

## A REVIEW of EFFECTIVE STRATEGIES for CO-OP MEMBER EDUCATION and COMMUNICATION

*(Content provided by the University of Wisconsin Center for Cooperatives)*

### Introduction

The UW Center for Cooperatives (UWCC) was asked to draft a review of effective strategies for co-op member education and communication as part of our work under a 2015 USDA Socially Disadvantaged Groups Grant that is focused on supporting the growth of two worker owned homecare cooperatives: Cooperative Care and Peninsula Home Care. Education is important to cooperatives for a multitude reasons. Education has played a critical role in the history and development of cooperatives. Education is also critical to the future of cooperatives, both on a movement level and for individual cooperative businesses as they compete for customers, trade partners, and employees. Education is so central to the cooperative model and community that it is included as one of the seven cooperative principles. Cooperative Principle #5: Education, Training and Information is defined in the following way: Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of co-operation.

Cooperative Principle #5 encompasses the education of members *and* the general public. This review, however, focuses exclusively on how cooperatives educate their current and prospective members. In order for member owned businesses to thrive, co-op members must understand the cooperative difference and how it provides them with value. And a co-op's elected leaders must have the information and knowledge necessary to make high-level decisions about the future of the business. A strong member education program can positively impact a cooperative's member relations, governance and decision-making outcomes, volume of business, and public image, so it is well worth the investment of time and resources.

UWCC relied on several research papers as well as interviews with seven worker owned cooperatives to inform this review. This report can be used by homecare cooperatives to review their member education and communication efforts and make improvements where possible. The hope is that leveraging the cooperative structure will help worker owned homecare cooperatives attract and retain high quality employees and improve their profitability and sustainability.

### Delivery of Member Education in a Cooperative: An Overview

Erin Hancock and Annabelle Brault's 2015 study *The Fifth Co-operative Principle in Action: Mapping the Co-operative Educational Initiatives of Canadian Co-operatives* found that in Canada, federations and associations play the primary roles in the delivery of education to cooperative members, boards, and managers. They make up only one percent of the total

number of co-ops in Canada but deliver 38 percent of the education initiatives. “Whereas primary co-ops might pitch their value proposition more specifically in terms of their products and services, associations and federations have the potential to offer initiatives covering a wide range of topics and the opportunity to reach a great number of stakeholders.” (Page 19)

A 1993 *Cooperative Education Survey* conducted by John Dunn of the USDA revealed similar findings in U.S.-based cooperatives. Only 11 of the 209 cooperatives that answered the surveyed relied *exclusively* on their own cooperatives for education materials and resources. Three quarters of the respondents obtained materials from outside sources, while two-thirds looked to programs put on by outside groups. More than 60 percent brought outside experts in to play roles in their cooperatives’ education programs. Ninety respondents sought advice from outside experts to help plan their organizations’ programs and ninety respondents relied on basic program designs created by outside sources. These findings indicate that outside providers play important roles in delivering education to cooperative members, even if they are not delivering the content in person.

Cooperative education is delivered in many formats. Hancock and Brault found that “written materials are the most common resources used within these [co-op education] initiatives and the majority are delivered through seminars and workshops. The second most common delivery method is self-instruction.” (p. 24) Online trainings and resources are gaining in popularity but still lag far behind face-to-face education. A 2014 *Cooperative Education Inventory Study* by Eklou Amendah and Christina Clamp identified the following co-op education formats: workshops, certificate trainings, college courses, and webinars. Both studies point out that study groups and circles were instrumental in the formation of many successful co-op initiatives including the Antigonish Movement and Mondragon. The study group methodology continues to be used by the Federation of Southern Cooperatives. Amendah and Clamp also found that “while there are many sources of information about co-ops, there has not been a systematic inventory of the educational resources or educators who provide education and training about cooperatives.” (Page 5)

Most of the literature on cooperative education is focused on all types of cooperatives with very little representation from worker cooperatives. Worker cooperatives are unique in the co-op world in that their members are engaged in both operations and governance. Thus, worker co-ops arguably have slightly different education programs and needs. Consequently, this report relies heavily on the findings of our interviews to provide guidance on how worker cooperatives are effectively delivering member education.

### Cooperative Interviews

Staff from UWCC and the ICA Group interviewed representatives from seven worker owned cooperatives about their member education and communication programs. The goals of the interviews were to document the different ways that worker co-ops are effectively educating and communicating with their workers about cooperative ownership and to gain a better understanding of the role that co-op membership could play in recruiting and

retaining high quality employees. Table 1 includes key information on the cooperatives that were interviewed for this report. They range in size from 14 to 230 employees and represent a broad range of industries and regions. The cooperatives were chosen either because they have a strong member education and engagement program or because their workers spend the majority of their time working in the field (similar to the homecare industry), or both.

**Table 1: Key information on cooperatives interviewed**

<i>Co-op</i>	<i>Industry</i>	<i>Location</i>	<i>Year est.</i>	<i>Total # of workers<sup>1</sup></i>	<i># of members<sup>1</sup></i>	<i>Cost of membership</i>	<i>Membership required<sup>2</sup></i>
Arizmendi	Bakery cafés	Bay Area, CA	1971 <sup>3</sup>	14-50 <sup>4</sup>	n/a	\$250-\$5,000	Yes
Casa Nueva	Restaurant	Athens, OH	1985	70	23	\$1,800	No
Childspace	Childcare	Philadelphia, PA	1988	50	15	\$250	No
Equal Exchange	Coffee/tea/snack manufacturer	National	1986	140	115	\$3,530	Yes
Rainbow Grocery	Retail grocery	San Francisco, CA	1975	225	221	\$10	Yes
Restif Cleaning Service Co-op	Cleaning services	Arcata, CA	1990 <sup>5</sup>	40	32	\$5,000	Yes
Union Cab	Transportation services	Madison, WI	1979	230	222	\$25	Yes

1. Figures current as of July 2016.

2. Employees must eventually be voted in as owners in order to continue working at the cooperative.

3. The Cheese Board was established in 1971. Five additional worker owned Arizmendi bakeries have been established since then. The Arizmendi Association of Cooperatives is made up of all six bakeries plus a development and support collective.

4. The number of employees ranges from 14 to 50 per bakery. Cheese Board is the largest.

5. Restif was founded in 1983 by Chris Copple. He sold the company to the employees January 1, 1990, making it a worker owned co-op.

## Strategies for Educating and Engaging Workers

Cooperatives use different systems and structures for promoting ownership to members. Union Cab and Equal Exchange both have education committees, whereas in other cooperatives this task often falls to the general manager or the human resources department. Cooperatives also fund member education in different ways. Union Cab does not have a specific line item for member education, but member education falls under the regular training budget, which covers the use of outside trainers and pays people for all of the trainings and meetings they sit through. At Arizmendi, the training offered by the Development and Support Collective (DSC) is included in each bakery's DSC dues. Individual bakeries may also set aside modest dollars for conferences and workshops, or members can apply on a case-by-case basis. At Equal Exchange, the Education Committee is underwritten through what they call "mission time." Employees are able to take up to ten percent of their work week to devote to something to help support the Equal Exchange mission. Members service on the Education Committee counts as their "mission time." Childspace does not have a budget line for member education, but they have been successful at securing grant funds for member promotion and training. They are currently using funds from the Ms. Foundation to develop a mentorship program and a more user-friendly membership information packet.

In worker cooperatives, prospective members may enter the cooperative in stages. In some cooperatives, employees immediately become members when they are hired. In others, employees can continue working at the company without ever becoming members. It is most common for a new hire to go through a candidacy period lasting anywhere from one month to five years depending on the co-op. At the end of the candidacy period, the employee can petition for membership. A worker cooperative needs different education strategies for each stage of member development: the hiring process, the candidacy period, and active membership.

### Hiring Process

In many cooperatives, educating candidates on the cooperative model begins with the job posting and interview process. Arizmendi, Childspace, Equal Exchange, Restif, and Union Cab all include information on the cooperative model in their job postings and during the interview process. In most job postings, Equal Exchange also includes three questions that candidates must answer as part of their application package. One of the three questions is always co-op related. At Restif, the cooperative model is one of the first things they cover at the beginning of the interview process. Union Cab conducts a fairly extensive first interview that takes 60-90 minutes. During the interview, 15-20 minutes are dedicated to talking about the co-op, discussing the candidate's previous co-op experience, and answering questions from the candidate about the co-op. It is important to these cooperatives that prospective employees understand that working at a cooperative is different. These early explanations and conversations are the first steps to ensuring a good fit between the employee and the co-op.

Rainbow Grocery does not actively recruit employees, so they rarely post employment ads, and the store has 14 semi-autonomous departments that are each responsible for hiring, training and evaluating workers, so practices likely vary by department. Casa Nueva is the only co-op interviewed that stated they do not hire for membership or promote membership when a new employee is initially hired.

### Candidacy Period

Casa Nueva and Childspace are the only two cooperatives interviewed that do not require employees to eventually become members in order to continue working at the cooperative. In the other five cooperatives, becoming a member is required for long-term employment. In many worker cooperatives, once an employee is hired, they enter the candidacy period. Some co-ops refer to this time as the probationary, educational, or trial period. Cooperatives use several different strategies during this period to orient and educate potential members. These include mentors, structured curriculum, and attendance at board and committee meetings, as well as other informal methods.

### Mentors

Four of the seven cooperatives interviewed currently use a mentorship program as part of their member candidacy process. Restif and Childspace do not have mentorship programs and Childspace is in the process of developing one.

At Casa Nueva, trial members can pick their own mentor. The mentors provide guidance and sign off on completion of the various tasks and trainings trial members must complete to become members. At Rainbow Grocery and Equal Exchange, candidates are assigned mentors outside of their departments in order to foster a more independent relationship. When candidates at Equal Exchange petition for membership, they request statements of support from their direct supervisor and their mentor, so a good mentor relationship is critical. At Arizmendi, a new hire is assigned an initial mentor then gets to pick a new mentor after five weeks. The amount of support provided by the mentor varies on a case-by-case basis. At Union Cab, the Hiring and Probation Team assigns new hires a fellow driver as a mentor, however new hires tend to develop informal mentor relationship with the driver(s) they trained with and rely on them for ongoing information and advice.

### Curriculum

Five of the cooperatives interviewed have detailed curriculum that candidates must complete before they can petition for membership. At Arizmendi bakeries, new hires are required to attend five orientation sessions led by the Development Support Collective (DSC) on the following topics: finance, cooperative law, co-op history, leadership, and conflict resolution. DSC offers approximately one session per month.

At Casa Nueva, the trial period typically lasts three to six months. During that time, the trial member must complete the following seven workshops:

- Internal capital accounts (2 hours)
- Profit and loss (1 hour)
- Balance sheet (0.5 hour)
- Cash flow (0.5 hour)
- Open [Non-violent] Communication (2-3 hours, must be completed within 2 months)
- Consensus decision-making (1 hour)
- Facilitation training (1 hour)

At Rainbow Grocery, workers must perform 1,000 hours of labor and fulfill training requirements within 18 months of hire. They may fulfill the requirements in as few as five months, but it typically takes between six and nine months. Workers must attend workshops on the following topics: collective and general history, customer service, financial, meeting process/facilitation, safety, and retail business. Workshops are offered in person on a monthly basis.

Union Cab has an extensive training program that focuses on safe driving and being part of a cooperative. One of the requirements is to sit through a two-hour democracy education class that covers the co-op's governance structure, patronage, co-op finances, and management versus governance. When a worker petitions for membership, 20 percent of their evaluation is based on their understanding of cooperatives and their willingness to cooperate. An information packet on Union Cab's Worker's Democracy Education Program is available upon request.

#### Other strategies

Several of the cooperatives require new hires to attend board and/or committee meetings as part of the candidacy process. Childspace has no formal training curriculum in place, however they have systems for bringing candidates up to speed. Candidates receive written information in a membership packet and meet with the President or a Director to review the bylaws. New members are also required to serve on the Finance Committee, which meets monthly and provides orientation to the business side of things and an opportunity to ask questions.

As mentioned above, Restif does not have a formal mentor program but new hires go through three to five days of initial training with the nighttime supervisor then work closely with their team lead for an additional four to six weeks before embarking on any independent work. Each team essentially operates as its own independent business and is responsible for setting its own budget and allocating patronage between teammates.

#### Active Membership

Once an employee becomes a member, the emphasis on education and communication shifts slightly. While it is still important for members to learn about and understand how their cooperative functions, it is even more critical that members receive the information they need to make good decisions, especially members who are elected to positions of

leadership, and that they are motivated to participate in decision-making. Information and training are delivered to members through regularly scheduled board, committee, and team meetings as well as external workshops and conferences.

At Restif, the management team, supervisors, and team leads all attend external trainings throughout the year including leadership seminars and co-op conferences. Information is shared and feedback is collected from members at board meetings, which are held at least four times per year, and at weekly team meetings. Restif also uses their monthly newsletters to keep members motivated and informed. Sample copies of Restif newsletters are available upon request.

In her 2002 paper titled *Adult Educators in Co-operative Development: Agents of Change*, Brenda Gail Stefanson suggests that cooperative member education should lead to empowered self-learners and leaders. She emphasizes that when cooperatives take this approach to education, their members grow personally and are better able to competently take on diverse roles within the cooperative (member, manager, employee, director, etc.). The education approaches Stefanson suggests include group learning, community capacity building, individual capacity building, and discussion forums, along with education in economic, social, and political issues and practical training in literacy and life skills.

#### How the Co-op Model Affects Recruitment and Retention

A 2004 report by the National Cooperative Bank entitled *Marketing Our Cooperative Advantage Research Study* was conducted to determine if marketing the cooperative advantage contributes to positive business outcomes. The study asked two key questions:

- Are cooperatives more successful if they communicate key advantages for doing business with them because they are a cooperative?
- Do marketing and member education programs that integrate this message have a positive impact on the cooperative itself?

The study found that “The process of identifying and communicating a cooperative advantage is transforming. It brings cooperatives back to their roots, back to basic human ethical values and, in the process, makes the cooperative financially healthier, and better able to respond to challenges to their cooperative structure and from the emerging global economy.”

A 2006 paper by Leslie Brown titled *Innovations in Co-operative Marketing and Communications* develops the thesis that to survive and thrive in the future, cooperatives will have to develop communications strategies, including marketing strategies, that explore and stress their advantages as cooperatives. These advantages center around the values and principles of cooperatives, which encourage them to develop a clear ethical stance and to emphasize meeting people’s needs over maximizing profits for shareholders. In worker cooperatives, the cooperative advantage should be marketed to customers and potential employees.

All seven of the co-ops interviewed indicated that being a cooperative helps them retain high quality employees and their retention rates support this belief. Reasons cited include higher wages and patronage for members, improved working conditions compared to competitors, and the ability to cross train and switch to new positions within the cooperative. Roughly one-third of Rainbow Grocery's employees have been with the cooperative for over 20 years and Casa Nueva only loses one or two of their 20 plus members per year, which is impressive for the restaurant industry, which has notoriously high turnover rates. Equal Exchange has developed an ambitious goal of a 90 percent retention rate and they would have achieved it in 2015 if several people had not retired that year. They still had an impressive retention rate of 87 percent. Arizmendi's retention rate is generally high, but it varies slightly between the bakeries based on the wage offered. Wages range from \$15 per hour (plus tips and benefits) at newer co-ops to \$35 per hour inclusive of patronage and benefits at established co-ops.

The responses were mixed regarding the effect being a co-op has on employee recruitment. Rainbow Grocery, Union Cab, and Equal Exchange all stated that being a worker co-op helps with recruitment. Union Cab tends to attract the cream of the crop and regularly receives applications from drivers who work for other cab companies. The drivers are trained and already know the city and are attracted to Union Cab's promise of a living wage. Union Cab has also hired people who were not necessarily interested in being a cab driver but wanted to work for a cooperative.

The remaining four cooperatives have found that being a co-op either does not help recruitment at all or has mixed effects. Arizmendi bakeries have found that being a cooperative can sometimes make it difficult to recruit bakers since they are looking for bakers who are interested in baking *and* cooperation. Bakers need to have a "co-op personality" and some candidates can be turned off by the cooperative's slower decision-making process.

Childspace pays lower entry-level wages than their competitors but offers a generous benefits package including health insurance and paid time off. Being a cooperative has not improved Childspace's recruitment efforts and a relatively small percentage of the employees are owners (30 percent), however once employees do become members they rarely leave. Restif has also found that being a cooperative does not improve recruitment and acknowledges that recruitment is tough across the cleaning industry. Despite this, Restif has found that being a cooperative positively impacts their retention of employees and that employees who become owners after the four-month trial period rarely leave. Restif pays its owners well above the industry standard, which results in a low turnover rate. Restif includes information in their job postings about the higher pay rates after the four months, but it still does not improve recruitment. Restif's general manager assumes the discrepancy is due to the fact that many people cannot afford to make \$10 per hour (the entry level wage) for the four-month trial period.

The three factors or “cooperative differences” that appear to be most effective at recruiting and retaining high quality workers are as follows:

- Higher compensation through wages, benefits, and/or patronage
- Worker centered environment with participatory decision-making structures
- Alignment with organizational mission or cooperative values

Employees respond differently to the incentives a cooperative provides for being a member. For some, there must be a financial incentive such as increased wages or patronage dividends. In other cases, employees are sufficiently motivated by the prospect of increased control over their work environment and the future of the company. Employees can also find a deep level of satisfaction and motivation from working for an organization that has a mission that aligns with their personal values. While it is not clear if this type of motivation results in increased membership, it can attract highly motivated candidates to the company in the first place.

#### Advantages and Disadvantages of Being a Worker Owned Cooperative

As worker cooperatives devise strategies for communicating their cooperative advantages to customers and potential members, they should hone in on their co-op’s particular vision of the “cooperative difference.” The cooperatives interviewed listed the following key advantages and disadvantages of being a cooperative.

#### Advantages and Opportunities

- Lot of different minds and diverse strengths brought to addressing issues; combining everyone’s ideas, viewpoints and talents.
- Ability to pay wages that are higher than industry standards.
- As owners, take pride in their work; one’s performance directly affects success; worker owners’ passion for success; committed to making something good; satisfaction/pride in owning a highly respected business; has seen worker owners’ self-esteem and confidence boosted incredibly. This leads to high levels of customer service.
- Business is entrenched in community; customers support because of this.
- Enormous flexibility to make changes, e.g., can avoid layoffs/closing during down times.
- Ability to develop strong skill base due to unlimited opportunities for cross-training.
- Opportunity to lift people up; can be empowering for disadvantaged job seekers
- Opportunity to do good in community; established co-ops have more time and funds to volunteer and make other contributions; part of their ethos (concern for community principle).
- Opportunity for self improvement and training. Being a co-op, you have the opportunity to put money into education and training.
- Feeling like you’re contributing to something bigger than the company.
- Worker owners’ passion for success.

- In case of Childspace, broader perspective on childcare field; e.g., currently getting inquiries about model from other cities ... workers see that they are “experts”
- As a worker, you get to participate in management decisions either directly or through electing the board and holding the directors directly accountable for their decisions.
- Ability to develop strong skill base due to unlimited opportunities for cross-training.

#### Disadvantages and Challenges

- Getting along with each other; making decisions based on what’s best for business vs. individual (e.g., health insurance co-pay and benefits in general).
- Conflict resolution can be hard (conflicts usually personality-driven; have to learn how to own business together).
- With cooperative structure, no boss, all are responsible to all; decisions take a lot longer, can be frustrating; Slowness in getting things done; slower decision-making process can be frustrating.
- In cases where not all employees are owners, two classes of workers can develop, creating us vs. them tension.
- Business suffers from insularity of culture and resistance to change; cultural shifts needed to adapt to market changes.
- Workplace can become permissive; challenge in keeping people accountable and developing effective systems for evaluation and discipline.
- Risk of burnout when people take on too much.
- Recruiting new owners can be a challenge.
- Financing (many banks not friendly to co-ops).
- People often have misconceptions that their idea or opinion will always be incorporated because they are an owner, but that is not always the case.
- Decisions take longer to make. Often they’re much better decisions because of that but it can be very frustrating.
- The effects of people not pulling their weight are felt more severely.
- Managing people’s expectations about what it means to be part of a worker cooperative.
- At Equal Exchange, salaries are a little lower than the average for their industry. They have never promoted Equal Exchange as a wealth accumulation organization. It is related to their relationship with the farmers. Don’t want to feel like they are making themselves rich off of the backs of the farmers.
- If there are employees who end up disillusioned or disengaged, it dilutes the efforts of the cooperative.

## Conclusions

A strong member education program can have benefits at all levels of the organization. As a worker cooperative designs its education program, it should identify its unique “cooperative differences” and develop a strategy for effectively communicating them to customers, members, and prospective employees. As part of this process, the co-op will need to gain a strong understanding of the incentives that will motivate prospective employees to become active members of their cooperative. If developing an internal member education program is not feasible, there are many outside experts and resources that can provide support.

## APPENDIX F: A LITERATURE REVIEW on the TOPICS of CO-OP MEMBER EDUCATION and COMMUNICATION

*(Content provided by the University of Wisconsin Center for Cooperatives)*

### 1. Cooperative Education Survey: Cooperatives' Version

John R. Dunn, Agricultural Cooperative Service, USDA, 1993

This survey was conducted to obtain the opinions of people involved in cooperative education from a broad range of cooperative sectors. When asked to indicate how important they felt cooperative education was to the success of their cooperatives, the goal of "improving member relations" was by far the most frequently selected along with "understand co-op principles", "increase business volume", "enhance co-op's public image", "improve member decision making" and "provide information".

Of the 141 respondents reporting spending levels, the average organization spent \$57,923 on cooperative education. Marketing and supply cooperatives tended to spend a little more. Most respondents had quite modest spending levels of less than \$30,000. Cooperative members, directors, and employees were the most important target audiences for education spending. Because of their public service role, service cooperatives placed more emphasis on customer education.

As far as cooperative education programs, respondents have put on their own internal programs, join other organizations in sponsoring specific programs, support programs through membership in various groups that perform educational functions, or encourage individual participation in cooperative education by providing scholarships.

Only 22 respondents said their organizations had full time education directors. Typically, education program duties were assigned on a part-time basis to member relations or communications staff. 74 organizations used this approach.

Respondents ranked cooperative education topics and the top seven, in priority order, were: Cooperative principles and practices, Director roles and liabilities, Cooperative management and operations, Cooperative philosophy, Board-management relations, Cooperative finance, Rights and duties of cooperative members.

### 2. A Study on Member Education and Communications Programs in Rural Electric Cooperatives

Michael M. Haigh, Graduate Faculty of Texas Tech University, 2000

The purposes of this study were to (1) provide an accurate assessment of member education and communications programs in rural electric cooperatives in the United State; (2) identify the importance of member education and communication programs in rural electric cooperatives especially during times of mergers and deregulation; and (3) identify

if these cooperatives were upholding cooperative principle number five. The primary goal of cooperative education was to improve member relations. Enhancing the cooperatives image, providing information, improving decision making, and improving employee knowledge were also primary goals for cooperative education. Increasing business volume and increasing membership were not the primary goals of cooperative education.

Within the cooperative, members were the priority audience for communication and education, employees and management came next. The board of directors, potential members, delegates, and other audiences were lower priorities. Priority topics for education and communications: 1. Deregulation and a changing industry – highest priority. 2. Informing members about cooperative philosophy, the seven cooperative principles, and the rights and duties of cooperative members were also important. Other topics including cooperative management and operations, cooperative organization and structure, director roles and responsibilities, board-management relations, cooperative history, and mergers and consolidations were topics of less importance for communicating to the member-owners. Newsletters were the most common form of communications used to keep members informed. Other written materials and annual meetings were also used. Web pages and e-mail were seldom used to communicate with members.

### **3. Cooperative Education Inventory Study**

Eklou Amendah & Christina Clamp, Center for Co-operatives & CED, Southern New Hampshire University, 2014

This research has been developed to guide The Cooperative Foundation in its role as a funder of groups developing new cooperative education materials. The study has surveyed cooperative educators nationally about the types of educational activities they conduct and the educational materials used in their educational programming.

The survey found a very limited number of organizations create their own materials. The study found that the USDA's cooperative publications are commonly used even though many of their publications were originally intended for a rural and agricultural audience. The Northcountry Cooperative Foundation Toolbox, University of Wisconsin's Center for Cooperatives' materials, state councils' materials were also used widely. The Co-opoly game developed by the Toolbox for Education and Social Action is also used frequently by those who responded to the survey. The materials less used are by co-op educators are the scholarly materials since they can be only used effectively with a well-educated audience.

The key findings regarding assessing the abilities of organizations to develop materials is that new education materials should be developed by people with firsthand experience in cooperatives and who are experienced educators knowledgeable of participatory and popular education pedagogy. Not all co-op education organizations will freely share materials with others in the field. Consultants who have developed their own curriculum

are less likely to share what they have developed. There is a need to convene educators to share their materials and to provide peer to peer assessment.

Those working with Latino groups indicated that their resources are limited and inadequate for Spanish language resources. It is important to have the trainings delivered by Latinos in order “to build trust and a sense of empowerment”. A cooperative development center that worked with Native Americans found that as ownership has shifted to a more individualistic ownership form, this has created a cultural shift and barrier to shared ownership. The second barrier is the association of democratic control with the US government.

There is also a need for more accessible materials on legal incorporation state by state and cooperative finance. New interactive resources that are web based such as games are needed.

#### **4. Factors Contributing to Effective U.S. Cooperative Member-owner Communications**

Lisa N. Brown, Oklahoma State University, 2013

Agricultural cooperatives are not completely effective in communicating with member-owners, as they could increase the use of more diverse communications to reach all members. Most cooperatives continue to use newsletters, face-to-face contact and websites as the most common communication vehicles to reach member-owners, while incorporating Enewsletters. Recently, daily email communications has increased, while cooperatives have decreased sending direct mail pieces. Overall, cooperative managers and board members find some importance on communicating member-owner responsibilities and benefits, communicating the cooperatives’ overall goals and purpose and news, and communicating related-industry news and market trends.

Cooperative membership is normally distributed, while having much of their member owners between the ages of 41 and 70 years old. Online presence and digital resources is expected to continue as younger members join cooperatives across the U.S. Having personnel in a communications capacity increases the probability of effectively communicate the cooperative’s key messages. Over 90% of agricultural cooperatives have websites, however, only 29% cooperatives had information on their websites about cooperative governance, which includes members’ responsibilities and benefits. The majority of agricultural cooperative websites have industry news and market trend information.

Cooperative firms appear to be slow in adopting communication tactics appealing to younger members. Additionally, cooperatives do not effectively communicate information on patronage refunds, retained equity and governance. This suggests they miss the opportunity to inform young producers and non-members about the structure of the

cooperative's value package and business model, in addition to increasing total cooperative membership. The answer to effective communications for the respective cooperatives does not require an extensive portfolio of communication tactics, but rather tactics to reach multiple audiences, be consistent in key messages, be timely and have a sense of quality and usability.

## **5. The Fifth Co-operative Principle in Action: Mapping the Co-operative Educational Initiatives of Canadian Co-operatives**

Erin Hancock and Annabelle Brault, 2016

This study explores the application of the international Co-operative Alliance's fifth co-operative principle (education, training, and information) within Canadian co-operatives. It has identified associations and federations playing a primary role in offering educational initiatives (38%) and have the potential to offer initiatives covering a wide range of topics and the opportunity to reach a great number of stakeholders. Whereas primary co-ops might pitch their value proposition more specifically in terms of their products and services.

Many co-ops offer the same types of programs — governance training and co-op basics, for example. This suggests an opportunity to collaborate, to develop a shared resource hub, and to establish more national initiatives to avoid duplication. Seminars and workshops were the most commonly employed delivery method for stakeholders within the co-operative economy. The vast majority of educational programming is still offered face-to-face, even though it is becoming more common to offer online resources and training. "Consumer co-ops" and "associations and federations" offer the most educational initiatives, while "multistakeholder" co-ops and "worker" co-ops offer the least.

Managers/executive directors were the most common target audience and 65% of the topics that address this group were co-op issues. Board directors were the second most commonly targeted audience and 73% of the topics were co-op related as opposed to sector or non-co-op topics. These findings illustrate a commitment to educating co-operative leaders using a co-op-centered framework rather than a conventional business approach. Results highlight the opportunity to develop more programming for people less often targeted by current initiatives, such as policy makers, the general public, and youth.

Across target audiences, delivery methods, and (to a lesser extent) sector, co-operative topics were consistently addressed more often than technical topics. So although the co-op movement sees value in educating its stakeholders in the skills specific to their economic sector or industry, the priority is clearly on educating stakeholders in co-operative principles, values, business practices, and related concepts.

## **6. Cooperatives and Member Commitment**

Murray Fulton, 1999

The purpose of this paper is to examine the role that member commitment plays in cooperative organizations. Member commitment is a preference by members for something that is offered by the cooperative and not by an IOF. Historically, the source of member commitment can be linked to cooperative ideology, or the preference that some farmers had for doing business with organizations they owned and controlled. The traditional form of member commitment appears to be waning. This loss of member commitment is coming at a time when cooperatives are facing some tremendous challenges. One of the more important challenges is that coops are being asked to focus their efforts more and more towards the final customer, whether this is a further processor or a final retailer. Such a strategy is vital, since long-term success for the co-op depends on its ability to meet its customers' needs. However, this strategy has problems if it reduces the co-op's focus on its members. A loss of member focus can have quite damaging results if it occurs at the same time that traditional member commitment is falling. While co-ops require a focus on the downstream portion of the supply chain, they also need to focus on the upstream portion, since the two can rarely be separated. Cooperatives therefore need to find ways of re-introducing member commitment to their organizations. Member commitment is created when the co-op finds a set of characteristics that appeals to the members but not to the non-members. While some of these traditional mechanisms for creating member commitment may still work, co-ops need to look for new ways of connecting with their members. New Generation Co-ops, for instance, appear to be using the opportunity for farmers to invest in downstream enterprises as a distinguishing feature.

## **7. Innovations in Co-operative Marketing and Communications**

Leslie Brown, University of Saskatchewan, 2006

This paper develops the thesis that to survive and thrive in the future, co-operatives will have to develop communications strategies, including marketing strategies, that explore and stress their advantages as co-operatives. It suggests a framework for integrating marketing into an overall communication strategy that is integrated and centered on the particular co-op's vision of the "co-operative difference." These advantages center around the values and principles of co-operatives, which encourage them to develop a clear ethical stance and to emphasize meeting people's needs over maximizing profits for shareholders.

## **8. Marketing Our Cooperative Advantage**

Tom Webb, The Cooperative Development Institute, MA, 2005

This study was designed to evaluate how marketing our cooperative advantage has contributed to successful business outcomes. Its conclusion is that MOCA does drive successful business outcomes. Quality market research is required for effective MOCA efforts; small cooperatives must collaborate with other cooperatives, either within their region or within their industry, to secure it. The process of identifying and communicating a cooperative advantage is transforming. It brings cooperatives back to their roots, back to basic human ethical values and, in the process, makes the cooperative financially healthier, and better able to respond to challenges to their cooperative structure and from the emerging global economy.