electing directors?

List any committees and their duties in connection with this meeting

Will your December financial report be in the hands of the association by _____?

Estimate attendance—members _____ others _____

President _____

(Signed)

Secretary-treasurer _____

(Signed)

Date _____

Exhibit C.—Detailed outline of the annual meeting furnished by the central office to the district office or local association. This outline frequently prevents the overlooking of some details in planning for the annual meeting.

Plan For Associational Annual Meetings

1. PREPARATION.

(a) November meeting of the board.

1. Definitely plan for annual meetings.

a. Resolution setting date.

b. Fill in meeting planning sheet.

c. Arrange some definite method for proper nomination and election of directors.

2. ATTENDANCE.

(a) Invitation to member.

(b) Invitation to prospective member.

(c) Local secretary-treasurer and local board responsible for getting out the crowd.

1. Follow up:

a. Mail.

b. Personal visits.

c. Newspaper stories.

WE WANT THE FOLKS WE INVITE THERE, and the local officers are the ones to do it.

3. PROGRAM.

(a) Completely up to local board, except that we suggest they incorporate the following:

1. Corporate set-up of the association within the district, method of control, and explanation of association's opportunities (30 minutes).

2. Thorough explanation of the local association's financial statement (15 minutes).

3. Synopsis of the organization meeting and subsequent board meetings and a general outline of what your association has accomplished during the past year.

4. To see that a good board of directors is elected by proper parliamentary proceedings. Tellers should be appointed, nominees receiving the highest number of votes declared elected.