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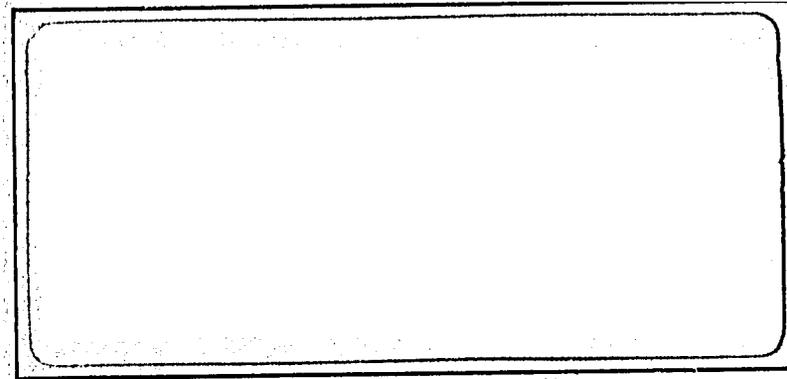
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**INTERNATIONAL ECONOMIC DEVELOPMENT PROGRAM**



**Southern University and A & M College  
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PROGRAM TO MEET THE TRAINING NEEDS  
OF EMERGING COOPERATIVES

BY

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FOREWORD

The Unemployment and Underemployment Institute was created to coordinate all international economic development activities of the 211(d) grant at Southern University.

In 1972, the Agency for International Development (AID) approved a five year grant to Southern University to strengthen and increase its capacity in economic/agricultural economics to enhance Southern's capabilities to contribute to the resolution of problems of rural unemployment and underemployment in developing countries.

The general objectives of the Institute are (a) to develop and coordinate the activities of the University for greater participation in international economic development programs; (b) to make available the capacities and expertise thus developed to public and private agencies involved in industrial development programs; and (c) to conduct research, seminars, and workshops on domestic and international development problems including cooperatives, manpower utilization, small farmers, housing, population, nutrition, leadership training, and community development.

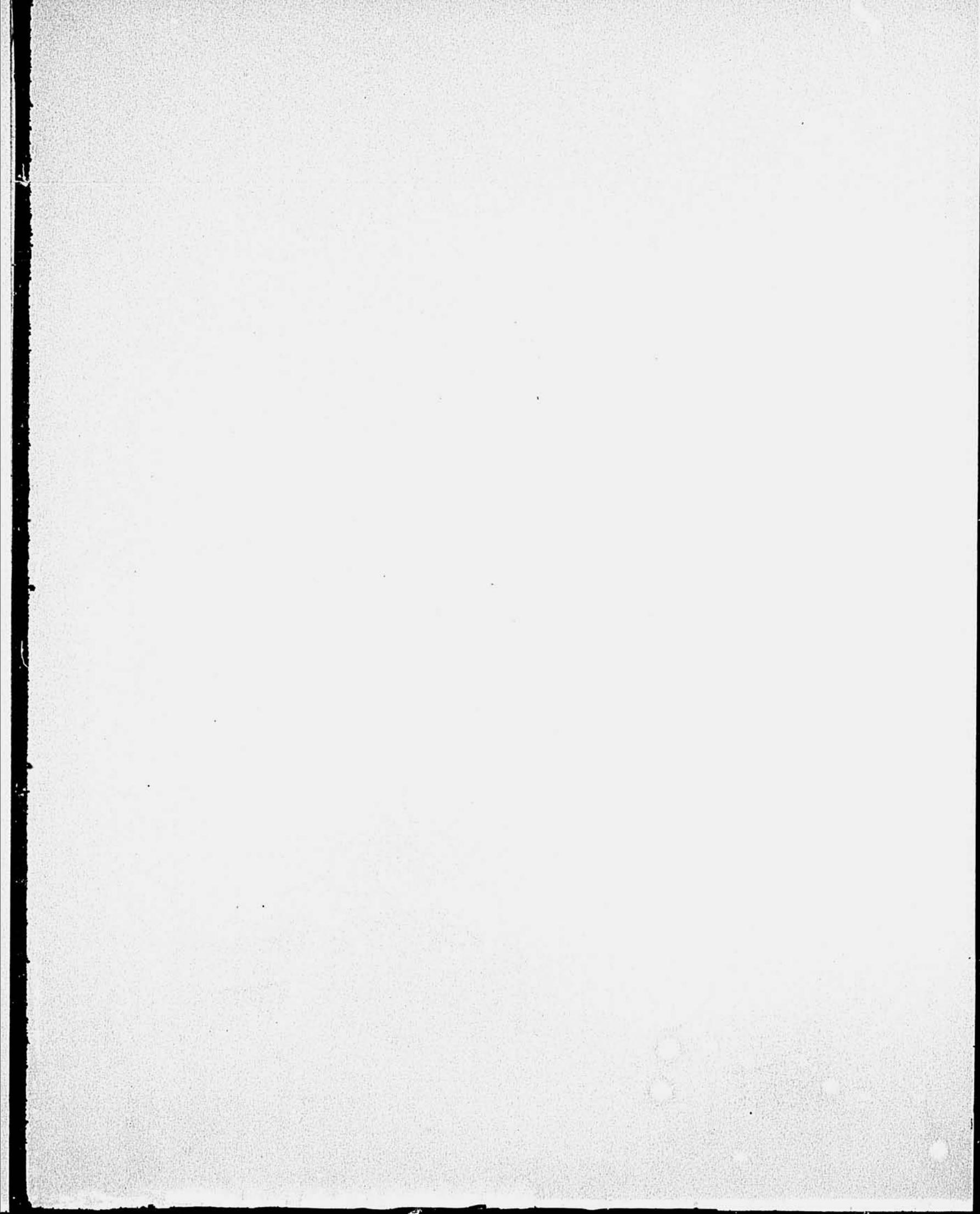
In keeping with objective (a), the University supports several faculty members working towards advanced degrees in the area of economic development and related disciplines, supports undergraduate scholarships to foreign and U. S. nationals in the Department of Agricultural Economics and Economics, provides travel to professional seminars for faculty, foreign exposure to development experiences, and special training on techniques of program design and evaluation.

In keeping with objective (b), the Institute sponsors an International Development Seminar Series, Student-Faculty & Staff Seminar Series, and hosts foreign individuals and groups interested in economic development programs at Southern University.

Results of research projects consistent with the objectives of this program are published under the Institute's Faculty-Staff Research Paper Series. Papers published under this series reflects the diversity of interests and specialties of our faculty and staff.

The above activities of the Institute demonstrate the capacities and expertise of Southern University developed through the 211(d) program. As a result of the 211(d) grant, the Unemployment-Underemployment Institute at Southern University is in a position to offer expert and technical personnel to private and public agencies involved in international economic development programs.

T. T. Williams  
Director



PROGRAM TO MEET THE TRAINING NEEDS  
OF EMERGING COOPERATIVES

BY

T. T. WILLIAMS

INTRODUCTION:

This paper is addressed to specific ways of meeting the training needs of emerging cooperatives. The content of this article is based upon the experiences of the author. For over twenty years he has been directly involved with economic development in general and emerging cooperatives in particular. He has worked closely with officials in the cooperative movement in this country and less developed countries (LDC's) of the world in promoting viability among emerging cooperatives.

The Institute for International Economic Development at Southern University recognizes the importance of cooperatives as a tool to be employed in the economic development thrust in this country and LDC's.

The unique aspect of a cooperative, which lends itself to economic development, is that a true cooperative is a self-help organization through which people can pool their resources (however meager), to accomplish things collectively that they could not accomplish individually.

Cooperatives are also social institutions owned and controlled by the members through the democratic process.

Successful cooperatives make significant economic savings for their members and are often the community center for social and community actions. Viable emerging cooperatives offer great potential for membership development provided certain requirements are met and maintained.

Emerging cooperatives have three characteristics in common: First, they have a short history of operation as a legal entity. The majority of the estimated 2500 emerging cooperatives were chartered within the last 15 years. Second, emerging cooperatives cannot draw membership loyalty or support. Few of the emerging cooperatives have paid patronage dividends nor have they realized significant savings for the approximately two million members. Third, emerging cooperative membership consists of the people left behind. Low family income, limited formal education, and business experience characterize the membership of emerging cooperatives. Various federal and private agencies have approved loans or grants for emerging cooperatives, but these agencies fail to provide emerging cooperatives with the needed training inputs necessary to utilize the money effectively. The result is that most of the emerging cooperatives are operating on borrowed money (loans or grants) and borrowed time.

The economic and social impact that emerging cooperatives can have on development will depend upon the relevant training provided the rank and file members and managers. Initially, members and potential members must understand what a cooperative is (a specialized form of corporation), and what is required of them to make the organization a success.

PREREQUISITES TO THE TRAINING PROGRAM AND THE OBJECTIVES:

A. Frerequisites:

Members who are elected to the board of directors need to understand their responsibilities as a member of the board and what their role and functions are as a director. Board members need to have clearly in mind how their role and functions differ from that of the manager as members of the management team.

The board needs to be able to distinguish between long-and-short-run decisions. The day-to-day decisions affecting the operation should be left to the manager while long-run decisions involving commitments of resources should be the responsibility of the elected board.

The responsibility of the manager is critical to the success of the cooperative. Many of the problems faced by emerging cooperatives are due to the involvement of the board with decisions of management. The manager should have managerial experience, be able to supervise his staff, be a good public relations person, and understand and be qualified to implement the functions of the cooperative delegated to him by the board.

The manager, together with the board, comprise the management team. The manager needs not only to understand the organization and structure, but he also needs to possess at least the level of management skills possessed by other types of competing organizations in the area. The manager of an emerging cooperative needs a high degree of skill in human relations because of the specialized nature of the organization, and the membership characteristics.

Observations of emerging cooperatives in the USA demonstrate that the lack of a training program to meet the above needs is the underlying cause for failure, rather than the more obvious symptoms - financial loss and lack of adequate volume. The absence of a planned program to meet the training needs of emerging cooperatives is observed in the non-economic thrust of these groups.

There are four prerequisites to a program to meet the training needs of emerging cooperatives. First, the training program should be relevant to the problems faced by the cooperative's input to assure economic viability. Second, the training components should include classroom instruction,

supervised on-the-job experience, and field experience with successful cooperatives. Third, the training program should be under the auspices of an institution with a history of involvement with instruction, research, and extension programs for low-income people. The training staff should be knowledgeable of cooperatives in general and emerging cooperatives in specific, and sensitive to the aspirations of poor people; and fourth, the educational material used and teaching methods employed (formal, on-the-job, and field experience) should be geared to the educational level and business experience of the trainee.

B. Program Thrust:

The six major objectives of a training program designed to meet the needs of managers of emerging cooperatives should incorporate the following: (1) assist with the teaching and training of personnel to gain experience and expertise in the cooperative concept, and to develop and coordinate a cadre of trained personnel who will be available to consult and advise with leaders of emerging cooperatives, relative to their day-to-day operational problems; (2) train participants in fundamentals of cooperative principles and their application; (3) assist participants in understanding the role and function of cooperatives in economic, social, and education development within the context of the political system; (4) train participants in cooperative operational level policies and practices related to management, financing and accounting, and member and public relations; (5) provide supervised field training in cooperatives in order to develop administrative and leadership skills; and (6) provide participants with supervised on-the-job training.

PROGRAM COMPONENTS:

The training program should be operationally oriented and should be designed to assist in the development of community leadership and

administrative skills. Knowledge of cooperatives as an economic institution should be stressed and the use of this institution for community development should be encouraged.

Training should include group instruction, workshops, discussions, group dynamics, and field experience. All instructional on-the-job and field training activities should be coordinated and supervised to provide maximum development of participants. Trainees should be provided relevant material for future reference.

Flexibility should be provided in the training program components to meet the needs and requirements of trainees and their employers--cooperatives or non-cooperatives. It might be necessary to schedule initial group sessions for a short period of time to allow for adjustment while away from the job. Later sessions may be longer after time adjustments have been made. The group sessions should be geared to the educational achievement level and cooperative experience of trainees as determined by an evaluation of participants (based on personal interviews with trainees).

A. Group Training:

Group training instruction should be based on a specific number of hours per week. Instruction in group training sessions for the ten training areas which follow should total approximately 20 hours per area (including homework problems and supervised study), for a total of 200 hours. The remaining time should be utilized in field trips to local cooperatives, films and other visual aids related to cooperative management, and special group discussion of problems at the trainees' home cooperatives.

Trainees should visit cooperatives on local field trips early in the group training sessions to gain exposure to new experiences so as to provide motivation and stimulation for study and discussion.

Extra-curricular activities should be provided during the training program such as visits to sessions of local or community units of government and action groups to observe their business deliberations. Previous experience has proven such exposures valuable to the understanding of a cooperative as an economic development tool.

Location and utilization of consultant and resource personnel should mirror the total community by the involvement of talented personnel from agriculture and agricultural related disciplines. Capable personnel from agencies, operating cooperatives, and industry should be utilized where practical and feasible.

The following topics should be included in the group training sessions and should be the basic subject areas for the group training:

1. Course on Cooperative Management:

This subject area should cover the practical operational aspects of management from the view-point of the manager and board of directors, manager and board decision areas, duties and responsibilities of the manager and board of directors, parliamentary procedures for elections and other meetings, board-manager, communication and reporting, manager evaluation, determining of objectives and establishing policies, board training and succession, principles, and functions of management and board-manager relations. Primary emphasis should be placed on the board-manager functions as the management team for a cooperative and critical role of management in the success or failure of a cooperative venture.

2. Application of Cooperative Principles:

This course should examine cooperative principles and thinking with particular emphasis on the application and implementation of such

principles in the practical day-to-day operations of emerging cooperatives.

3. Organization and Structure of Cooperatives:

Major emphasis should be placed on helping participants evaluate the various types of organization structure that will aid in accomplishing the major objectives of the emerging cooperatives. This should include a brief examination of the history and development of the cooperative movement, steps in organizing cooperatives, (including pre-organizational activities), kinds of cooperatives and types of cooperative organizational structure, laws pertaining to cooperatives and how such laws affect members and boards of directors, and common reasons for failure of cooperatives.

4. Record Keeping:

The course in record keeping should provide an understanding of basic bookkeeping terms, examine the basic principles of bookkeeping, provide instruction on setting up required records and accounts necessary for successful operation, and provide management information needed by the manager and the board of directors. Attention should be directed to how record keeping may affect the success or failure of the emerging cooperative ventures.

5. Financing of Cooperatives:

The financing course should cover membership responsibilities for providing capital, policies related to the financing, methods of financing, sources of borrowed capital, efficient use of capital, development of financing plans, how financing can affect

the success or failure of cooperatives, credit policies of cooperatives, and financial reserves for the maintenance of facilities and equipment. Particular emphasis should be placed on the development of practical financial plans and controls to meet the present and future needs of the emerging cooperatives represented by participants.

6. Education and Public Relations:

The educational portion of the training program should include: application of adult education techniques to problem solving and economic development; planning of cooperative education programs for emerging cooperatives; cooperative education thrusts for members, directors, and employees; and the role of the manager, directors, and employees in education for emerging cooperatives.

The public relations portion should deal with such topics as: nature of public relations and public opinion; public relations methods; public relations planning, cooperative publications; and identifying community organizations or agencies as resources for emerging cooperative education and public relations work. Case work on public relations problems and how to plan annual and other meetings should be included in the program design.

7. Leadership Qualities:

This component of the training program for emerging cooperatives should deal with basic characteristics of successful leaders; human relations; principles of leadership; individual and group wants; desires and goals from the standpoint of what is needed for successful group action; and factors important to human motivation,

including accepted techniques of group dynamics that are applicable to operating emerging cooperatives. Particular emphasis should be placed on motivating managers and board members to improve their human relations and leadership skills in the atmosphere of the emerging cooperative, including the use of appropriate group dynamics techniques at meetings.

8. Marketing:

The marketing course should place emphasis on the need for overall efficiency in providing agricultural goods and marketing services to the members of emerging cooperatives. Attention should be given to the effectiveness of the use of marketing operations or functions - buying and selling, risk taking, financing, supply procurement, storage, transportation, standardization, and market news. The marketing components should be coupled with developing an understanding of the markets and related use of emerging cooperatives for economic development.

9. Management:

This component should include instruction on recruiting and selecting employees, employee training development, performance evaluation, employee motivation, and internal communication. Emphasis should be placed on employee motivation, including clear-cut job assignments, wage policies, labor relations, and fringe benefits.

10. Cooperatives as an Economic Development Tool:

Discussions should focus on the role of the emerging cooperative in community development, the image of the cooperative in the

community, participation of emerging cooperative personnel in community activities, possibilities and limitations of cooperatives, and how emerging cooperatives must adapt to changing conditions to remain successful. Comparisons should be drawn from the cooperative movement in the U. S. and in developing countries.

The length of time required to complete either or all of the ten courses will depend upon the characteristics of the participants.

**B. Follow-through:**

Although the curriculum and the training program should be evaluated continuously throughout the training period, the final period should be devoted to further study of specific problems encountered during the on-the-job training with alternative suggestions for solutions; and to an in-depth evaluation and appraisal of the total training experience. Various leadership and group dynamic techniques such as role playing, group discussion, panel, debate, etc., should be used wherever practical.

The total curriculum incorporating a detailed outline of each course, should be prepared and made available to each participant in a loose-leaf form to facilitate revision and change throughout the program. It should be expected that the curriculum will be revised as experience indicates.

**ON-THE-JOB EXPERIENCE:**

Trainees should be assigned work projects during each period of on-job training based upon topics discussed during group sessions and related to the conditions in the emerging cooperative in which the participants are training. This supervised on-job training should be interspersed with group training sessions and should be continued at least one year.

FIELD TRAINING:

It has been recognized that field training is one of the most important aspects of a cooperative training program. This component of the training program should be planned carefully to assist trainees to study and observe situations which will be related to their job and responsibilities.

In order to utilize the field training most effectively, objectives and guides for study and analysis should be prepared based upon previous applicant interviews. Close supervision and progress analysis should be maintained for each participant.

The entire field training program may be at one or more developed cooperatives. However, the trainee should be placed in a cooperative environment which will provide exposure needed to upgrade his usefulness upon returning to his emerging cooperative. Field training should be related to formal training and on-job training using the following sequence: (a) group session; (b) on-job experience; (c) group session; (d) group session; (e) on-job experience; (f) group session; (g) on-job experience; (h) field experience; (i) on-job experience; (j) on-job experience; (k) field experience; (l) on-job experience; and (m) summary and evaluation. This sequence or pattern should be flexible and can be adjusted to meet the needs of trainees.

Initial group sessions should be short in length to enable trainees to adjust to the training sequence and to facilitate the objective. Such a short period should eliminate the need for hiring replacements. Longer sessions could be scheduled later when trainees and employers have made the necessary adjustments to the training program.

The entire sequence of group sessions, field experience, on-the-job experience, summary, evaluation, and appraisal will require a minimum of one year.

SELECTION OF TRAINEES:

Field supervisors from the training center should assist in recruiting applicants from emerging cooperatives. However, final selection should be made by a Selection Committee (the Institute Staff) in consultation with the Institute Director.

Participants should be selected from applications submitted by emerging cooperative officials in low-income areas and by organizations or institutions concerned with developing administrative and leadership abilities among emerging cooperatives. In the selection process, preference should be given to managers of the emerging cooperatives and other individuals who have demonstrated potential leadership or administrative capabilities through involvement with low-income sponsored programs. Applications or nominations should be submitted on forms prepared by the Institute Staff. All nominations for participation in the Training Program should be received by the director prior to the beginning of the formal training session.

CONCLUSIONS:

The training program described in this paper deals specifically with only one area of training needs of emerging cooperatives—management. The International Economic Development Institute at Southern University recognizes that there are a number of other training areas that require similar attention if emerging cooperatives in low-income or economically depressed areas are to become viable economic institutions. It is generally believed by those knowledgeable of the problems of emerging cooperatives that the management

training need is most crucial during their initial growth, and that many emerging cooperatives will fail in meeting the needs of their membership - unless such training is provided. It is anticipated by the Institute that there will be opportunities to consider other critical training needs that would be the logical next step after crucial management needs have been met.

The manager, together with the board of directors, forms the management team for a cooperative. A manager's effectiveness is greatly limited by a weak or poorly trained board. Board members need to clearly understand their role and function in management as distinct from that of the manager in the management process, if they are to be an effective part of the team.

Ideally, Director training should precede or be simultaneous with training of the emerging cooperative manager for effective implementation of the management concept. In addition, emerging cooperative members need to understand that they must use their cooperative if it is to be successful, and that a number of years is required for an emerging cooperative to gain the operational efficiency required for making significant savings for its membership. The members need to understand their responsibilities as members, what they must do to make their cooperative a success. My discussion with the leadership of successful cooperatives in the U. S., Puerto Rico, and developing countries has convinced me that member relations, education, and training is one of their major continuing problems.

It is my sincere belief that the use of the training program described in this paper will demonstrate the effectiveness of utilizing many of the resources existing within the geographic area in general, and the 1890 land grant colleges in particular.

It is further believed that the program will demonstrate that low-income and economically depressed areas contain personnel and resources that can

make significant contributions to economic development. These resources must be located, identified, and the opportunity provided for their use toward the solution of the economic development problem in the area.

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