

DIRECTORS ADVISORY SERVICE

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It is rather difficult to find yourself following an outstanding speaker, particularly a person with as many talents as Dr. Laidlaw possesses. Alex has very ably reported on the theoretical structure of Directors Advisory Service, and for the next few moments, I shall deal with its practical aspects and the experiences which I have encountered in attempting to launch D.A.S. into orbit in the Province of Ontario.

I feel, I should first of all, relate a few of the general characteristics of local cooperative directors in my province -- for the effectiveness of any director educational program is forever contingent upon the directors ability to absorb and put into practice or make use of whatever he is learning. With such general characteristics as age, educational attainment, occupation, years of service on the Board of Directors, years of membership in the cooperative, etc. I am certain that it will be much easier for you to transplant or make a comparison with an equivalent educational program in your own state or province. This information is extracted from a doctorate degree thesis written by Andrew Braid, whom many of us have had the pleasure of meeting, entitled "The Role of Directors of Local Cooperatives in Ontario in Continuity and Change."

Age - Almost two-thirds of the cooperative directors in my province are between 40 and 59 years of age and there are about an equal number over and under the age of 50.

Educational Attainment - 39.2% of local farm supply directors do not have more than eight grades of formal schooling. Slightly fewer, 37.5% have some high and 9.5% completed high school. 6.9% have attended college or a similar institution but did not finish, with an equal number graduating from college. In other words, three-quarters of the directors are of lower than high school graduation level.

Occupation - By far, the largest number, 86.7% are full-time farmers, operating a mean average of 218 acres, with 9.5% farming part-time and 3.8% fully engaged in other occupations.

Years of membership in cooperative - Roughly one-quarter (27.6%) of cooperative directors in Ontario have been members for 10 years or less, with over half (55.5%) between 11 and 20 years. 16.9% have been members for over 20 years with 3 directors chalking a total of over 40 years. The mean average, therefore, is 14.5 years.

Years of Service on the Board - Slightly over half of the directors (51.5%) have served on the board for 5 years or less; 27.6% have served for periods of from 6 to 10 years, and somewhat over a fifth of the directors (20.9%) have served for over 10 years.

Composition of Directors - The average age of our Secretary-Treasurers is 47 years. The oldest group is the Vice-Chairman or Vice-President . . .

(58.5 years), Chairmen or Presidents average 51.5 years. The mean age for all directors is 50 years.

The typical director then in Ontario is between 45 - 55 years of age. He has had about 8 grades of formal schooling. He is a full-time farmer and manages from 150 to 300 acres of land. He has been a member of cooperatives for about 15 years and has served as a director for about 7 years. If he is a chairman, he will be about 51 years old; a vice-chairman will be closer to 60. If he is a Secretary-Treasurer, he will be in his late 40's. The chances are about 3 to 1, that he is a director of a medium or large size cooperative and are 4 to 1 that his cooperative is primarily in the business of farm supply.

So much then for these men who dare to be known by good taste alone.

In 1959, Co-operative Union of Ontario in collaboration with the Co-operative Union of Canada launched D.A.S. as a pilot project in Canada. The first topic, with its five subjects, entitled "The Co-op and Its Members," was not produced in a neatly published 2 or 3 colour pamphlet such as we see here to-day, but was merely typewritten and mimeographed in sufficient quantities to meet our requirements.

We realized that in order to launch this program, it would first of all be necessary to sell the idea of D.A.S. to the ten area supervisors or P.R.O's as they are referred to in some provinces and states, who would be personally contacting the individual local boards of directors throughout Ontario. We recognize that these personnel should be in a position to answer any inquiries pertaining to the subject and to generally promote and sell the idea to each local cooperative board member. Several meetings were held with these supervisors to achieve this purpose.

Our next step was to prepare and forward a letter of explanation and D.A.S. samples to the presidents and managers of every cooperative affiliated with The Co-operative Union of Ontario -- a total of 216 in all. The letter requested that one-half hour be devoted at each board meeting for discussion of D.A.S. during each of the five winter months commencing in November of each year. We recommended further, the person named to be responsible for presenting D.A.S. each month, be the first vice-president of the Board. The reason for this was to more or less indoctrinate the vice-presidents in the responsibility of chairing a meeting, leading discussion, policing discussion, the practicing of parliamentary procedures, or in other words, a general insight into what was to be expected from him when he assumes the position as president or chairman of the Board the following year if he is so elected.

A reporting form was attached to each letter with a request that the vice-president complete at the conclusion of each D.A.S. a discussion and mail to the Co-operative Union of Ontario. The questionnaire or reporting form contained such information as the number of participating directors at the board meeting, was the manager present, who presented D.A.S., time discussion started, time discussion concluded, the item which proved most interesting, the item which proved least interesting, comments on whether or not their cooperative was operating in compliance with the recommendations outlined in D.A.S. and to define the areas where personal assistance or additional information was required.

A registration fee of \$10 was charged to each participating board.

D.A.S. was on the launching pad. The countdown was in progress. The fate of D.A.S. rested with the supervisors or P.R.O. men.

Within two weeks we had achieved actually more registrations than were felt necessary on the pilot program. A total of 69 Boards had enrolled with a monthly circulation of 700 papers. D.A.S. was truly in orbit; however, our first major problem confronted us at this time.

A minority number of the individual board members felt it would be advantageous and desirable if each monthly topic was mailed to them individually at least a week prior to their board meeting in order that they may peruse the paper before discussion at board level.

It had been the custom to mail all D.A.S. papers to the first vice-presidents for distribution at the board meeting. Needless to say, this change increased the cost of handling and postage, however, we complied with their request.

Unfortunately however, we found that directors would forget the D.A.S. paper on the night of their board meeting and leave it at home. Consequently, they were forced to share another board member's paper. You are aware of the problems confronting a situation of this kind.

It was finally decided, that at the expense of the local director forfeiting the opportunity of studying the material prior to the board meeting, all D.A.S. papers should be forwarded to the local first vice-president for inclusion in his next board meeting file and distributed at the directors meeting. This proved most satisfactory.

On the 15th of the following month, which was the deadline for reporting forms to be submitted to the provincial union, a monthly provincial summary was published based on the findings submitted on the preceeding month's topic. From this summary, a local board could evaluate their findings with other boards, or even compare their thoughts and problems with neighboring cooperatives. However, it wasn't long until we ran into problems and difficulties in this respect. Many secretaries were reporting late, a few indicated on their reports that additional information was required on a specific subject having no relation whatsoever with the D.A.S. topic, such as - can you tell us how to sell tires as cheaply as our competitors, or, how can the co-op in the next county sell prepared feed 10¢ cwt. less than we can?

In 1960, the second year of D.A.S., series #2 was made available to cooperatives in Ontario with much of the same preliminary planning as that done in 1959. We witnessed an increase in the number of participating boards from 69 to 73.

Dr. Laidlaw has indicated that series #2 of D.A.S. was entitled "The Co-op and Its Board." The second paper of the series entitled "What Boards Should Do" had an interesting experience in store for us. It emphatically points out that directors should set the example for other members in following the policies of the cooperative. It asked the question "Can rank and file members be expected to observe rules and regulations

if board members do not." In at least two local board cases where the paper was discussed, relating to board members' loyalty in purchasing his requirements from the cooperative, it was interesting to note that we had three local directors resign due to criticism on this point by other board members. Apparently the three directors who resigned were fertilizer agents of a competitive fertilizer company, and were selling in direct competition with their cooperative. All three directors, however, did return to their positions on the directorate of their respective cooperatives, but only after the remaining members of the board had succeeded in forcing them to drop their dealerships in the competitive fertilizer companies.

In 1961, the Co-operative Union of Ontario offered Series #3 entitled "Better Board Meetings" and again the registration increased to 76 participating boards.

Joseph Knapp, Administrator of the U.S. Department of Agriculture's Farmer Cooperative Service once said: "A cooperative which cannot develop a first-class board of directors cannot survive, for only a first-class board of directors will produce the leadership necessary to survival."

Dr. Braid's thesis proved however that in Ontario, the directors' composite analysis of their duties indicated that they have a good grasp of their jobs, individually however, their replies showed that they are either unsure of their duties or they do not know what their responsibilities are.

I feel the latter statement is true and in many cases, a newly-elected director finds that his local cooperative does very little in the way of orienting him to his duties and responsibilities.

D.A.S. is doing a great deal to overcome this problem. Local co-ops must be directed and guided by keen, aggressive business-minded board members if they are to succeed in this day and age and certainly D.A.S. can play an effective part in orienting and training these directors to fulfill the responsibilities vested in them by their members of their local cooperative organizations.