

Abstract

Cooperative Employee Compensation

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This study looks at how education, cooperative function, and geography influence patterns in compensating cooperative employees. Generally, cooperative respondents in the West reported employees had the highest median salaries.

Job responsibility, decisionmaking, and performance were the three most important factors for setting salaries according to respondents in a survey conducted for this study. Bonuses were given across job categories. Bonuses were tied to a variety of factors but most reported were financial performance, sales, and performance. Health, life, and disability insurance were the most commonly paid benefits across all geographic areas, all sizes (sales) of cooperatives, and all cooperative function.

Keywords: Salaries, compensations, benefits, cooperative.

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Preface

This study was conducted after receiving many requests from cooperatives for information on cooperative employee compensation. It is anticipated that this information will be used as a general guide for newly organized cooperatives and as a source of comparison for established cooperatives.

The report takes a comprehensive look at salaries and fringe benefits that cooperatives offer to their mid- to upper-level employees. Data for this report were obtained in 1991 from a random sample of 400 cooperatives with sales of at least \$1.8 million. Cooperatives included in the sample were marketing and farm supply cooperatives, as classified by Agricultural Cooperative Service's Statistics and Technical Services Staff.

Thirty percent of the active cooperatives in the sample responded to the survey. As in any questionnaire, some questions were not answered or were only partly answered. Therefore, this information may not adequately address all of the unique requirements, skills, or risks associated with a given position or cooperative.

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Highlights

Employees are the lifeblood of any organization. One of the objectives of a cooperative is to attract and keep competent and productive employees. Although salaries, perquisites (perks), and benefits are not the only inducement to employment, they play a big part.

Retirement; health, life, and disability insurance; bonuses (performance based); and educational assistance were some of the benefits that cooperatives offered their employees. These benefits were paid for by the cooperative, by the employee, or shared by both. Perquisites or “perks” are benefits paid by cooperatives that increase employees’ compensation packages. Perks included vacations, holidays, and sick days; use of company car; or payment for mileage (private car) when doing cooperative business.

Some of the significant findings from this survey:

- The largest percentage of employees in specified job categories, with the exception of sales representative, were college educated.
- Generally, cooperatives paid for all specified benefits or shared in the cost of retirement benefits for their general managers, office managers, and field representatives.
- Salaries of other firms in the area was the least important factor in setting salaries for cooperative employees.
- Forty-eight percent of division managers and sales representatives received bonuses.
- Although fruit and vegetable cooperatives had sales that were the second highest compared to other cooperatives, the mean and median salaries of their employees were higher than other cooperatives.
- More general and division managers in the Corn Belt, East/South Central, and West had college degrees than those in other geographic areas.
- Generally, as sales volume increased, the median salaries increased for all job categories.
- The basis for bonuses for general managers, office managers, and division managers throughout the United States was financial performance and sales levels; while sales and sales growth were the primary factors for field and sales representatives.

Cooperative Employee Compensation

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A major challenge for all cooperatives is attracting and keeping productive people. Cooperatives must offer employees compensation commensurate with their experience and skills if they are to meet this challenge. Compensation can be both direct (e.g., salaries, wages) and indirect (benefits). It is important to provide a proper mix of direct and indirect compensations to attract and keep competent employees. Competent employees can enhance margins and membership savings for cooperatives.

Although there are no universal norms to guide the choice of what to pay any particular employee, some internal and external factors should be considered. Cost management (sales, operating expenses); job responsibilities; employee's educational background, experience and/or skills; and the number of employees needed are some of the internal factors that may influence salaries and benefits for employees. External factors include Federal and State Government policies and regulations, the labor market, and geographical location.

GENERALSURVEYBACKGROUND

Data for this report were obtained in 1991 from a random sample of 400 cooperatives with sales of at least \$1.8 million. Cooperatives included in the sample were marketing and farm supply cooperatives, as classified by Agricultural Cooperative Service's Statistics and Technical Services Staff. There were 116 surveys returned or 30 percent of the active cooperatives in the sample.

Thirty-one percent of them were grain, 26 percent farm supply, 19 percent fruit and vegetable, and 17 percent dairy cooperatives. The remaining 7 percent were "other" marketing cooperatives.

Questions regarding educational background, salaries, benefits offered, principal products marketed or sold, sales, and any changes that occurred in the past 5 years were included in the survey. The results were grouped into four categories: 1) general; 2) by function of cooperative; 3) by region; and 4) by sales. There were five job categories in this study. Because each cooperative may have different titles for jobs with the same duties, the categories follow with brief general descriptions.

1. *The chief executive officer (CEO), president, or general manager:* execute policies established by the board to achieve the cooperative's objective.

2. *The office manager, accountant, or controller:* keep timely and accurate records of cooperative's financial standing and, in some cases, carry out policies set forth by the CEO or cooperative board.

3. *The division manager:* carry out and support policies and objectives, as they apply to their particular division.

4. *The field representative:* use expertise on how best to cultivate land through soil testing and other tools and recommend appropriate products and innovative technological trends to improve farm operations.

5. *The sales representative:* keep abreast of new products on the market and meet with farmers to take orders and inform them of new products. Some sales representatives also make deliveries.

For purposes of this report, general manager refers to CEO/president/general manager. Office manager will indicate office manager/accountant/controller.

GENERAL SURVEY RESULTS

This report looks at overall responses. They are broken down by overall results, cooperative function, region, and sales groupings. The breakdown by cooperative function is limited to salaries and benefits for the five job categories.

OVERALL RESULTS

Education

The survey sought the educational level of employees in each job category. Levels of education included high school, some college, college graduate with bachelor, associate, master's, or doctoral degree.

Through all job categories, the trend for employees to be college educated was similar except for sales representatives. Twice as many general managers had bachelor or associate degrees compared with those who completed their formal education in high school (table 1). Sixty percent of respondents (those with high school and

some college) indicated sales representatives had not completed college. Respondents also reported that the percentage of general and office managers who completed college were more than twice the percentage of those that completed high school. It is interesting to note that 10 sales representatives (17 percent) had doctoral degrees, while only 7 (8 percent) of the general managers had the advanced degrees.

Compensation

Compensation for employees came in indirect and direct forms. Indirect compensation included benefits that ranged from paid vacations to educational assistance. Direct compensation included most exclusively salary, wages, pay, and bonuses. It should be noted that the questionnaire did not ask respondents to differentiate between base salary and additional bonuses. Some salaries probably included bonuses.

Salary

Salaries are usually affected by longevity. For this reason, some respondents reported a salary range rather than the current salary for each of their positions. When the salary range was given, the average of the high and low was used to produce a single observation for aggregating the data.

Table i-Educational background of employees

Level of education	General manager	Off ice manager	Division manager	Field representative	Sales representative
	Percent				
High school	23	25	28	30	40
Some college	20	24	28	23	20
College graduate					
Bachelor or Associate Degree	45	39	39	44	36
Master's Degree	10	12	5	3	2
Doctoral Degree	2	0	0	0	2

In a few instances, it appears that respondents reported salaries for part-time or seasonal employment. This distorted the data for reporting the lowest salaries in each job category; therefore, the lowest salaries are not included in table 2. Reporting part-time employment makes the averages lower than they would be otherwise. In this case, the median or midpoint is a more reliable indicator of what most cooperatives are paying employees because unlike the average, it is not affected by observations that might be clustered at one extreme or the other. Table 2 includes the following descriptive statistics for salaries: high, median, mean or average, and the number of observations above and below the average or mean. The data are skewed as indicated by this latter measure and by the difference between the mean and the median. In table 2, the means are larger than the medians and more observations fell below the means because of a few relatively high salaries.

As expected, the general manager had the highest median salary. It is interesting to note that the division manager's median salary was higher than the office manager's salary. It is assumed that respondents may have substituted division manager for assistant manager. The office manager, field representative, and sales representative's median salaries were the same or close.

Salary Ranking

Respondents were asked to rank specific factors that contribute to setting salaries. Rankings were from 1 to 6, with 1 being the most important. Evidently, more explanation in the survey's instructions may have been needed because many respondents used the 1 to 6 as a measure of importance for each factor separately, rather than indicate each factor's order of importance. As a result, two or more factors were often given the same rank.

Also, some factors were assigned no rank, presumably because respondents considered these as having no impact on salary determination. To provide comparable percentages, a mark of 7 was given to each blank or unranked factor and added to the priority ordering.

Job responsibilities, decisionmaking capabilities, performance, experience, education, and the impact of other firms in the area were the ranking factors. Table 3 reports the order of importance but not the composite scores. Since some respondents reported a 1 to 6 rating, rather than a priority ordering from 1 to 6, an analysis of variance technique was used to obtain composite scores for each factor's importance. The survey had listed these factors in the expected order of importance for

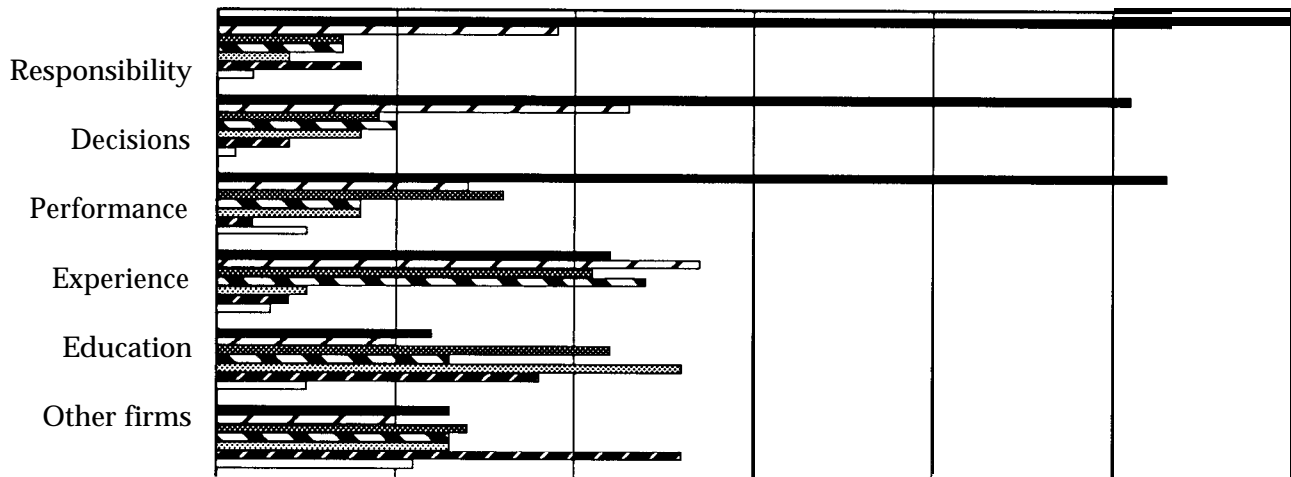
Table P-Summary of annual salary by employee category

Job category	Salary range ¹			Responses above/below mean
	High	Median	Mean	
	-----Dollars-----			Number
General manager	300,000	45,000	62,904	30/75
Office manager	114,024	28,000	36,715	35/70
Division manager	127,500	33,500	41,371	31/52
Field representative	74,200	25,000	28,401	26/42
Sales representative	108,120	25,000	30,915	12/39

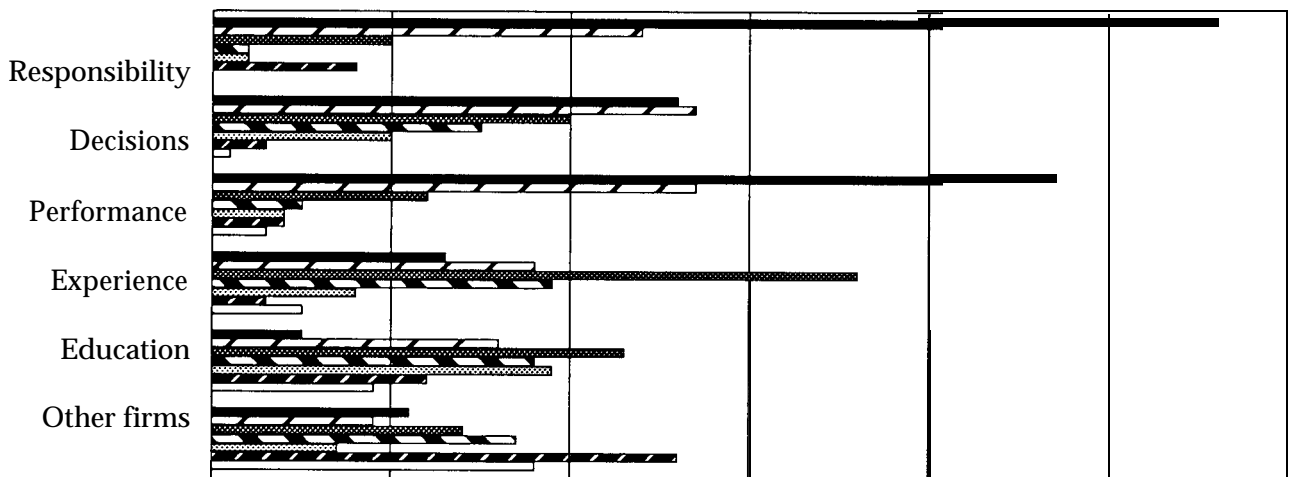
¹Respondents gave salary information for full- and part-time employees. Also, not every respondent answered for all job or salary ranges.

Figure 1— Number of Respondents Reporting Salary-Setting Factors

General Manager 106 Respondents



Office Manager 102 Respondents



Division Manager 73 Respondents

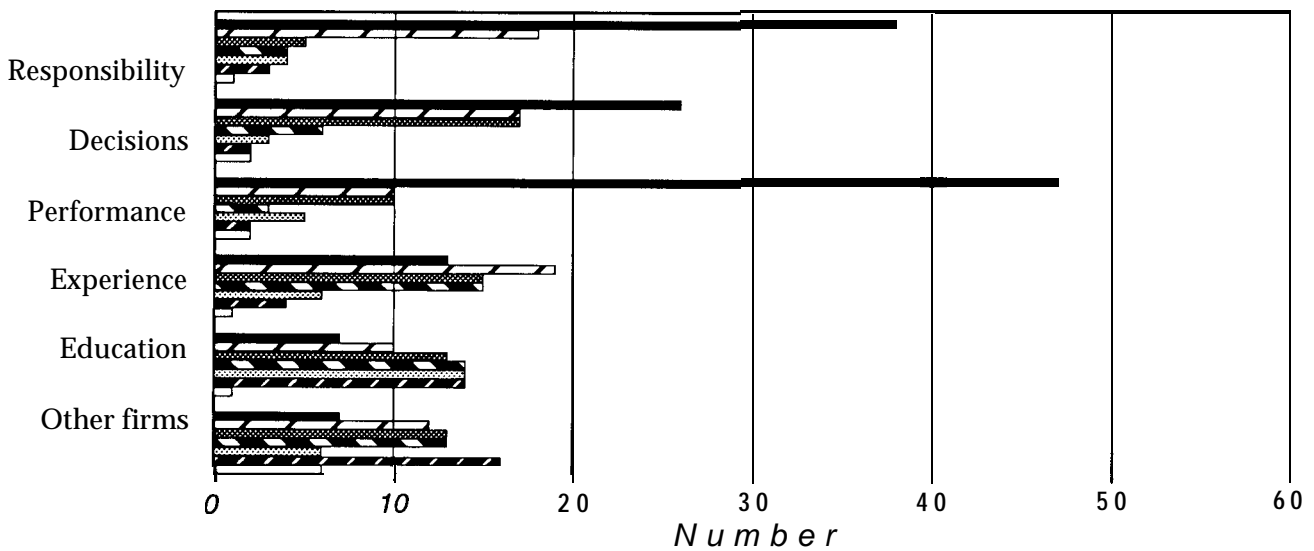
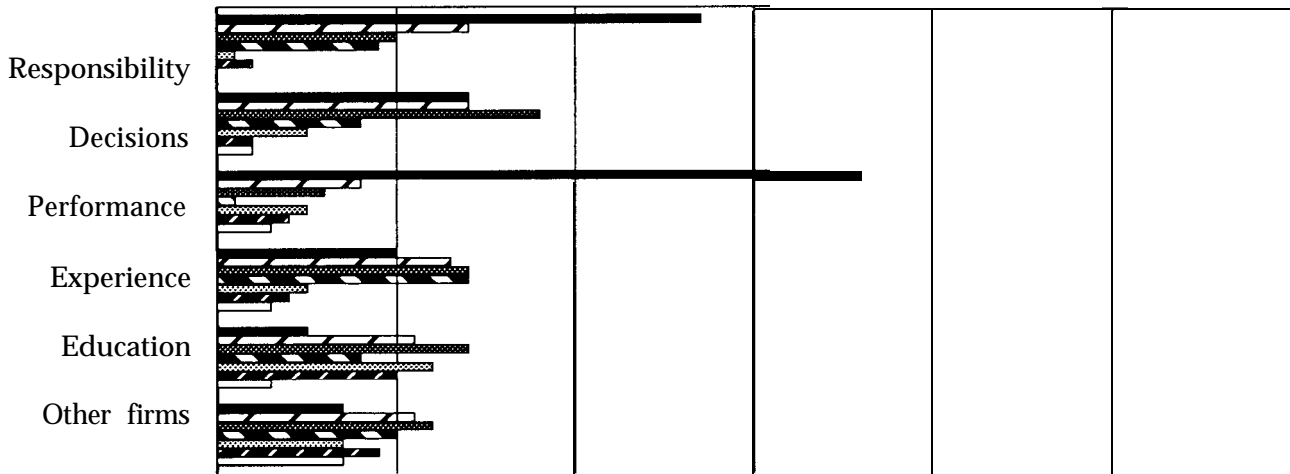
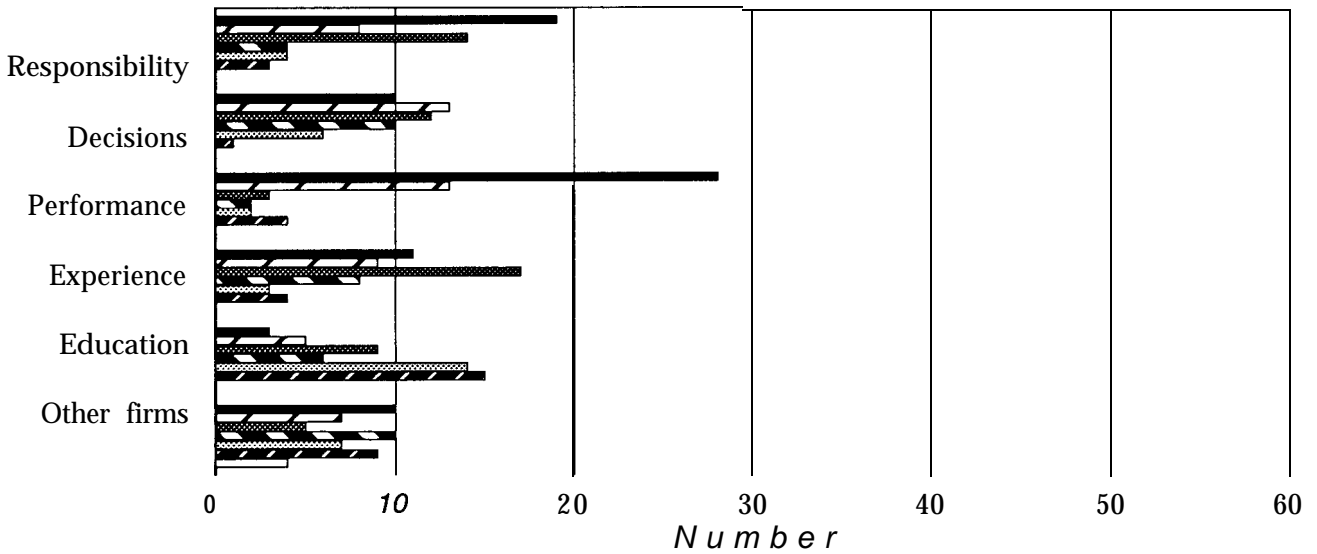


Figure 1 Continued— Number of Respondents Reporting Salary-Setting Factors

Field Representatives 63 Respondents



Sales Representatives 52 Respondents



Rank

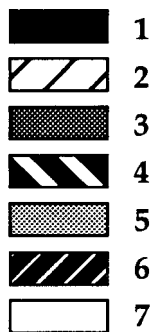


Table 3—Order of importance of factors for selected job categories

Factor	General manager	Office manager	Division manager	Field representative	Sales representative
	Ranking				
Job responsibility	1	1	1	1	2
Decisionmaking capabilities	2	3	3	3	3
Performance (co-oplemployee)	3	2	2	2	1
Experience	4	4	4	4	4
Education	5	5	5	5	6
Other firms in area	6	6	6	6	5

most jobs, and the results generally reflected this pattern. Some bias seem to have occurred, but critical factor differences did show up. For example, job responsibility was ranked 1 by a majority of respondents for all job categories except sales representative. For the latter job, the third listed factor, performance, is the most important.

This may reflect that it is more feasible to monitor a sales representative by using sales performance, than using sales to measure a manager's performance. It is also interesting to find that decisionmaking capabilities were ranked third most important for all job categories except general manager. Decisionmaking capability was a key factor for general management, and respondents ranked it just slightly less than job responsibility.

Figure 1 shows the basis for these composite scores where, for instance, more respondents rated a manager's decisionmaking with a relatively high 2 and 3 than reported for job responsibility. What other firms in the area are paying is regarded as the least important factor in all job categories except sales representative.

The survey also asked if performance was a factor in setting salaries, how was performance evaluated/measured, and by whom. Most respondents indicated that the cooperative's financial and

employee's job performance were the basis for evaluating most employees. Table 4 shows some variations of these basic measurements, including preferred personality traits. The frequency of cooperatives that reported use of these measures are also listed in table 4.

Several methods of evaluating performance and their frequency are reported in table 4. Most respondents indicated that predetermined goals and objectives were used to evaluate performance. Formal reviews, management by objectives, yearly evaluation, department measures by reports, continued monitoring, mutual discussions, history, and informal evaluations were other methods of evaluating performance.

Bonuses

Bonuses are used to reward the outcome of performance of the employee and can be viewed as an added benefit and/or salary. Respondents were asked if bonuses/commissions were given to employees. In total, 40 percent of the respondents reported that their cooperative gave bonuses in all job categories. Division managers and sales representatives had the highest percentage of respon-

Table 4-Frequency of performance measurement

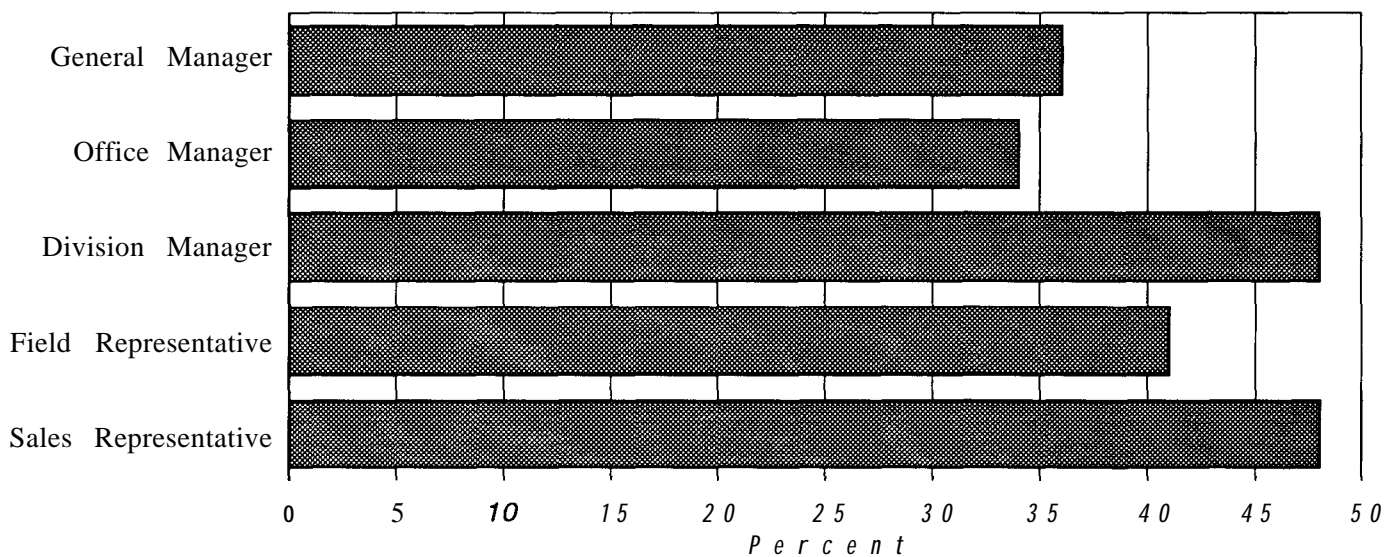
Measurement	Frequency
Direct elements (115 respondents)	
Financial performance .....	.30
Job performance.. .....	.15
Sales (previous year).. .....	.6
Other firms/market pay ranges .....	.5
Equity/rebate paid to members/returns to grower .....	.4
Profit per department.. .....	.4
Annual performance appraisals using job description.. .....	.4
Cooperative performance.. .....	.3
Increase in volume .....	.2
Member feedback.. .....	.2
Cost effectiveness .....	.2
Innovation .....	.2
Decisionmaking .....	.2
Keep within budget.. .....	.2
Financial strength .....	.2
Maintain status in the market through sales and cost containment.. .....	.2
Other ¹	16
Personality traits (52 respondents)	
Attitude toward customers, members, co-workers, growers.....	.10
Knowledge and being able to communicate knowledge.. .....	.4
Neatness .....	.4
Accuracy.. .....	.4
Dependability.. .....	.2
Timeliness .....	.2
Ambition .....	.2
Ability to follow instruction .....	.2
Common sense .....	.2
Other ²	10
Method (31 respondents)	
Preagreed goals and objectives .....	.11
Formal review.. .....	.4
Management by objectives.. .....	.3
Yearly evaluation .....	.3
Department measures by reports.. .....	.2
Other ³	4

¹The 16 miscellaneous responses included volume handled, sales increase, productivity, number of units sold, operation smoothness, staffing quality, service, market share, etc.

²Ten responses included knowledge of sources, honesty, effectiveness, efficiency, attendance, willing to give little extra, etc.

³Four responses included mutual discussion, history, continued monitoring, and informal evaluation.

Figure 2— Bonuses Given Across Specified Job Categories



dents who were given bonuses, both with 48 percent (figure 2).

The basis for receiving bonuses included financial performance factors (margins, net earnings, income, savings), gross volume/sales, percentage of top quality product, performance, new procurement, units sold, sales growth, and other. Some respondents indicated that bonuses were paid but they did not indicate the basis and were placed in the “other” category.

Table 5 shows, in some instances, that job category revealed the reason a bonus was given. General managers, office managers, division managers, and field representatives were more likely to be given bonuses based on financial performance factors. Sales representatives were more likely to be given bonuses based on gross volume or sales. New procurements were the third most important basis for giving bonuses to field representatives.

Benefits

Benefits such as retirement; health, life, and disability insurance; and educational assistance can be paid for by the cooperative, the employee, or

both parties. It is assumed that educational assistance may range from paid seminars to college courses. Most benefits across all job categories were either paid by the cooperative or shared by both. Seventy-one to 73 percent of respondents indicated that disability insurance for general managers, office managers, division managers, and field representatives was paid by the cooperative (table 6).

When asked what formula was used for retirement/pension plans, most respondents (24) reported “no formula.” The next largest number (22) reported that the cooperative paid all retirement plan costs under a defined program (table 7). Five cooperatives paid all retirement plan costs under a conditional program. When the cooperative and employees shared the cost of retirement benefits, a variety of formulas was used. These formulas included: “cooperative matches,” “cooperative pays percentage,” “profit sharing (percentage of net profit/wages),” and “cooperative pays 0.7 percent and employee pays 1 percent of wages. These were the most frequent “formulas” used for retirement benefits.

For other cooperatives, pension plans such as the 401K plan were used. These were either paid

exclusively by employees or by both the cooperative and the employee.

Other Benefits

Other benefits were “perks” or extras that an organization may offer to employees. Respondents were asked if their cooperative offered paid vacations/holidays and sick days, use of company car, social club membership, health club membership, first-class travel, and mileage (private car). Responses indicated that paid vacations/holidays, sick days, mileage (private car), and use of company car were more widely made available to employees across the five job categories (table 8). The percentage ranged from 99 to 0. First-class travel was high on the list for general managers, with an 88-percent response rate. Few respondents indicated cooperatives offered membership in social and/or health clubs.

COOPERATIVE TYPE

Of 116 respondents, 31 percent were grain cooperatives, 26 percent were farm supply cooperatives, 19 percent were fruit and vegetable cooperatives, and 17 percent were dairy cooperatives. The rest (7 percent) were “other” marketing cooperatives.

Salary, by Cooperative Type

Table 9 shows high, median, average salaries, and the number of observations above and below the average or mean, by cooperative function. The low end of the salary ranges is not reported because there were instances of seasonal employment. In table 9, the mean is larger than the median in each instance, and more observations fell below the mean because of a few relatively high salaries.

Table S-Basis for bonuses for all job categories

Factor	General manager	Office manager	Division manager	Field representative	Sales representative
	<i>Percent</i>				
Financial performance ¹	66	65	63	33	25
Gross volume/sales	12	13	10	29	46
New procurement ²	0	3	3	15	0
Percent (top quality)	2	0	2	4	0
Performance (cooperative/employee)	12	13	14	11	14
Sales growth	0	0	0	4	4
Units sold	0	0	2	0	4
Other ³	8	6	6	4	7
Total	100	100	100	100	100

¹Margin, net earnings, income, profits, and savings.

²Varied responses such as agriculture’s national average prices paid to farmers, or no standard was given.

³Members recruited, new contracts, and grower **signup**.

Table 6—Benefits offered employees and how paid

Job category and factors	Company paid	Employee paid	Both paid
	Percent		
General manager			
Retirement insurance	47	7	46
Health insurance	56	3	41
Life insurance	58	14	28
Disability insurance	71	12	17
Educational assistance	59	10	31
Office manager			
Retirement insurance	47	8	45
Health insurance	55	1	44
Life insurance	61	14	25
Disability insurance	71	13	16
Educational assistance	61	9	30
Division manager			
Retirement insurance	51	2	47
Health insurance	58	0	42
Life insurance	64	7	29
Disability insurance	73	9	17
Educational assistance	60	4	36
Field representative			
Retirement insurance	47	6	47
Health insurance	53	2	45
Life insurance	59	13	27
Disability insurance	72	16	12
Educational assistance	59	7	34
Sales representative			
Retirement insurance	51	6	43
Health insurance	57	0	43
Life insurance	63	12	25
Disability insurance	65	16	19
Educational assistance	70	0	30

Table 7—Frequency of formulas for contribution for retirement

Measurement	Frequency
None	24
Cooperative pays 100 percent (defined)	22
Cooperative pays 100 percent (conditional) Service and/or salary	5
Cooperative pays 5 percent of savings	1
Cooperative/employee share	
Cooperative matches	4
Cooperative pays a percentage	4
Cooperative 0.7%/employee 1% salary	4
Profit sharing (percent of net margins/salary)	4
Employee pays 1 %/cooperative rest	3
Cooperative 60%/employee 40%	2
Other ¹	19
401 k plan	
Employee contribution only	3
Cooperative/employee share	3
\$.50-\$1.00 cooperative/employee limited maximum dollar amount or percentage	2
75% of first 6% of annual salary	2
Other ²	6

¹Nineteen responses covered cooperative pays 5 percent of net to cooperative matches up to 5 percent of gross salaries.

²Six different responses ranged from profitability to cooperative matches employee contribution.

Table 8-Percentage of sample that offered employees other benefits

Benefit (Number in sample)	General manager (114)	Office manager (104)	Division manager (84)	Field representative (69)	Sales representative (53)
	Percent				
Paid vacations/holidays	96	97	99	99	98
Paid sick days	93	93	94	97	94
Use of cooperative car	61	21	48	59	48
Social club membership	17	5	8	2	8
Health club membership	2	2	0	0	0
First-class travel	88	5	9	5	4
Mileage (private car)	70	71	70	69	73

Table O-Summary of annual salary for employee category, by cooperative type

Job category and cooperative function*	Salary range ¹			Responses above/below mean
	High	Median	Mean	
	-----Dollars-----			Number
Dairy				
General manager	158,144	47,500	59,422	5/13
Off ice manager	89,500	28,000	32,670	12/8
Division manager	110,000	47,500	53,410	4/5
Field representative	32,500	25,250	25,253	7/7
Sales representative	54,754	44,000	40,601	3/2
Fruit and Vegetable				
General manager	225,000	58,400	73,388	6/14
Office manager	114,024	39,200	51,026	8/12
Division manager	127,500	50,000	53,666	5/10
Field representative	46,000	35,000	36,169	5/6
Sales representative	65,000	42,500	39,346	6/4
Grain				
General manager	175,000	42,000	48,805	9/27
Off ice manager	98,750	26,000	28,264	13/18
Division manager	98,750	32,000	32,943	11/15
Field representative	74,200	24,000	27,704	4/15
Sales representative	30,000	23,250	22,995	9/9
Farm Supply				
General manager	163,000	42,000	50,419	8/21
Off ice manager	80,000	22,250	29,473	8/20
Division manager	70,000	26,250	30,435	6/18
Field representative	50,000	24,000	25,684	4/15
Sales representative	28,000	22,500	22,833	7/8
Other³				
General manager	150,000	47,500	123,750	2/2
Off ice manager	104,000	79,500	83,333	2/4
Division manager	91,520	88,450	84,903	4/2
Field representative	45,000	42,500	41,250	2/2
Sales representative	108,120	60,000	72,707	1/2

¹Respondents gave salary information for full- and part-time employees. Also, not every respondent answered for all job or salary ranges.

²As classified by Agricultural Cooperative Service's Statistic and Technical Services Staff.

³Other includes marketing cooperatives with low responses.

Table 1 O-Percentage of respondents that give bonuses to employees

Job categories ¹	Percent given
Dairy (20 cooperatives)	
General manager	29
Off ice manager	12
Division manager	44
Field representative	36
Sales representative	50
Fruit and Vegetable (22 cooperatives)	
General manager	37
Off ice manager	40
Division manager	38
Field representative	33
Sales representative	45
Grain (36 cooperatives)	
General manager	42
Off ice manager	36
Division manager	45
Field representative	58
Sales representative	54
Farm Supply (22 cooperatives)	
General manager	34
Office manager	37
Division manager	54
Field representative	43
Sales representative	53
Other (8 cooperatives) ²	
General manager	43
Office manager	43
Division manager	43
Field representative	20
Sales representative	29

¹Number of respondents varied by job category.

²Marketing cooperatives with low responses.

Consequently, the median is a more representative measure of cooperative salaries.

The median and mean salaries for general managers, office managers, division managers, and field representatives in fruit and vegetable cooperatives were highest, ranging from \$36,169 to \$73,388 for the mean and from \$35,000 to \$58,400 for the median salary. It is interesting to note that although fruit and vegetable cooperatives had the second highest sales, they had the highest median and mean salaries. Statistically, the number of respondents reporting may have affected the averages. There were many more respondents in farm supply and grain cooperatives. Responses to salary information by the “other” marketing cooperatives were small. Therefore, salary data for this group will not be considered but are represented in the table for format consistency.

Bonuses and Basis, by Cooperative Type

Although most respondent cooperatives did not give bonuses, those that did generally gave to all of the five job categories. However, distribution of bonuses to job categories varied by type of cooperative. For example, more sales representatives received bonuses than field representatives in all types of cooperatives except grain cooperatives (table 10). Dairy cooperatives were also distinctive in that less than one-third of them gave bonuses to general and office managers.

As a rule, bonuses were tied to the job functions. For example, sales representatives’ bonuses were based more on sales. Financial and employee performance and sales were the most commonly indicated factors for basing bonuses for other job categories. Generally, bonuses for all job categories for dairy, fruit and vegetable, and grain cooperatives were evenly distributed and based on financial performance and /or performance and sales (table 11). This trend was evident throughout the report.

Financing Benefits, by Cooperative Type

According to the survey, a larger percentage of respondents of dairy cooperatives reported that they

Table 11-Basis for bonuses for employees

cooperative function and factor	General manager	Office manager	Division manager	Field repre- sentative	Sales repre- sentative
<i>Number of respondents</i>					
Dairy					
Financial performance ¹	1		1	0	0
Gross volume/sales	1		0	0	1
Percent of top quality	1		1	1	0
Performance	1		1	0	1
New procurement ²	0		1	3	0
Other ³	1		0	0	0
Fruit and Vegetable					
Financial performance ¹	3		2	2	1
Gross volume/sales	2		1	0	2
Performance	3		2	0	2
New procurement [*]	0		0	1	0
Grain					
Financial performance ¹	13		7	3	7
Gross volume/sales	0		1	4	13
Performance	0		0	1	4
Units sold	0		0	0	1
Sales growth	0		0	0	1
Other ³	0		1	1	3
Farm Supply					
Financial performance ¹	10	9	14	4	5
Gross volume/sales	2	2	2	4	6
Performance	0	0	2	1	1
Units sold	0	0	1	0	1
Sales growth	0	0	0	1	0
Other ³	1	1	0	0	0
Other⁴					
Financial performance ¹	1	1	1	0	0
Performance	1	1	1	1	0
Other ³	1	1	1	0	1

¹Margin, net earnings, income, profits, and savings.

^{*}Members recruited, new contracts, and grower **signup**.

²Waned responses such as agriculture's national average prices paid to farmers, or no standard was given.

⁴**Marketing** cooperatives with low responses.

Table 12—Benefits offered and how paid, by cooperative function

Cooperative function and job category	Retirement insurance			Health insurance			Life insurance			Disability insurance			Educational assistance		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S ¹
Percent															
Dairy															
General manager	50	7	43	63	5	32	73	20	7	75	8	17	56	11	33
Office manager	47	13	40	68	0	32	80	20	0	77	15	8	67	11	22
Division manager	46	9	55	54	0	46	73	9	18	67	11	22	56	11	33
Field representative	39	15	46	57	0	43	75	17	8	70	10	20	71	0	29
Sales representative	50	13	37	50	0	50	75	12	13	63	12	25	67	0	33
Fruit and Vegetable															
General manager	75	12	13	48	9	43	59	18	23	67	13	20	33	17	50
Office manager	72	14	14	47	5	48	57	14	29	72	21	7	27	18	55
Division manager	82	0	18	57	0	43	64	0	36	82	0	18	25	0	75
Field representative	78	0	22	60	0	40	53	0	37	88	0	12	33	0	67
Sales representative	75	12	13	70	0	30	83	0	17	83	0	17	33	0	67
Grain															
General manager	40	3	57	71	0	29	53	9	38	75	12	13	76	12	12
Office manager	40	3	57	63	0	37	48	11	41	68	21	11	79	7	14
Division manager	46	0	54	72	0	28	67	4	29	75	19	6	77	8	15
Field representative	28	5	67	59	6	35	59	8	43	75	12	13	75	25	0
Sales representative	31	0	69	80	0	20	50	14	36	57	14	29	89	0	11
Farm Supply															
General manager	32	7	61	39	0	61	52	15	33	55	15	30	53	6	41
Office manager	36	8	56	39	0	61	54	17	29	59	18	23	50	6	44
Division manager	35	9	56	36	0	64	50	18	32	56	19	25	50	6	44
Field representative	37	10	53	38	0	62	56	22	22	62	23	15	50	6	44
Sales representative	40	13	47	36	0	64	57	21	22	60	30	10	58	0	42
Other²															
General manager	86	0	14	43	0	57	86	0	14	86	0	14	83	0	17
Office manager	86	0	14	43	0	57	86	0	14	86	0	14	83	0	17
Division manager	86	0	14	43	0	57	86	0	14	86	0	14	83	0	17
Field representative	80	0	20	60	0	40	100	0	0	100	0	0	75	0	25
Sales representative	100	0	0	50	0	50	67	0	33	67	0	33	100	0	0

¹C = cooperative; E = employee paid; and S = shared by both.

²Marketing cooperatives with low responses.

were more apt to pay for health, life, and disability insurance, and educational assistance for specified employees. Cooperatives paid retirement insurance for general managers, office managers, and sales representatives for most of the respondents. More respondents indicated that division managers and field representatives shared the cost of retirement benefits in dairy cooperatives (table 12) .

Respondents indicated more grain, farm supply, and “other” marketing cooperatives paid for life and disability insurance and educational assistance for all employees in the survey. Educational assistance in fruit and vegetable cooperatives was also shared by the employee and the cooperative. Retirement and health insurance were also shared by more employees in farm supply cooperatives.

Other Benefits Offered, by Cooperative Type

Table 13 shows other benefits offered employees by cooperative function. It should be noted here that the number of observations/responses is included in the table and, in some cases, responses were small.

One fifth or more respondents of dairy, grain, farm supply, and “other” marketing cooperatives offered paid vacations and sick days, along with first-class travel, company car, and mileage reimbursement (private car) for general managers, office managers, and in some cooperatives, division managers and field representatives. Respondents indicated few health and social club memberships were offered by cooperatives.

REGIONAL DIFFERENCES

The United States was divided into five geographic regions-Corn Belt, Lake States, Northern Plains, West (Pacific & Mountain regions), and East/South Central (the Southeast, Northeast, & South Central regions). These regions were grouped in this manner to maintain anonymity due to insufficient data and for statistical analysis. In this section, results of questionnaires are presented by region (figure 3). Most respondents were in the West and Lake States, 27 and 21 percent; followed by the East/South Central, 19 percent; Corn

Belt, 18 percent; and finally the Northern Plains, 15 percent.

Education

All regions, except the Lake States, had the largest percentage of general managers with bachelor/associate and master’s degrees (50 to 69 percent, table 14). Thirty-six percent of respondents in the Northern Plains and 32 percent of respondents in the Lake States said the general managers were high school graduates. The Lake States also had the largest percentage of general managers who had “some college” education. Office managers in the East/South Central area had the highest percentage (43 percent) of employees with a high school education. More than 50 percent of respondents indicated that division managers were college graduates with either a bachelor, associate, or master’s degree in three regions-Corn Belt, 56 percent; East/South Central, 55 percent; and the West, 52 percent.

Field representatives with college degrees were highest in the Corn Belt, Northern Plains, and West regions. The highest percentage of sales representatives with high school diplomas were found in the East/South Central, Northern Plains, and West regions. Most sales representatives with either a bachelor or associate degree in the Corn Belt and Lake States.

Regional Salary

Table 15 shows a breakdown of salary data for the five geographic regions. The high, median, and mean are reported for each category. The low salary was not reported because some respondents reported part-time salaries. It caused large spreads between the high and low salaries. With this type of data, the median is a more representative measure than the mean.

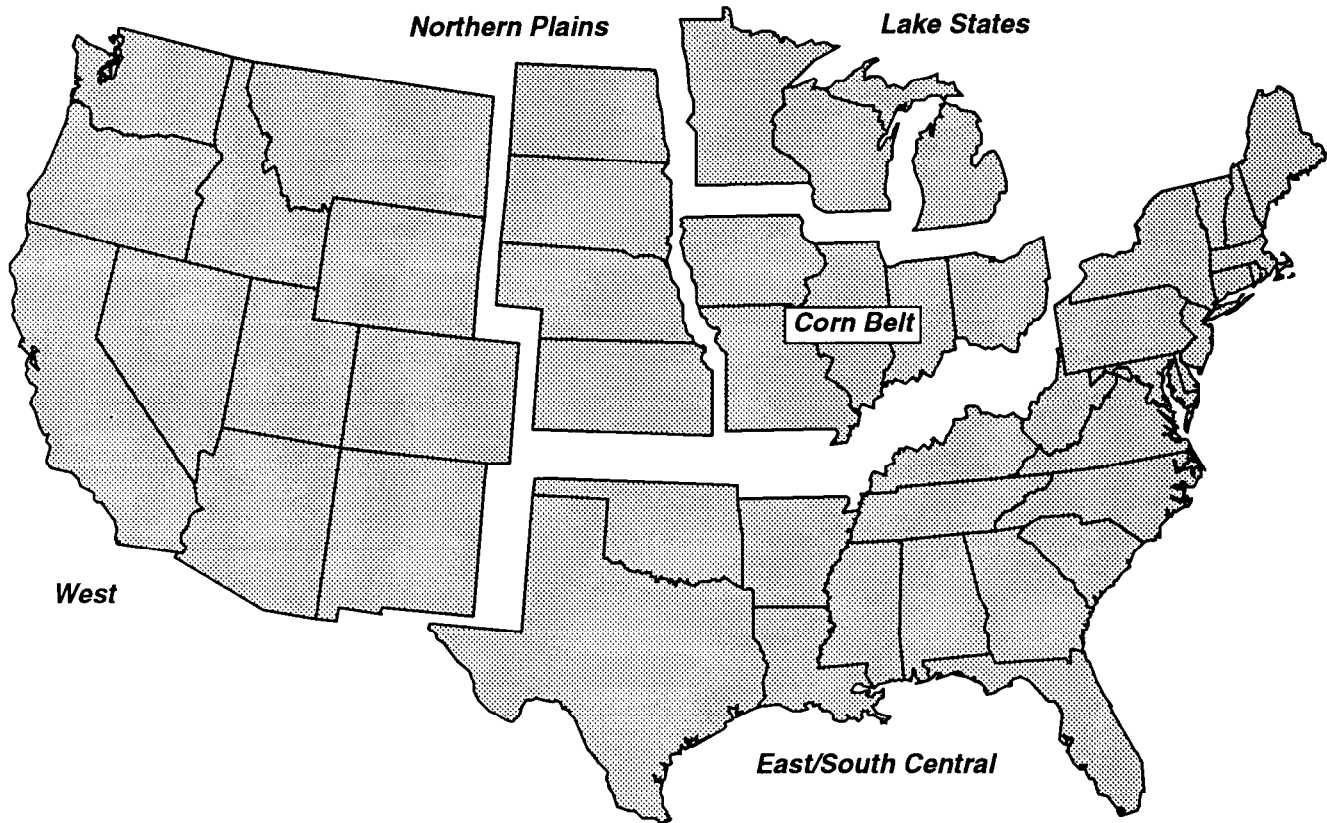
Regional differences are significant. The West had the largest median salary in all job categories with only two exceptions. The Corn Belt average for general managers and the East/South Central average for sales representatives are higher, at

Table 13—Other benefits offered and paid for by cooperative, by cooperative function

Cooperative function and job category	Paid vacations	Paid sick days	Cooperative car	Social club	Health club	1st class travel	Mileage (private car)
	<i>Percent</i>						
Dairy							
General manager	25	24	31	0	0	38	20
Office manager	25	24	6	0	0	25	32
Division manager	17	17	24	0	0	25	17
Field representative	22	23	24	0	0	12	20
Sales representative	<u>11</u>	<u>12</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>
Total	100	100	100	0	0	100	0
Observations (number)	64	58	33	0	0	8	35
Fruit and Vegetable							
General manager	30	30	34	57	0	75	25
Office manager	24	24	16	14	0	0	26
Division manager	20	20	18	29	0	25	19
Field representative	13	14	21	0	0	0	14
Sales representative	<u>13</u>	<u>12</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
Total	100	100	100	100	0	100	100
Observations (number)	70	66	38	7	0	4	57
Grain							
General manager	28	27	34	50	100	36	30
Office manager	23	23	10	17	0	18	21
Division manager	21	20	21	17	0	18	20
Field representative	15	16	21	8	0	18	14
Sales representative	13	<u>14</u>	<u>14</u>	<u>8</u>	<u>0</u>	<u>10</u>	<u>15</u>
Total	100	100	100	100	100	100	100
Observations (number)	126	122	62	12	1	11	94
Farm Supply							
General manager	25	25	38	100	100	100	24
Office manager	23	23	5	0	0	0	27
Division manager	21	21	21	0	0	0	21
Field representative	17	17	19	0	0	0	16
Sales representative	<u>14</u>	<u>14</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
Total	100	100	100	100	100	100	100
Observations (number)	120	120	42	1	1	1	42
Other ¹							
General manager	25	25	26	50	50	25	25
Office manager	25	25	22	20	50	25	25
Division manager	25	25	22	10	0	25	25
Field representative	16	16	17	0	0	0	17
Sales representative	<u>9</u>	<u>9</u>	<u>13</u>	<u>20</u>	<u>0</u>	<u>25</u>	<u>8</u>
Total	100	100	100	100	100	100	100
Observations (number)	32	32	23	10	2	4	12

¹ Marketing cooperatives with no responses.

Figure 3— Regional Breakdown



\$52,500 and \$44,000, than the respective medians in the West, at **\$42,000** and \$44,000.

Regional Salary Ranking

Geographic regions did not exhibit a significant difference in the way respondents ranked the factors—job responsibility, decisionmaking, performance, experience, education, and the impact of other firms in the area. Subsequently, no analysis was done.

Region and Bonuses

Three regions—the Corn Belt, Lake States, and West—had responses of 40 percent or more in three of the five job categories (table 16). Four of the

regions reported a relatively high percentage, giving bonuses to sales representatives, while the Northern Plains reported the lowest percentage for this category over all job categories. Table 17 shows the distribution bases for determining bonuses for each job category by region. Respondents by region indicated that general, office, and division managers' basis for bonuses were on financial performance factors. More respondents in the Corn Belt and Northern Plains based bonuses for sales representatives on sales.

How Benefits Are Paid

Benefits are paid either by the cooperative, employees, or shared by both (table 18). Most respondents indicated that retirement, health, life,

Table 14—Highest educational background of specified job categories, by region

Job category and educational level	Region				
	Com Belt	Lake States	Northern Plains	West	East/South Central
	Percent				
General manager					
High school	14	32	36	25	10
Some college	14	40	14	12	19
College graduate					
Bachelor or Associate Degree	54	28	36	50	57
Master's Degree	14	0	14	13	10
Doctoral Degree	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	4
Total	100	100	100	100	100
Office manager					
High school	28	20	31	23	43
Some college	22	40	31	10	22
College graduate					
Bachelor or Associate Degree	44	32	38	44	26
Master's Degree	6	8	0	23	9
Doctoral Degree	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	100	100	100	100	100
Division manager					
High school	33	33	30	21	28
Some college	11	41	40	27	17
College graduate					
Bachelor or Associate Degree	50	26	20	45	50
Master's Degree	6	0	10	7	5
Doctoral Degree	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	100	100	100	100	100
Field representative					
High school	31	40	0	25	46
Some college	6	30	50	15	27
College graduate					
Bachelor or Associate Degree	63	30	38	55	27
Master's Degree	0	0	12	5	0
Doctoral Degree	0	0	0	<u>0</u>	<u>0</u>
Total	100	100	100	100	100
Sales representative					
High school	29	36	50	45	56
Some college	21	9	20	25	33
College graduate					
Bachelor or Associate Degree	43	55	20	30	11
Master's Degree	0	0	10	0	0
Doctoral Degree	7	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	100	100	100	100	100

Table 1 5—Annual salary range for specified employees, by region

Region and salary range ¹	Job category				
	General manager	Office manager	Division manager	Field representative	Sales representative
	<i>Dollars</i>				
Corn Belt					
High	175,000	98,750	98,750	74,200	30,000
Median	52,500	30,000	33,500	25,250	24,500
Mean	67,739	37,543	42,850	29,951	25,342
responses (#)	19	19	15	14	12
Northern Plains					
High	92,652	54,368	54,285	33,000	65,000
Median	43,500	20,500	25,000	24,000	22,500
Mean	44,178	24,111	29,003	24,833	26,360
responses (#)	16	15	11	9	11
Lake States					
High	163,000	79,000	75,000	45,000	60,000
Median	42,000	24,417	27,250	23,500	22,000
Mean	53,099	53,238	32,049	26,184	27,000
responses (#)	23	23	18	16	9
West					
High	300,000	114,024	127,500	45,000	51,300
Median	48,000	37,200	50,000	33,000	28,300
Mean	79,397	48,706	49,389	32,178	33,880
responses (#)	26	28	24	19	12
East/South Central					
High	100,000	80,000	110,000	50,000	108,120
Median	42,000	24,565	36,300	24,000	44,000
Mean	63,233	34,838	47,652	25,768	47,803
responses (#)	21	20	15	10	7

¹Respondents gave salary information for both full- and part-time employees. Also, not every respondent answered for all job classifications or salary range (high, low, actual). In some cases, no salary information was given.

Table 16—Percentage of cooperatives that gave bonuses, by region

Region, job category, and number in sample ¹	Percent of cooperatives
Corn Belt (21)	
General manager	42
Off ice manager	35
Division manager	57
Field representative	46
Sales representative	64
Lake States (24)	
General manager	29
Off ice manager	32
Division manager	67
Field representative	53
Sales representative	64
Northern Plains (17)	
General manager	27
Off ice manager	29
Division manager	29
Field representative	31
Sales representative	21
West (32)	
General manager	47
Office manager	46
Division manager	55
Field representative	40
Sales representative	50
East/South Central (22)	
General manager	27
Off ice manager	30
Division manager	25
Field representative	50
Sales representative	56

¹Number of respondents varied in each job category

and disability insurance for general managers, office managers, and division managers were paid by the cooperative in the Corn Belt and West regions. For all job categories, more respondents in all regions reported that educational assistance was paid by the cooperative.

Finally, the cost of some benefits was shared by both the employee and the cooperative. The East/South Central was the only region where health insurance for general managers, office managers, and division managers was shared by both the cooperative and the employee. Retirement benefits in the Lake States and Northern Plains were shared by cooperatives and employees in all job categories except general managers in the Lake States.

Other Benefits

Other benefits or “perks” were paid primarily by the cooperative. Of the cooperatives that offered perks, table 19 shows those benefits most offered. The largest percentage of respondents in all regions reported offering all employees paid vacations/holidays and sick days. Mileage (private car) or use of the company car was the next largest percentage, i.e., most common benefit given by respondents throughout all regions and for all job categories. Social and health club memberships and first-class travel were uncommon benefits in all regions.

DIFFERENCES IN EMPLOYEE FACTORS, BY SALES RANGE

Many of the previously reported employment factors for the 116 respondent cooperatives can be grouped and compared by sales range categories. Out of the 116 cooperative respondents, 115 gave sales information. Of these, 16 cooperatives were in the smallest sales range, \$1.8-2.8 million; 41 cooperatives were in the \$2.9-8.8 million sales range; 33 cooperatives were in the \$8.9-98.8 million sales range; and 25 cooperatives were in the \$99 million or more sales range. Differences in the size of cooperatives, as measured by sales, have an affect on employment factors.

Table 17—Basis for bonuses for specified employees, by region

Job category and basis	Corn Belt	Lake States	Northern Plains	west	East/South Central
	Percent				
General manager					
Financial performance ¹	87	37	80	63	72
Gross volume/sales	13	36	0	12	0
Percent of top quality	0	9	0	0	0
Performance (co-op/employee)	0	9	20	25	14
Other ²	0	<u>9</u>	0	0	14
Total	100	100	100	100	100
Office manager					
Financial performance ¹	66	63	100	58	66
Gross volume/sales	14	25	0	14	0
Performance (co-op/employee)	0	12	0	28	17
Other ²	0	0	<u>0</u>	0	<u>17</u>
Total	100	100	100	100	100
Division manager					
Financial performance ¹	60	57	100	57	57
Gross volume/sales	20	7	0	14	0
Percent of top quality	0	7	0	0	0
Performance (co-op/employee)	0	15	0	29	29
New procurement ³	0	7	0	0	0
Units sold	0	7	0	0	0
Other ²	0	0	<u>0</u>	<u>0</u>	14
Total	100	100	100	100	100
Field representative					
Financial performance ¹	33	23	25	60	34
Gross volume/sales	33	33	50	20	33
Percent of top quality	17	0	0	0	0
Performance (co-op/employee)	0	22	25	0	33
New procurement ³	0	22	0	20	0
Units sold	0	0	0	0	0
Other ²	17	<u>0</u>	0	0	0
Total	100	100	100	100	100
Sales representative					
Financial performance ¹	25	45	33	0	0
Gross volume/sales	62	33	50	50	34
Performance (co-op/employee)	0	11	17	50	34
Units sold	0	11	0	0	0
Other ²	<u>13</u>	0	0	<u>0</u>	32
Total	100	100	100	100	100

¹Margin, net earnings, income, profits, and savings.

²Varied responses such as agriculture's national average prices paid to fanners or no standard was given.

³Members recruited, new contracts, and grower signup.

Table 1 &-Percentage of benefits paid for by cooperative and/or employee, by region

Jobcategoryand benefit	Corn Belt			Lake States			Northern Plains			west			East/South Central		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S'
Percent															
General manager															
Retirement insurance	55	5	40	45	15	40	19	6	75	60	4	36	50	0	50
Health insurance	58	0	42	63	4	33	71	0	29	56	6	38	32	0	68
Life insurance	53	1a	29	71	19	10	53	12	35	57	1a	25	53	0	47
Disability insurance	79	21	0	a1	19	0	75	0	25	70	13	17	53	0	47
Educational assistance	57	7	36	46	27	27	71	0	29	55	10	35	78	0	22
Office manager															
Retirement insurance	50	10	40	38	19	43	23	0	77	61	4	35	57	0	43
Health insurance	56	0	44	55	5	40	57	0	43	59	0	41	39	0	61
Life insurance	47	24	29	78	17	5	50	21	29	63	13	24	63	0	37
Disability insurance	71	29	0	75	19	6	57	14	29	77	9	14	63	0	37
Educational assistance	57	7	36	50	30	20	67	0	33	61	6	33	78	0	22
Division manager															
Retirement insurance	60	0	40	41	12	47	27	0	73	60	0	40	57	0	43
Health insurance	57	0	43	58	0	42	73	0	27	68	0	32	31	0	69
Life insurance	50	21	29	76	6	1a	73	0	27	65	10	25	53	0	47
Disability insurance	70	30	0	86	7	7	80	0	20	80	10	1o	53	0	47
Educational assistance	54	a	38	56	11	33	60	0	40	56	0	44	78	0	22
Field representative															
Retirement insurance	53	7	40	33	13	54	22	0	78	65	0	35	50	12	38
Health insurance	46	0	54	50	0	50	56	0	44	63	0	37	44	12	44
Life insurance	38	31	31	71	7	21	63	0	37	67	13	20	56	11	33
Disability insurance	60	40	0	a4	a	a	67	0	33	74	13	13	67	11	22
Educational assistance	59	a	33	63	12	25	67	0	33	62	0	38	40	20	40
Sales representative															
Retirement insurance	46	0	54	50	25	25	1a	9	73	69	0	31	a3	0	17
Health insurance	50	0	50	38	0	63	70	0	30	64	0	36	57	0	43
Life insurance	58	17	25	74	13	13	50	10	40	66	17	17	67	0	33
Disability insurance	50	38	12	86	14	0	50	0	50	66	17	17	67	0	33
Educational assistance	73	0	27	60	0	40	67	0	33	64	0	36	75	0	25

¹C = paid by cooperative; E = paid by employee; and S = shared by both.

Table 19-Percentage of other benefits offered employees and paid by cooperative, by region

Job category and benefit	Corn Belt	Lake States	Northern Plains	West	East/South Central
	Percent				
General manager					
Paid vacations/holidays	100	100	94	97	90
Paid sick days	100	100	88	91	86
Use of company car	50	52	59	71	67
Social club membership	18	9	18	21	21
Health club membership	0	5	0	3	0
First-class travel	13	9	13	11	16
Mileage (private car)	76	77	71	66	63
Number of responses	#18	#23	#16	#27	#18
Office manager					
Paid vacations/holidays	100	96	94	96	95
Paid sick days	100	96	88	96	89
Use of company car	11	23	59	31	25
Social club membership	0	5	18	4	13
Health club membership	0	0	0	4	0
First-class travel	6	0	13	0	13
Mileage (private car)	88	14	71	71	72
Number of responses	#18	#23	#16	#27	#18
Division manager					
Paid vacations/holidays	100	100	90	100	100
Paid sick days	100	100	80	96	88
Use of company car	50	39	30	63	50
Social club membership	0	6	10	10	14
Health club membership	0	0	0	0	0
First-class travel	17	6	10	5	14
Mileage (private car)	73	74	60	78	56
Number of responses	#14	#20	#9	#24	#16
Field representative					
Paid vacations/holidays	100	100	100	95	100
Paid sick days	100	100	100	100	80
Use of company car	69	53	44	68	50
Social club membership	0	0	11	0	0
Health club membership	0	0	0	0	0
First-class travel	9	6	13	0	0
Mileage (private car)	73	63	67	58	60
Number of responses	#13	#18	#9	#18	#10
Sales representative					
Paid vacations/holidays	100	100	91	100	100
Paid sick days	100	100	91	92	86
Use of company car	58	50	36	43	57
Social club membership	0	10	18	0	17
Health club membership	0	0	0	0	0
First-class travel	9	0	0	0	17
Mileage (private car)	82	50	64	93	57
Number of responses	#12	#10	#10	#13	#7

Educational Differences, by Sales Range

Cooperatives were grouped in four sales ranges in order to compare differences in employees' education levels. In most cases, there is a pattern of cooperatives with larger sales having employees with higher educational attainment.

Cooperatives with sales volume in the lowest range, \$1.8-2.8 million, had the largest percentage of office managers, division managers, and field representatives who ended their formal education at the high school level (table 20). However, 69 percent of general managers in the lowest sales range had bachelor, associate, or higher degrees, while in the next sales range, \$2.9-8.8 million, only 39 percent of general managers had bachelor degrees or higher. The pattern of cooperative size and employee education is also contradicted by the second lowest sales range, with 80 percent completing formal education in high school, while the lowest sales range had 67 percent in that category.

However, cooperatives in the second sales range category had the highest percentage, but not the most, of field representatives with bachelor or associate degrees (table 20).

In the \$8.9-98.8 million sales range, roughly half of the employees in all job categories had either some college or bachelor/associate degrees. In the more than \$99 million sales range, all other job categories, except sales representatives, had a substantial majority with bachelor or associate degrees. Of a total of 18 doctoral degrees, the highest sales range had 13 and the next highest sales range had the remainder of 5.

Salary and Sales Range

Salaries tend to be higher on average for cooperatives with higher sales ranges. There are a few exceptions between the lowest and the next highest range with regard to mean salaries but less so with regard to median salaries. This may have occurred because there were 62 responses in the \$1.8-2.8 million sales range as compared to 115 responses in the \$2.9-8.8 million sales range. In some cases, respondents had more than one employee in a specified job category.

The mean and median are the key summary statistics reported (table 21) to provide measures of distribution. Salaries for general managers tend to differ significantly between large and small cooperatives, whereas salaries for more narrowly focused jobs are more similar regardless of the size of an organization's total sales.

Ranking Factors for Salary, by Sales

Table 22 shows the ordering factors that respondents indicated were most important in setting salaries by sales range. Some of the factors received the same rank. As a result, two or more factors were often given the same rank, for example, three 1's and three 6's. Another example, while sales representatives in the \$1.8-2.8 million sales range had a majority of respondents ranking job responsibility and decisionmaking capabilities as 1, experience for general and division managers also was ranked as 1. Again, more explanation in the survey's instructions may have been needed because many respondents used the 1 to 6 as a measure of importance for each factor separately, rather than indicate each factor's order of importance.

Another explanation may be needed. It is assumed that there are no division managers in the smaller cooperatives (those with sales from \$1.8 to \$2.8 million). Therefore, it is also assumed that respondents may have substituted assistant managers for division managers in this sales size.

Also, some factors were assigned no rank, presumably because respondents considered these as having no impact on salary determination. To provide comparable percentages, a mark of 7 was added to the priority ordering and given to each blank or unranked factor.

In the other sales ranges and for all job categories, respondents ranked job responsibility, decisionmaking, and performance either 1, 2, or 3. In most instances when setting salaries, other firms in area and education were the least important factor, with a rank of 5 or 6. The exceptions were in the \$1.8-\$2.8 million sales range for division managers, field representatives, and sales representatives. In contrast, respondents in these job categories felt

Table 20—Educational background of specified employee, by sales range

Sales, educational level (number in each sales range)	General manager	Office manager	Division manager	Field representative	Sales representative
	Percent				
Observations (number)	16	16	14	8	9
\$1.8-2.8 million					
(16 cooperatives)					
High school	12	38	43	63	67
Some college	19	31	36	25	22
College graduate					
Bachelor or Associate Degree	65	31	21	13	11
Master's Degree	4	0	0	0	0
Doctoral Degree	0	0	0	0	0
Observations (number)	39	34	24	15	5
\$2.9-8.8 million					
(41 cooperatives)					
High school	38	38	42	27	80
Some college	23	35	38	13	0
College graduate					
Bachelor or Associate Degree	36	24	21	53	20
Master's Degree	3	3	0	7	0
Doctoral Degree	0	0	0	0	0
Observations (number) ¹	31	29	34	26	21
\$8.9-98.8 million					
(33 cooperatives)					
High school	26	28	26	27	24
Some college	23	21	32	27	24
College graduate					
Bachelor or Associate Degree	39	41	29	42	43
Master's Degree	13	10	12	4	5
Doctoral Degree	0	0	0	0	5
Observations (number) ¹	25	27	31	25	19
Over \$99 million					
(25 cooperatives)					
High school	0	0	10	24	42
Some college	8	7	13	24	21
College graduate					
Bachelor or Associate Degree	64	59	74	52	32
Master's Degree	20	33	3	0	0
Doctoral Degree	8	0	0	0	5

¹In some cases, the number of observations were more than number of cooperatives in specified sales range because there were more than one employee in that job category.

Table 21-Annual salary for specified employees, by sales

Sales range and job category	Salary range ¹			Responses above/below mean
	Mean	Median	High	
<i>Dollars</i>				
\$1.8-2.8 million				
General manager	43,241	30,000	63,000	2/12
Off ice manager	21,682	19,250	69,000	5/11
Division manager	21,000	21,000	52,500	5/6
Field representative	23,492	20,974	35,000	3/5
Sales representative	24,651	21,000	27,500	2/5
\$2.9-8.8 million				
General manager	37,290	37,500	61,800	20/19
Off ice manager	23,012	22,029	42,500	14/20
Division manager	25,867	25,000	52,000	7/14
Field representative	23,204	24,000	33,000	8/7
Sales representative	21,900	21,000	27,500	5/5
\$8.9-98.8 million				
General manager	60,966	52,500	155,000	10/21
Off ice manager	33,608	30,000	79,000	12/18
Division manager	36,889	33,950	75,000	8/18
Field representative	26,899	24,500	45,000	8/16
Sales representative	31,389	25,000	65,000	5/14
Over \$99 million				
General manager	128,305	120,000	300,000	9/12
Off ice manager	68,121	71,400	114,024	13/12
Division manager	67,379	64,000	127,500	11/14
Field representative	36,129	35,000	74,200	8/14
Sales representative	41,123	30,000	108,120	7/8

¹Respondents gave salary information for both full- and part-time employees. Also, not every respondent answered for all job classifications or salary range (high, low, actual). In some cases, no salary information was given.

Table 22-Percentage of ranked factors used for setting salaries for specified employees, by side

Factors sales range	General manager	Off ice manager	Division manager	Field representative	Sales representative
	<i>Rank</i>				
\$1.8-2.8 million					
Responsibility	3	1	3	2	1
Decisionmaking	4	3	2	1	1
Performance	2	2	4	3	3
Experience	1	4	1	3	2
Education	6	6	5	5	4
Other firms	5	5	2	3	2
\$2.9-8.8 million					
Responsibility	1	1	1	1	2
Decisionmaking	2	3	3	2	3
Performance	3	2	2	1	1
Experience	4	4	4	3	4
Education	5	5	5	4	5
Other firms	6	6	6	5	6
\$8.9-98.8 million					
Responsibility	2	1	1	1	2
Decisionmaking	1	3	3	3	3
Performance	3	2	2	2	1
Experience	4	4	4	4	2
Education	5	5	6	6	5
Other firms	6	6	5	5	4
Over \$99 million					
Responsibility	2	1	1	1	2
Decisionmaking	3	3	2	2	4
Performance	1	2	1	1	1
Experience	4	4	3	4	3
Education	5	5	5	5	6
Other firms	6	6	4	3	5

other firms in the area was a key factor for setting salaries.

Bonuses and Their Basis, by Sales Range

Respondents with sales in the **\$8.9-98.8** million and \$99 million or more ranges reported the largest percentages of bonuses given, **50** and **51** percent, respectively. Respondents with sales of \$2.9-8.8 million had the lowest percentage that gave bonuses. Respondents in the \$1.8-2.8 million sales range reported a relatively high percentage for field representatives, sales representatives, and division managers (table 23).

Table 24 shows what factors determined bonuses. In the first sales level, more respondents reported financial performance as the basis for bonuses for employees in all job categories.

In the next sales category, \$2.9-8.8 million, financial performance as the basis for bonuses for general managers, office managers, and division managers again had the largest number of respondents. For field representatives, bonuses were based equally on financial performance, sales, and sales growth. Bonuses that were given to sales representatives based on sales and units sold were equally important.

Again in the \$8.9-98.8 million and the \$99 million or more sales level, the financial performance was most important to general, office, and division managers. More cooperative respondents with sales of \$8.9-98.8 million reported gross sales/volume was the basis for bonuses for field representatives while respondents in the \$99 million or more sales range reported that bonuses were based on financial performance, new procurement, and sales equally. Respondents indicated that sales representatives in the last two sales levels gave bonuses based on gross volume/sales.

Relationship Between Sales and How Financed

Cooperatives in all sales ranges paid for life and disability insurance for employees in the five job categories (table 25). Payment of health insurance and/or retirement insurance was more likely

Table 23-Percentage of specified employees receiving bonuses, by sales ranges

Job category and salary range ¹	Percent receiving bonuses
\$1.8-2.8 million	
(16 cooperatives)	
General manager	20
Office manager	36
Division manager	45
Field representative	56
Sales representative	56
All categories	40
\$2.9-8.8 million	
(41 cooperatives)	
General manager	27
Office manager	17
Division manager	38
Field representative	21
Sales representative	17
All categories	25
\$8.9-98.8 million	
(33 cooperatives)	
General manager	46
Office manager	42
Division manager	57
Field representative	44
Sales representative	64
All categories	50
Over \$99 million	
(25 cooperatives)	
General manager	52
Office manager	48
Division manager	50
Field representative	47
Sales representative	60
All categories	51

¹Number of respondents varied in each job category.

Table 24—Frequency of basis for bonuses for specified employees, by sales ranges

Sales and bonus factor	General manager	Off ice manager	Division manager	Field representative	Sales representative
<i>Number</i>					
\$1.8-2.8 million					
Financial performance ¹	2	3	4	3	4
Gross sales/volume	0	1	1	1	1
Performance (coop./employee)	0	0	1	1	1
New procurement ²	0	0	0	1	0
Others	1	1	0	0	0
\$2.9-8.8 million					
Financial performance ¹	7	4	5	1	0
Gross sales/volume	2	1	0	1	1
Percent of top quality	1	0	1	0	0
Performance (coop./employee)	0	0	1	0	0
Units sold	0	0	1	0	1
Sales growth	0	0	0	1	0
\$8.9-98.8 million					
Financial performance ¹	10	7	8	3	4
Gross sales/volume	3	2	2	4	5
Percent of top quality	0	0	0	0	0
Performance (coop./employee)	2	1	1	1	2
New procurement ²	0	0	1	1	0
Other ³	0	1	1	1	1
Over \$99 million					
Financial performance ¹	8	7	8	2	1
Gross volume/sales	0	0	1	2	6
Percent of top quality	0	0	0	1	0
Performance (coop./employee)	3	3	3	1	1
New procurement ²	0	0	0	2	0
Other ³	2	1	1	0	1

¹Margins, net earnings, income, profits, and/or savings,

²Number of farmers recruited, grower sign up, and/or new contracts procured.

³Varied responses such as agriculture's national average prices paid to farmers, or no standard was given.

Table 25—Percentage of benefits paid for by cooperative and/or employee, by sales ranges

Sales and benefits	General manager			Office manager			Division manager			Field representative			Sales representative		
	C	E	S	C	E	S	C	E	S	C	E	S	C	E	S ¹
Percent															
\$1.8-2.8 million															
Retirement insurance	33	9	58	36	9	55	38	12	50	38	12	50	43	14	43
Health insurance	47	6	47	47	0	53	55	0	45	33	0	67	29	0	71
Life insurance	50	36	14	62	31	8	78	22	0	71	29	0	57	43	0
Disability insurance	78	11	11	80	10	10	86	14	0	80	20	0	66	17	17
Educational assistance	63	0	37	63	0	37	50	0	50	60	40	0	50	0	50
\$2.9-8.8 million															
Retirement insurance	30	13	57	27	23	50	38	6	56	25	25	50	22	11	67
Health insurance	62	5	33	59	3	38	68	0	32	57	7	36	60	0	40
Life insurance	47	19	34	48	26	26	61	6	33	44	27	27	38	12	50
Disability insurance	58	15	27	57	24	19	64	7	29	56	33	11	60	20	20
Educational assistance	47	29	24	46	31	23	50	10	40	45	22	33	57	0	43
\$8.9-98.8 million															
Retirement insurance	53	4	43	54	0	46	52	0	48	46	0	54	55	5	40
Health insurance	63	0	37	63	0	37	67	0	33	67	0	33	74	0	26
Life insurance	76	10	14	79	11	11	72	12	16	68	14	18	78	11	11
Disability insurance	80	15	5	77	14	9	76	14	10	79	16	5	69	23	8
Educational assistance	71	0	29	79	0	21	71	0	29	82	0	18	82	0	18
Over \$99 million															
Retirement insurance	69	0	31	65	0	35	64	0	36	65	0	35	67	0	33
Health insurance	44	56	0	40	0	60	40	0	60	42	0	58	47	0	53
Life insurance	56	0	44	52	0	48	52	0	48	53	0	47	60	0	40
Disability insurance	77	5	18	73	4	23	73	4	23	71	5	24	62	7	31
Educational assistance	59	5	36	59	5	36	59	5	36	50	6	44	50	6	44

¹C = paid by cooperative; E = paid by employee; and S = shared by both.

shared by employees and cooperatives in the lower two sales ranges, while in the next two higher sales ranges these benefits were paid for by the cooperative. There was an exception. Office managers, division managers, field representatives, and sales representatives in the \$99 million or more sales range shared payment of health insurance benefits with the cooperative. The percentage range of benefits paid by cooperatives was from 43 percent to 86 percent. Retirement was the benefit most often shared by both the cooperative and the employee

in the first two sales levels for general managers, office managers, and division managers.

Other Benefits and Sales

Most respondents indicated that other benefits-paid vacations and sick days, and mileage of private car-were offered to employees by cooperatives in every sales range (table 26). Ten out of 23 cooperatives in the over \$99 million sales range offered social club membership.

Table 26-Frequency of specified employees receiving other benefits, by sales¹

Benefits and sales range	General manager	Office manager	Division manager	Field representative	Sales representative
<i>Number</i>					
\$1.8-2.8 million					
(16 cooperatives)					
Paid vacation/holidays	16	16	10	9	
Paid sick days	16	16	10	9	
Use of cooperative car	9	2	5	4	
Social club membership	1	0	0	0	
Health club membership	1	0	0	0	
First-class travel	11	0	0	0	
Mileage (private car)	11	11	8	6	
\$2.9-8.8 million					
(41 cooperatives)					
Paid vacation/holidays	39	31	22	15	11
Paid sick days	35	30	19	15	11
Use of cooperative car	17	2	5	7	11
Social club membership	2	1	1	0	11
Health club membership	0	0	0	0	11
First-class travel	2	0	1	0	10
Mileage (private car)	30	22	13	11	11
\$8.9-98.8 million					
(33 cooperatives)					
Paid vacation/holidays	30	30	27	25	19
Paid sick days	29	27	25	23	19
Use of cooperative car	21	5	13	13	19
Social club membership	5	2	2	1	19
Health club membership	0	1	0	0	0
First-class travel	4	2	2	2	0
Mileage (private car)	18	19	17	14	18
Over \$99 million					
(25 cooperatives)					
Paid vacation/holidays	25	24	24	19	14
Paid sick days	25	24	24	19	14
Use of cooperative car	21	12	17	16	15
Social club membership	10	2	3	0	15
Health club membership	1	1	0	0	0
First-class travel	5	3	4	1	15
Mileage (private car)	14	20	17	13	15

¹Number of responses varied in each job category.

CHANGES

The most substantial change in the last 5 years, according to respondents, was increased salaries. Salaries were increased to keep up with inflation (table 27). Although, survey results indicated that “other firms in the area” had little to do with influencing a cooperative in setting salaries, in some instances it is likely that changes in some benefits were made to keep up with other firms in the area.

Other changes were in the form of additions or changes in the benefits being offered to employees. There were a number of additions made in the last 5 years of which the 401k retirement plan was the most significant. Respondents also indicated that cafeteria plan, merit pay, and disability insurance were important additions to their benefits. Others were health insurance, personal leave, and profit-sharing pension plans.

The most important change was a greater share of health insurance premiums paid by employees. Higher contribution to 401k, performance and training based more on accountability, and upgraded pension benefit were the next most frequently reported changes.

SUMMARY

There are no set guidelines for cooperatives to set salaries and benefits. They should be sufficient to attract the type of workers that the cooperative needs and should provide incentives for quality performance.

There are certain factors any business must consider. These factors may be the result of external influences, Federal and State government policies and regulations, competitive background and geographical locations or internal factors, the educational background of employee, skill, physical ability (required by job), and experience. of the employee.

Job evaluation is one of the tools available for developing equitable pay structures. Job evaluations may be developed through several methods—ranking, classification, factor comparison, and

Table 27—Cooperatives reporting changes in salary and benefit package in last 5 years

Change	Frequency
Number of responses ¹	118
Changes	
Inflation/cost of living	17
Change in share of health premium	5
Health insurance coverage decreased	3
Cooperative pays 1/2 deductible	2
Increased for employees' share of health package	2
Performance and training more based on accountability	2
Upgraded pension benefit	2
Higher contribution to 401 k	2
Be more competitive with “like” companies	2
For job performance	2
Freeze on salary	2
Other²	13
Added	
401 k plan	13
Cafeteria plan (section 125)	6
Merit pay	4
Disability insurance	4
Retirement plan (3 yrs service)	3
Profit-sharing pension plan	3
Personal leave days	3
Health insurance and paid vacation	2
Dental under health	2
Executive bonus plan	2
Deferred compensation program	2
Health care rebate program	2
Medical plan/health insurance	2
Increase in sick leave	2
Other³	

¹Some respondents gave more than one response.

²Thirteen different responses included life insurance made optional, cumulative sick days, self dental funding, etc.

³Nine responses included bonus program, HMO, incentive pay emphasis, additional holidays, etc.

point. Each of these methods have advantages and disadvantages.

Benefit plans must also be evaluated. Benefit planners should consider employee needs and expectations, cost escalation, tax considerations, benefit quality, and actions of competitors. There are other questions that the cooperative must answer. What benefits should be offered and how will they be paid? What conditions must be met before an employee is eligible for benefits? These questions can be answered through interviews of employees, monitoring benefit activities of other businesses in the area, government agencies, and reading various benefit publications.

"Perks" were offered to most employees. Paid vacations, holidays and sick days, use of company car, and mileage reimbursement (private car) were more widely made available to employees in all job categories. Membership in social and health clubs was not so widely available to employees of cooperatives.

According to respondents, employees had some college education or a college degree. Cooperative sales further defined the educational background of selected employees. In the largest sales level, more than \$99 million, all selected employees with the exception of sales representatives were college graduates with a bachelor or associate degree.

Performance, job responsibility, and decision-making capabilities were the most important salary-setting elements. Throughout all job categories, generally education and other firms in the area were the least important factor in setting salaries. The methods for evaluating performance varied. The largest percentage of the respondents indicated that preagreed goals and objectives were used. Less than half of the respondents reported that bonuses were given to employees based on financial performance factors such as margins, net earnings, income, savings.

There were minor regional differences in benefits, ranking factors for setting salaries, "perks," and educational levels of cooperatives. Salary was highest in the West region in all job categories, except for field representatives in the Corn Belt, and sales representatives in the East/South

Central, Northern Plains, and Lake States. Most bonuses were based on financial performance factors in all regions and job categories with the exception of general managers in the Lake States, field representatives in all regions except the Northern Plains, and sales representatives in all regions.

Most respondents indicated that retirement plans for general, office, and division managers and field representatives in the West were paid by their cooperative.

As cooperative sales volume increased, so did salaries of job categories except for general managers in the smallest sales level.

Cooperative leaders must look at internal and external influences when setting salaries and benefits and use all available resources such as job evaluations, Government agencies, other firms in the area, and employee interviews in developing an equitable salary structure and maintaining a balance between needs of the employee and the cooperative. Finally, cooperatives must be ready to adapt their salaries and benefits to remain competitive.

APPENDIX

Definitions

Cafeteria Plan-Is the official term used in Section 125 of the Internal Revenue Code which describes a flexible benefits program between taxable and non-taxable benefits that the Federal Government recognizes. It is an individual combination of benefits to each employee, rather than a standard program that covers all employees the same way.

Perquisites (“perks”)-Additional benefits designed not only to increase size of a compensation package, but also to compensate for the stresses and strains of employment. These benefits are paid by organization.

Section 401k (cash or deferred)-The Internal Revenue Code that permits employees to choose between currently taxable cash compensation and not currently taxable contributions to certain qualified plans. Therefore, an employee can elect whether their employer will make contributions on their behalf to a qualified profit-sharing plan (including thrift plan), or a qualified stock bonus plan, or the pre-Employment Retirement Income Security Act (ERISA) money purchase pension plan; or instead pay the amount to the employees as cash compensation, without having contributions elected to be made to the qualified plan considered as currently taxable income to the employees under the constructive receipt doctrine.

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Sample Questionnaire

DEFINITIONS OF JOB CATEGORIES:

CHIEF EXECUTIVE OFFICER AND OWNER/PRESIDENT/GENERAL MANAGER -- *The decisionmaking element of the cooperative-role is to formulate, execute policies, and to obtain cooperative's objective.*

ACCOUNTANT/CONTROLLER/OFFICE MANAGER -- *Role is to keep timely and accurate records of cooperative's financial standing.*

DIVISION MANAGERS -- *Carry out and support policies, objectives of the cooperative and the Chief Executive Officer/President/General Manager.*

FIELD REPRESENTATIVE/CONSULTANT -- *Uses expertise on how best to cultivate land through soil testing and other tools, and recommends appropriate products and innovative technological trends to improve farm operations.*

SALES REPRESENTATIVE -- *Keeps abreast of new product on market. Meets with farmers to take orders and inform farmers of new products. Some sales representatives also make deliveries.*

	Chief Executive Officer/President/General Manager	Accountant/Controller/Office Manager	Division Managers	Field Representative/Consultant	Sales Representative
1. How was employee found and ultimately hired? (Through media, advertisement reference, word of mouth etc.)					
2. How many employees do you employ?					
3. What is educational background? Use following codes for: High School = HS, GED; Some College = SC (no degree); College = BS (2 yrs or 4 yrs); MS; PhD					
4. If specific salary information is confidential or if there is more than one employee in job category please use high or low salary Example: General Manager \$15,000 (low) \$25,000 (high)					
What is present annual salary for each job category?					

	Chief Executive Officer/President/ General Manager	Accountant/ Controller/ Office Manager	Division Managers	Field Representative, Consultant	Sales Representative
<p>5. How is salary derived?</p> <p>Circle the factors-- rate in order of importance, 1 to 6, with 1 being most important, 6 being least important.</p> <p>Job responsibilities</p> <p>Decision making capabilities</p> <p>Performance (see question no. 13)</p> <p>Experience</p> <p>Education</p> <p>Other agribusiness firms in area (competitive)</p>	<p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p>	<p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p>	<p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p>	<p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p>	<p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p> <p>1 2 3 4 5 6</p>
<p>6. Does your cooperative give commissions?</p> <p>If yes, what are the bonuses and commissions based on ? (if no, go to question 7)</p>					
<p>7. How are the following benefits/perks paid? Enter c — company e — employee pays s — if shared by both</p> <p>Retirement'</p> <p>Health insurance</p> <p>Life insurance</p> <p>Disability insurance</p> <p>Profit-sharing</p> <p>Stock options</p> <p>Educational assistance</p>	<p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p>	<p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p>	<p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p>	<p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p>	<p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p> <p>()</p>
<p>8. Are the following benefits/perks offered? (Circle (Y-Yes) and (N-No))</p> <p>Paid vacations/holidays</p> <p>Paid sick leave</p> <p>Use of company car</p> <p>Social club memberships</p> <p>Health club memberships</p> <p>First class travel</p> <p>Mileage (private car)</p>	<p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p>	<p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p>	<p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p>	<p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p>	<p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p> <p>Y N</p>

¹ If your organization has any written policies on pension/retirement plans/formulas, bonuses/commission, or related compensation/benefit packages you may wish to send a copy of policies.

9. If retirement/pension is shared by employee and cooperative, what is formula for contribution? Example:
Cooperative matches employee's contribution or cooperative pays 75 percent into retirement/pension plans,
cooperative pays percentage according to salary, years of service, etc.

10. What changes, if any, have occurred in your organization's salary and benefit package in the LAST 5 years?
Please give a brief description.

11. What is principal product sold or marketed?

12. What were your total sales for 1990? _____

13. If performance is a factor in question 5, how is it evaluated or measured by the board of directors and how does the
CEO, in turn, evaluate performance of key staff members?

Contact Person (Optional)

NAME

PHONE

**U.S. Department of Agriculture
Agricultural Cooperative Service**

P.O. Box 96576
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Agricultural Cooperative Service (ACS) provides research, management, and educational assistance to cooperatives to strengthen the economic position of farmers and other rural residents. It works directly with cooperative leaders and Federal and State agencies to improve organization, leadership, and operation of cooperatives and to give guidance to further development.

The agency (1) helps farmers and other rural residents develop cooperatives to obtain supplies and services at lower cost and to get better prices for products they sell; (2) advises rural residents on developing existing resources through cooperative action to enhance rural living; (3) helps cooperatives improve services and operating efficiency; (4) informs members, directors, employees, and the public on how cooperatives work and benefit their members and their communities; and (5) encourages international cooperative programs.

ACS publishes research and educational materials and issues Farmer Cooperatives magazine. All programs and activities are conducted on a nondiscriminatory basis, without regard to race, creed, color, sex, age, marital status, handicap, or national origin.