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Director Skill Gaps in Agricultural Cooperatives

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Abstract : (max. 300 words)

A board of directors is the key decision-making group for non-profit organizations, corporations, and cooperatives. Some of the board's roles include monitoring and controlling management, creating policies, and formulating strategy. Payne, Benson, and Finegold (2009) found that a highly effective board is significantly related to higher corporate financial performance. However, cooperatives operate a bit differently. Cooperatives exist to maximize member benefits (Puusa and Saastamoinen 2021). Because of this difference, could cooperative directors need different skills to be successful and engaged?

The objective of this research is to identify director skill gaps in U.S. agricultural cooperatives. While this study focuses on the U.S., the approach to collecting and analyzing our data are applicable to other cooperative sectors across the world. We surveyed 174 cooperative directors and CEOs about beginning and current director skill gaps. Furthermore, we used a best/worst survey technique approach to identify what director skills are most important. The 11 skills we considered are: leadership, cooperative finance, cooperative governance and policy, teamwork, communication, listening, time management, networking, understand current economic and industry conditions, ask critical and constructive questions, and strategic planning.

Initial results show that the largest skill gap for directors when they first come on the board is in cooperative finance and cooperative governance/policy. Through various training programs, this gap is closed; however, these skills are still not at a "skilled" or "expert" level. The most important skills for directors – ask critical and constructive questions, strategic planning, and understand current economic and industry conditions. Future training programs need to emphasize these 3 skills. A limitation of this work is that it only focuses on one country. Identified skills and gaps could be very different in other countries. Discussions at the ICA CCR European Research Conference will provide feedback on expanding these results into an international context.

Keywords: Director, skill gap, best worst survey

References

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