

Heterogeneity in Member Attitude

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As cooperatives mature, their membership becomes more diverse. There are many dimensions of membership diversity and each has different implications for the CEO and board.

Cooperative members have different time horizons. The cooperative's equity management system and revolving period can exaggerate or minimize time horizon differences. Cooperative members have different needs for products and services. Patronage pools and margin structures can partially address those differences. A final level of member heterogeneity is differences in attitudes toward the cooperative.

Cooperative members vary in their connection with cooperatives. Some members use a single cooperative almost exclusively, some patronize multiple cooperatives and some do business with both cooperative and independent firms. Just like the political process, members have different levels of engagement in governance. Some members feel a responsibility to be involved while others are content to stay on the sidelines. Members also differ in their interest in marketing pools and services such as crop scouting and risk management. In addition to having different needs, members have different interest in engaging with the cooperative.

Cooperative leaders should consider the diversity in member attitude as they consider strategic and financial decisions. I often hear statements such as "Members are more interested in infrastructure than patronage!" or "Our members expect us to match the cash patronage level of the neighboring cooperative!" The reality is that different segments of the membership have somewhat different opinions on almost every cooperative issue. In dealing with a diverse membership, it is most useful to think about what segment of the membership favor or objects to a course of action. The question is not "what do members want" but rather "what does this segment of the membership want and how big is the segment".

When the membership is diverse, cooperative leaders have to work harder to uncover and understand membership needs. They also need to develop more targeted communication efforts. That will involve simple messages that focus on the customer role as well as more in depth reminders of the value of ownership and control. When the membership is diverse, one size does not fit all. The good news is that the cooperative tent is big enough for everyone to get underneath!