

Improved Member Service
Through Motivation

by

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As I see it there are at least three groups that can be motivated:

1. Board Members
2. Members
3. Employees

Let me first establish what motivation is to me.

Defined as the "inner drive, impulse or intentions that cause a person to do something or act in a certain way," motivation applies to any stimulus that encourages or inspires one to action.

The study of motivation is a study of causation, or of cause and effect involves certain happenings that are found preceding certain other happenings more regularly than can be explained by chance. Thus, the first happening -- cause -- brings about the second happening -- effect. Management must choose the incentives that can be used as stimuli to "fuel the fire" and increase worker productivity.

You can buy an employee's time; you can give a person a membership in the cooperative, you can honor and build the ego of a person by election to the board of directors -- but you cannot buy or give enthusiasm, loyalty, devotion of hearts, minds and souls. Loyalty, devotion of heart, mind and souls are earned.

In one study, 775 scientists and technicians employed in Midwest business firms were asked to list factors that influenced job satisfaction and personal performance. The results indicated that personal accomplishment, praise for good work, company location, employee relationships, and receiving credit for their ideas had a greater impact on personal satisfaction than on job effort. Knowing what was expected, challenging work and responsibility, being informed and participating in decisions, and capable supervisors, were all given more importance for their effects on motivation, as opposed to personal satisfaction. This study concluded that it is not only incorrect to use the terms motivation and satisfied interchangeably, but one is in error to assume that employee satisfaction leads to productivity. One may be satisfied just loafing.

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There are numerous motivational theories with the most popular including Maslow's needs hierarchy theory, McGregor's theory Y, Herzberg's satisfiers and dissatisfiers theory, and McClelland's achievement theory.

The primary factors creating negative motivation among employees are lack of company policies and no or varying administration, little or no supervision, lack of recognition, lack of job description and no performance evaluation, and poor working conditions which includes poor communications.

McClelland maintained that the most persistent motives are likely to be acquired in childhood.

Although the theories on motivation vary, they all include certain basic assumptions, mainly, that every person has an inherent egocentric craving for self-satisfaction, contentment, happiness and a sense of well-being and buoyancy.

Man is a wanting animal -- as soon as one's need is satisfied, another appears in its place. A satisfied need is not a motivator.

When the physiological needs (hunger, thirst, warmth, rest, shelter, air, sex) are satisfied, other needs dominate man's behavior and motivate him. These are safety needs for protection against danger, threat, and deprivation. Historically, general agricultural price declines have motivated some farmers -- possibly those in greatest danger to anticipated action -- often forming new agricultural organization. Most such farmer's organizations have discovered that through the cooperative organization the marketing channel could be shortened and some increase in net farm income might be realized.

Once the safety needs are satisfied, social needs, ego needs and self fulfillment needs serve as motivators. Self fulfillment needs are the needs referred to by Maslow for realizing one's own potentialities and continuing self development.

Robert Ardrey in The Territorial Imperative concluded that certain animal behavior forms the basis for studying human behavior. "Man seeks identity, not anonymity; stimulation, not boredom; security, not anxiety.

Determining motivational needs is further complicated because it involves the total personality of the individual.

The tendency of persons to rationalize behavior often conceals true motive and obscures the person's inner needs. Persons often justify actions, especially if they are unpopular actions by assigning different reasons for the action rather than the ones which actually caused them.

Frequently the objectives desired by persons are popularity, respect, success, and authority.

Studies rival that only 10% of the population is self-motivated which means that the remaining 90% must be motivated by external means.

Two important employee motivators are performance appraisal and rewards. Performance appraisals are essential to evaluate worker performance and to

compensate persons effectively.

Motivations, the technique to get "people to do what they should do because they want to do it" is perhaps most difficult, yet most essential. By establishing goals and objectives and blending them with consideration, respect, appraisals and rewards can we provide the stimulus to inspire persons to actions.

I feel that we can attempt to motivate the three groups -- members, boards and employees in the following ways.

Telling them about the Cooperative.
Preparing and communicating policies.
Be Honest -- build confidence.

Members need to know:

What co-op is.
How it can help them improve their income.
What the co-operative can and cannot do.
What the co-operative is currently accomplishing, good and bad.

Board Members need to know:

What a co-op is.
What's their job?
How to do their job.
What the co-operative's policies are.
Facts about cooperative's financial situation.

Employees need to know:

What a co-op is.
What's expected. Job descriptions.
Training - encourage development.

To do the motivating we need a leader who has a basic philosophy of "what's best for members rather than what's best for me" a knowledge of and understanding of the theory of mutuality. Often this leader, or motivator, is the manager of the cooperative, however, the leadership role or motivator role has often been assumed by a board member. In emerging cooperatives this leader role has been most often assumed by a board member or a professional such as a county agent.

The board of directors have a most responsible role as they provide the environment for the motivation. Employing a competent manager is not enough. The board must delegate the management responsibility to the manager as set forth in a job description. The board of directors must establish and communicate the objective of the cooperative. The board must establish an environment that encourages self satisfaction, contentment, happiness, and well-being of all who make up the three groups. The board can develop this favorable environment by the preparation, explanation, publishing, and use of policies. Policies such as shall we be honest with our members, employees

about the cooperatives operations, cooperative education for board members, employees and members, financial policy for debt and equity capital, as well as redemption. Policies that set forth the training and development opportunities for employees.

The entire motivation package for the cooperative can provide for people goals at all levels as members of each group will see an opportunity for popularity, respect, success, and authority.

A few successes I have observed: A local Co-op manager handled a competitors fertilizer despite the fact that the cooperative he managed owned a regional cooperative that owned one of the largest fertilizer manufacturers in the world - CF. He had managed this local for 25 years. At a manager's meeting, he asked why didn't you tell us we owned CF. In two years this co-op went from about 90th in the purchase of fertilizer to 8th in 1977.

In another case a very successful local cooperative received less than \$1,000 patronage refund from its regional last year -- after directors, manager, employees, and new members were exposed to information about cooperatives this local received \$81,000 patronage from the regional. The current problem this cooperative and many other Ohio cooperatives we have worked with is where to have the annual meeting so all who wish to may attend.

Annual meetings have provided an opportunity to motivate at three groups. Tell members and employees about cooperatives what they are -- how they can help people help themselves. Tell members the facts both good and bad about the cooperative. Give board members the opportunity to participate. Let members assist with the planning, promoting, and organization of the annual meeting. Recognize and involve employees. I feel that those who still insist on having fun and games at the annual meeting are missing a great opportunity. Most of the time we can get better entertainment, if that's what we want, from TV than at a coop annual meeting.

As you may have observed I changed the title of this paper from Improved Customer Service Through Motivation to Improved Member Service Through Motivation. In my opinion, cooperatives are unique in that agricultural cooperatives are under the law and IRS regulations considered as a part of the forming operation, not a firm separate. Farmers sell through their cooperative not to their cooperative and buy services and goods through their cooperative not from their cooperatives. Investor firms have investors who enjoy the financial gains of the firm, they have employees and they have customers -- one who gives his business to a particular store. Cooperatives have members. Members require different consideration. They are the owners; they benefit from the cooperatives in proportion to the use they make of it.

Most of our cooperatives were started because existing business failed to provide the services customers wanted. For example, had private power companies agreed to the REA terms and used REA loans, there would not be Rural Electric Cooperatives -- the same can be said for farm supplies, credit and most other cooperatives.

The same factors that cause employee dissatisfaction can also cause board and member dissatisfaction.

They are: Lack of policies
Poor administration
Little or no supervision or direction
Lack of recognition
No job description
No performance evaluation
Poor communication

All of these causes of dissatisfaction can be traced to a lack of written, discussed, published, or used policies by the board of directors of the cooperative.