

**Proceedings of the
25th Annual Conference
of
The Rural Electric Management
Development Council**



**"The Human Element
in
Productivity"**

**Nashville, Tennessee
May 24 - 27, 1982**

PROCEEDINGS OF THE
25TH ANNUAL CONFERENCE
OF
THE RURAL ELECTRIC MANAGEMENT
DEVELOPMENT COUNCIL

Nashville, Tennessee

May 24-27, 1982

SCOPE

Page No.

COUNCIL PREAMBLE.	1
VIEWPOINTS.	2
OBJECTIVES.	3
MEMBERSHIP REQUIREMENTS	4-6
ORGANIZATION CHART.	7
FUNCTIONS OF OFFICERS AND COMMITTEES.	8
LIST OF OFFICERS AND COMMITTEES FOR 1982.	9
ATTENDANCE LIST	10
MEMBER LIST	13
PROGRAM OUTLINE	15
PRESENTATIONS:	
Presentation #1: <u>Employee Action Program - The Team Approach</u> Jerry L. Dover, General Manager and Thomas Elder Volunteer REC, Decatur, Tennessee	18
Presentation #2: <u>Working on Performance Norms in Member Services</u> <u>and Field Evaluation Report - Radio Control Switches</u> William Ward, Marketing & Member Relations Manager Pioneer REC, Piqua, Ohio.	23
Presentation #3: <u>G. & T. Time of Day Rate Study</u> John W. Parham, Manager Maquoketa Valley REC (Assisted by Jack Hicks) Anamosa, Iowa	36
Presentation #4: <u>Relationship Between Productivity and Organized</u> <u>Labor, Roger Lentz, Manager</u> Southeastern Illinois REC Eldorado, Illinois.	43
Presentation #5: <u>Evaluating Traditional Administrative Concepts</u> <u>(Group Participation Program)</u> William Miller and Marvin Athey	56
Presentation #6: <u>Report on Productivity and Work Measurement</u> <u>Project, Dick Seger, General Manager,</u> Morgan County REMC, Martinsville, Indiana Elmer Guerri, Consultant.	62
Presentation #7: <u>Financial Ratio Targeting Program on TI-59</u> <u>Programmal Calculator</u> Jack Hicks, Manager, Linn County REC, Marion, Iowa and Fred Lamar, Consultant	82

PRESENTATIONS (Continued):

Presentation #8: Building Our Management Team - An Exercise in Teamwork, Wayne Keller, Executive Vice President, Blue Ridge Electric Memb. Corp., Lenoir, N. C. (Barbara Deverick assisting). . . 97

Presentation #9: Report on Productivity and Work Measurement Project, Dick Seger, Chairman, Management Research Committee; Wayne Keller, Chairman Subcommittee on Productivity and Work Measurement. 116

The Planning Orientation as a Key to Productivity
Anthony Pisano, Executive Director of the American Management Associations' Professional Institute 121

MINUTES 129

TREASURER'S REPORT. 136

REC ATTENDANCE RECORD 139

LIST OF 1983 OFFICERS AND COMMITTEES 140

COUNCIL PREAMBLE

In March 1969 the NRECA membership adopted viewpoints and objectives for rural electrification as prepared by the Long Range Study Committee. This action has significance only when member systems identify with, and develop programs in support of, these viewpoints and objectives. Success in the implementation of such action programs is dependent upon excellent leadership and the effective management of resources, especially human resources.

NRECA, through its Management Services Department, has carried on effective training and development programs for rural electric system managements, both elected and employed, and the results of these programs are obvious in the upgrading of the quality of management in recent years. However, NRECA has limited resources for the research, experimentation, and innovations in management practices that will be required to meet the demands of a rapidly changing social order. Moreover, REA continues to withdraw its advice and assistance to borrowers.

Thus, it is clear that some systems must assume a more active role in assuring competent, dynamic management for the future. There are people within the program who are qualified and willing to see that the necessary study and research are undertaken toward this end. Such people have formed the Rural Electric Management Development Council and the following statements express their viewpoints and objectives.

RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

STATEMENT OF VIEWPOINTS

1. We believe that the objectives of the Rural Electric Program can best be achieved through dynamic management and leadership that is based on sound cooperative philosophy coupled with modern management principles and techniques.
2. We believe that cooperative philosophy and management principles and techniques must be under constant study and review and that research and development of new concepts and approaches must be undertaken if rural electric systems are to effectively fulfill the responsibilities inherent in the objectives of the Rural Electric Program.
3. We believe that there exists within the rural electric cooperatives, and their associated organizations, the knowledge, experience and point of view necessary to identify these needs and to determine required changes.
4. We believe that there exists among rural electric cooperatives, and their associated organizations, those who are willing to innovate, study and improve present cooperative and management principles and practices and to translate the results of such studies into meaningful programs.
5. We believe that rural electric system management will be enhanced where there has been a maximum exchange of ideas and experiences between those organizations that are innovating, studying and applying up-to-date principles and techniques.
6. We believe that all consumer-owned rural electric systems should have the opportunity to share in the results of such innovations in management practices and that this opportunity for sharing can best be provided through NRECA and other associated organizations.

RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

STATEMENT OF OBJECTIVES

1. To bring together key rural electric management people who have demonstrated their application of up-to-date cooperative philosophy and management principles and techniques and who evidence an interest and willingness to participate in and contribute to study, research and innovation in the application of effective management concepts and techniques in rural electric system operations.
2. To contribute to the strengthening of overall rural electric system management by undertaking management research in areas of current concern and interest.
3. To develop new cooperative management concepts, approaches and techniques that will enable the management of rural electric systems to identify necessary resources and to provide the leadership required for meeting the needs of the people in an ever changing environment.
4. To develop the means whereby the beneficial results of the application of such management research and innovation can be interpreted and widely disseminated to rural electric systems and to encourage its effective application.

**RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL**

MEMBERSHIP REQUIREMENTS

The Rural Electric Management Development Council is established to provide a forum for those rural electric systems who have developed organizations built on the application of cooperative principles and modern management principles and techniques.

The Viewpoints and Objectives of the Council, attached hereto, identify more specifically the beliefs and purpose that all members of the Council subscribe to. The Council's primary purpose is one of research and innovation. Research and innovation within the parameters of the established Viewpoints and Objectives.

The Council does not intend to provide a forum for teaching basic cooperative philosophy and basic management principles and techniques. Adequate training opportunities for this are provided by NRECA and other organizations.

Thus, to assure that the limited time available for the conduct of research and the exchange and discussion of innovative ideas can be utilized to the maximum productive extent possible, it is necessary that those systems who wish to apply for membership in the Council, those who wish to sponsor systems for membership and those systems who are currently members of the Council be fully aware of the criteria for initial and continuing membership.

A. Initial Membership

Any rural electric system or association of rural electric systems may apply and be considered for membership in the Rural Electric Management Development Council.

The criteria for initial or continuing membership shall be adopted by the Council members at the Council's annual meeting. Any amendments or changes in this criteria shall be approved by the Council membership.

Representatives of NRECA, CFC, and REA and current members of the Council will be encouraged to nominate rural electric systems or other associations that are believed to meet all of the criteria for membership.

All applications for membership shall be subject to the review of the Nominating Committee. The Nominating Committee shall meet twice each year to review applications for membership and to recommend those applicants who meet the membership criteria for approval for Council membership.

Those applying for initial membership shall be requested to submit the following:

1. Evidence of having demonstrated their application of up-to-date cooperative philosophy and management principles and techniques. This evidence shall include the following:
 - a. An Organization Profile - Documentation of the existence of an organization plan for the system. The documents required will be specified and should accompany the application.
 - b. A System Profile - A recitation of the financial and operating characteristics of the system, including evidence of the existence of short and long range plans in specified areas.

- c. A Corporate Profile - An identification of programs and activities designed to involve the members and the public. Evidence of a recognition and pursuit of goals designed to enhance the consumer ownership and public responsibility of the system.
 - d. A Growth and Development Profile - Evidence of specific programs and activities undertaken by the system to go beyond normal requirements for management, individual development and member involvement. This should include the identification of beneficial results therefrom.
2. A statement of a commitment to participate in and contribute to study, research and innovation in the application of management in rural electric system operations
 3. A statement of the system's willingness to pay the dues or other approved assessments of the Council, to attend and participate in Council meetings and to accept committee or program assignments.
 4. An expression of willingness to share your individual management innovations with the Council for information and evaluation purposes.

B. Continuing Membership

All members of the Council shall be subject to continuing membership review at least every five years.

Those systems subject to continuing membership review shall be notified at the Council's annual meeting preceding the review.

Continuing membership applications shall include the following:

1. A refiling of the initial membership application.
2. A recap of Council meeting attendance.
3. A recap of participation in Council activities, including study and research and innovative programs locally undertaken, with reports and presentations on such activities at Council meetings. Also, evidence should be furnished of the acceptance of Committee assignments and participation in activities consistent with the objectives of the Council.

The nominating committee shall receive all applications for continuing membership by September 1 of each year and make their review and recommendation to the Chairman by January 1 of each year.

C. Honorary Membership

The following individuals, or their designated representative, are considered as continuing honorary members of the Management Development Council. The Council encourages their active participation in all Council projects and activities.

Director of Management Services - NRECA
Borrowers' Operations Office - CFC
Director-Electric Borrowers' Management Division - REA

D. Interim Membership

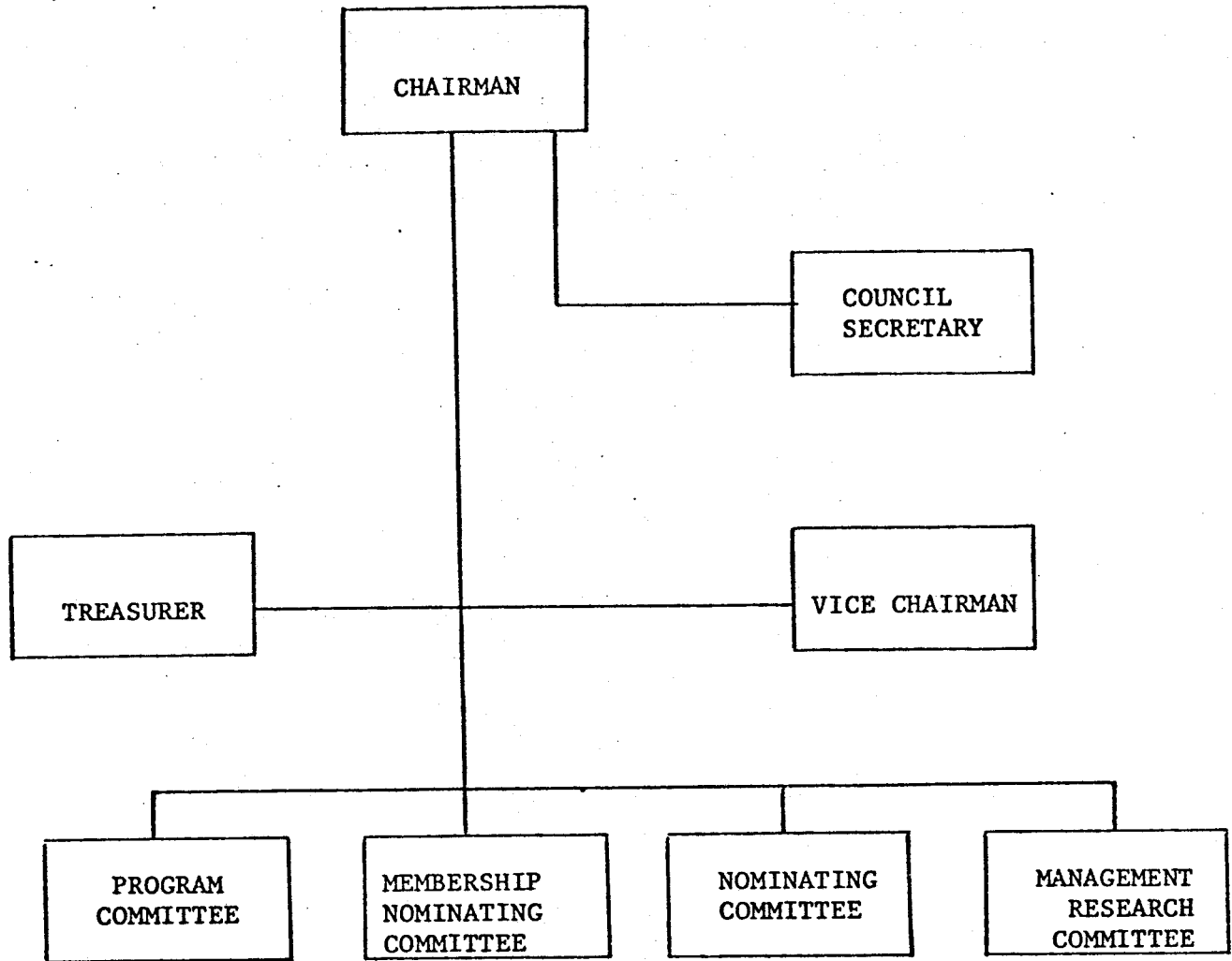
Organizations named in the first paragraph of Item A, Initial Membership, are eligible to become interim members for a period not to exceed two years by

D. Interim Membership (Continued)

notifying the Council of their desire to become a member, paying their dues and participating in Council meetings. At the end of two years such members must seek membership certification in order to retain membership in the Council.

Note: Council dues are \$300 annually, payable prior to the REMDC annual meeting. Payment of dues permits a member system to have two persons in attendance at the REMDC meeting and the Advanced Management Conference at no additional fees.

RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL



Note: A Coordinating Committee composed of the Chairmen of the standing committees and one member at large also functions to coordinate REMDC and Advanced Management Conference programs.

FUNCTIONS

CHAIRMAN

To act as general coordinator of the activities of the Development Council and preside at all business meetings. To issue notice of all regular meetings of the membership or special meetings of the cabinet. (The cabinet to be composed of the chairman, vice chairman, treasurer, and all committee chairmen.) To represent the Development Council in relation to other organizations. Term of office to be three (3) years.

VICE CHAIRMAN

To assume all duties of the Chairman in the absence of or inability of that officer. Term of office to be three (3) years.

TREASURER

To collect all monies due the Development Council including regular membership dues and special assessments. To pay all bills submitted in proper form. To prepare an annual financial statement and forward to the Secretary for inclusion in the annual conference summary. Term of office to be three (3) years.

SECRETARY

To be appointed annually by the Chairman. To keep a record of all proceedings, prepare, publish, and distribute annual conference summary. (May be assisted by Management Services Department of NRECA.)

COMMITTEES

All committees except the Advanced Management Conference Program Planning Committee, to be composed of a chairman and three (3) members. The chairman to be nominated by the Nominating Committee. All committee chairmen and committee members to serve staggered terms of three (3) years each.

PROGRAM COMMITTEE

To determine program content and format for the annual conference and secure appropriate participation from the membership. To provide for subject continuity in programming when desirable. The committee chairman shall preside at all program sessions and serve as ex-officio member of the Advanced Management Conference Planning Committee. To select the time and place for the annual council meeting in coordination with the Advanced Management Conference Planning Committee.

MEMBERSHIP NOMINATING COMMITTEE

Under the criteria established for admission to membership, select organizations each year who are actively engaged in management in the rural electrification field who will be nominated for membership in the Development Council. Evaluate compliance of member systems with criteria.

NOMINATING COMMITTEE

To nominate all officers and committee chairmen, as necessary for submission to the annual conference for election. All nominations shall be submitted in writing, certified by the chairman of the committee, and deposited with the conference secretary.

MANAGEMENT RESEARCH COMMITTEE

To identify research areas and initiate recommendations for projects to be carried out by the council. To work with NRECA in identifying management areas in the rural electric program which need additional research and/or development and training programs and determine how council can assist in meeting needs in cooperation and coordination with NRECA, making use of the Advanced Management Conference where possible.

Rural Electric Management Development Council

Officers and Committees for 1982

Officers

Chairman	Robert L. (Bob) Roberts	Term expires in 1984
Vice Chairman	Barbara H. Deverick	Term expires in 1984
Treasurer	Allen Ritchie	Term expires in 1983
Secretary	Barbara Deverick	

Standing Committees

Program

Chairman	Bill Miller,	Term expires in 1982
	Jim Lane	Term expires in 1983
	John Parham	Term expires in 1984
	Jack Hicks	Term expires in 1984

Nominating

Chairman	Allen Ritchie	Term Expires in 1983
	Charles Overman	Term expires in 1982
	Roger Lentz	Term expires in 1984
	Ronnie Hunt	Term expires in 1984

Membership

Chairman	Bill Beverage	Term expires in 1982
	Everette Bristol	Term expires in 1983
	Elmer Stocker	Term expires in 1983
	Roger Geckler	Term expires in 1984

Management Research

Chairman	Richard Seger	Term expires in 1982
	Marvin Athey	Term expires in 1982
	Virgil Herriott	Term expires in 1983
	Wayne Keller	Term expires in 1984

Advanced Management Conference

Planning and Coordination

Chairman	Bill Miller	
	Allen Ritchie	
	Bill Beverage	
	Dick Seger	
	Jackson Wood	
	Robert L. Roberts, Ex Officio	

- A. All committee members and officers elected for three-year term except as noted.
- B. Chairman of each standing committee, except Advanced Management Conference Program Planning Committee, named by the Nominating Committee and serve three years when elected, unless completed an un-expired term as a replacement.

RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL
1982 ANNUAL CONFERENCE REGISTRATION

Adams Electric Cooperative, Inc.
P. O. Box 130
Gettysburg, Pa. 17325
Charles Overman, Manager
Fred J. Kane, Manager, Communications
Lloyd Geer, Manager, Engineering and Operations

Blue Ridge Electric Membership Corporation
Caller Service 112
Lenoir, North Carolina 28645
Wayne Keller, General Manager
Barbara Deverick, Administrative Manager
Bob J. Moretz, Director of Operations

Cass County Electric Co-op, Inc.
P. O. Box 8
Kindred, North Dakota 58051
Lawrence Moderow, Manager

Cotton Electric Co-op
226 North Broadway
Walters, Oklahoma 73532
William B. Miller, Manager

Flint Electric Membership Corporation
P. O. Box 308
Reynolds, Georgia 31076
Harold Smith, General Manager

Four County Electric Membership Corporation
P. O. Box 667
Burgaw, North Carolina 28425
Hal Porter, Administrative Assistant
Jim Kinghorn, Operations Manager

Linn County REC
P. O. Box 69
Marion, Iowa 52302
Jack Hicks, Manager
Phyllis Barber, Staff Assistant

Lumbee River Electric Membership Corporation
P. O. Box 830
Red Springs, North Carolina 28377
Derl J. Hinson, General Manager
Ronnie E. Hunt, Manager, Office & Staff Services

Maquoketa Valley R. E. C.
P. O. Box 351
Anamosa, Iowa 52205
John Parham, General Manager

Morgan County Rural Electric Membership Corporation
Martinsville, Indiana 46151
Richard Seger, General Manager
Jon Elkins, Operations Manager

Northern Electric Cooperative
P. O. Box 1308
Virginia, Minnesota 55792
Lyman Patee, General Manager

Pioneer Rural Electric Cooperative, Inc.
P. O. Box 604
Piqua, Ohio 45356
Robert L. Roberts, General Manager
W. W. Ward, Manager, Marketing and Member Relations

Shenandoah Valley Electric Cooperative
P. O. Box 8
Dayton, Virginia 22821
Allen Ritchie, Staff Assistant

Sioux Valley Empire Electric Association, Inc.
P. O. Box 216
Colman, South Dakota 57017
Virgil H. Herriott, General Manager
Jim Kiley, Assistant Manager

Southeastern Illinois Electric Cooperative
P. O. Box 251
Eldorado, Illinois 62930
Roger C. Lentz, Manager

Southeastern Iowa Cooperative Electric Assn.
P. O. Box 440
Mt. Pleasant, Iowa 52641
Craig W. DeBower, General Manager

Union Rural Electric Association, Inc.
P. O. Box 359
Brighton, Colorado 80601
R. L. Arnold, General Manager
Dave Dunnell, Manager, Administrative Services

Volunteer Electric Cooperative
P. O. Box 277
Decatur, Tennessee 37322
Tom Elder, Service Area Manager

Wright-Hennepin Cooperative Electric Assn.
Maple Lake, Minnesota 55358
Dave Larson, General Manager
Roger Geckler, Operations Manager

Guest Registration - 1982

Anthony Pisano, Executive Director of
Professional Institute
American Management Association
New York, New York

E. A. Guerri, President
Management Associated Results Company, Inc.
R. R. 13, Box 370
West Terre Haute, Indiana 47878

Edward Moran, Management Analyst
Rural Electrification Administration
United States Department of Agriculture
Washington, D. C.

Richard C. Ritscher, President
Cooperative Management Consulting & Training Assoc., Inc.
Station 7, Box 27524
Atlanta, Georgia 30348

Anoka Electric Co-op
2022 North Ferry Street
Anoka, Minnesota 55303
Joseph W. Sloan, General Manager

Randolph Electric Membership Corporation
P. O. Box 40
Asheboro, North Carolina 27203
Allen F. Holt, Plant Manager
Bob Phillips, Manager, Administrative Services

THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL 1982 MEMBERS

- Charles Overman, General Manager
Adams Electric Cooperative, Inc.
P. O. Box 130
Gettysburg, Pennsylvania 17325
- Wayne Keller, Executive Vice President
Blue Ridge Electric Memb. Corp.
Caller Service 112
Lenoir, N. C. 28645
- Lawrence Moderow, General Manager
Cass County Electric Co-op, Inc.
P. O. Box 8
Kindred, North Dakota 58051
- William L. Smith, General Manager
Clark County Rural Electric Memb. Corp.
609 East Utica Street
Sellersburg, Indiana 47172
- Norman Hoge, General Manager
Cornhusker Public Power District
P. O. Box 9
Columbus, Nebraska 68601
- William B. Miller, General Manager
Cotton Electric Cooperative
226 North Broadway
Walters, Oklahoma 73572
- Jerome Haider, Manager
East Central Electric Association
412 North Main
Braham, Minnesota 55006
- Harold Smith, General Manager
Flint Electric Membership Corporation
P. O. Box 308
Reynolds, Georgia 31076
- L. P. (Bill) Beverage, General Manager
Four County Electric Membership Corp.
P. O. Box 667
Burgaw, North Carolina 28425
- Clyde Hukills, General Manager
Kay Electric Cooperative
P. O. Box 607
Blackwell, Oklahoma 74631
- Jack Hicks, Manager
Linn County REC
P. O. Box 69
Marion, Iowa 52302
- Derl J. Hinson, Manager
Lumbee River Electric Memb. Corp.
P. O. Box 830
Red Springs, N. C. 28377
- John Parham, General Manager
Maquoketa Valley Rural Electric Co-op
Anamosa, Iowa 52205
- Richard Seger, General Manager
Morgan County Rural Electric Memb. Corp.
Martinsville, Indiana 46151
- Lyman Pattee, General Manager
Northern Electric Cooperative
P. O. Box 13081
Virginia, Minnesota 55792
- Robert L. Roberts, Manager
Pioneer Rural Electric Cooperative, Inc.
P. O. Box 604
Piqua, Ohio 45356
- Mark McNeil, General Manager
Shenandoah Valley Electric Cooperative
P. O. Box 8
Dayton, Virginia 22821
- Virgil H. Herriott, General Manager
Sioux Valley Empire Elec. Assoc., Inc.
P. O. Box 216
Colman, South Dakota 57017
- Roger C. Lentz, Manager
Southeastern Illinois Electric Co-op
P. O. Box 251
Eldorado, Illinois 62930
- Craig DeBower, Manager
Southeast Iowa Electric Association
P. O. Box 440
Mt. Pleasant, Iowa 52641
- R. L. Arnold, General Manager
Union REA, Inc.
P. O. Box 359
Brighton, Colorado 80601
- Jerry Dover, Manager
Volunteer Electric Co-op
P. O. Box 277
Decatur, Tennessee 37322

Elmer Stocker, General Manager
Whitley County R. E. M. C.
P. O. Box 171
Columbia City, Indiana 46725

David P. Larson, Manager
Wright-Hennepin Cooperative Elec. Assoc.
Maple Lake, Minnesota 55358

James Golden, General Manager
Yampa Valley Electric Association, Inc.
Box 1218
Steamboat Springs, Colorado 80477

RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL ANNUAL MEETING

Date: May 24, 25, 26, 27, 1982

Place: Hyatt Regency - Nashville, Tennessee

MONDAY, May 24th

Afternoon Session Only

- 1:00 - 1:30 p.m.....Registration
- 1:30 - 1:45 p.m.....Comments from Council President
Bob Roberts, General Manager
Pioneer REC, Piqua, Ohio
- 1:45 - 2:30 p.m. #1.....Employee Action Program "The
Team Approach", Jerry L. Dover,
General Manager and Thomas Elder
Volunteer REC, Decatur, TN.
- 2:30 - 3:15 p.m. #2.....(a) Working on Performance
Norms in Member Services
(b) Field Evaluation Report -
Radio Control Switches
William Ward, Marketing & Member
Relations Manager
Pioneer REC
Piqua, Ohio
- 3:15 - 3:30 p.m.....Break
- 3:30 - 4:00 p.m. #3.....G.&T. Time of Day Rate Study
John W. Parham, Manager
Maquoketa Valley REC
Anamosa, Iowa
Assisted by Jack Hicks
- 4:00 - 4:30 p.m. #4.....Relationship Between Productivity
and Organized Labor.
Roger Lentz, Manager
Southeastern Illinois REC
Eldorado, Illinois
- 4:30 - 4:45 p.m.....Homework Assignment
William Miller, General Manager
Cotton Electric Cooperative
Walters, Oklahoma

REMDC Annual Meeting

TUESDAY, May 25th

Morning and Afternoon Session

- 8:00 - 9:00 a.m. #5 Group Participation Program
"Evaluating Traditional
Administrative Concepts"
William Miller and Marvin Athey*
- 9:00 - 10:15 a.m. #6 Improve Productivity Through
Better Employee Relations
Dick Seger, General Manager
Morgan County REMC,
Martinsville, Indiana
Elmer Guerri, Consultant
- 10:15 - 10:30 a.m. Break
- 10:30 - 11:15 a.m. #7 Financial Ratio Targeting Program
On TI-59 Programmable Calculator
Jack Hicks, Manager
Linn County REC, Marion, Iowa
Fred Lemar, Consultant
- 11:15 - 12:00 #8 Building Our Management Team
"An Exercise in Teamwork"
Wayne Keller, Executive V.P.
Blue Ridge EMC, Lenoir, N.C.
Barbara Deverick, Assisting
- 12:00 - 1:30 p.m. Lunch
- 1:30 - 3:30 p.m. #9 Report on Productivity and Work
Measurement Project
Dick Seger, Chairman,
Management Research Committee
Wayne Keller, Chairman
Sub-Committee On Productivity
and Work Measurement

Sub-Committee Members:
Marvin Athey
Allen Ritchie*
Bob Moretz
- 3:30 p.m. Adjourn

* B. Deverick substituted for
Marvin Athey

REMDC Annual Meeting

WEDNESDAY, May 26th

Morning and Afternoon Session

The Planning Orientation as Key to Productivity
Anthony Pisano, Executive Director of the American Management
Associations' (AMA) Professional Institute.

9:00 - 10:30 a.m. #10.....Lecture Presentation
10:30 - 10:45 a.m.....Break
10:45 - 12:00 a.m.....Lecture Presentation (con't)
12:00 - 1:30 p.m.....Lunch
1:30 - 3:15 p.m.....Critical Analysis and Group
Discussion
3:15 - 3:30 p.m.....Break
3:30 - 5:00 p.m.....Critical Analysis and Group
Discussion (con't)

THURSDAY, May 27th

Morning Session Only

8:00 - 9:00 a.m.....Breakfast
9:00 - 10:15 a.m.....Business Session, Bob Roberts
- General Comments & Observations
- Financial Report
- Committee Reports
10:15 - 10:30 a.m.....Break
10:30 - 12:00.....Business Session (con't)
- Committee Reports (con't)
- Report From Nominating Comm.
- Old Business
- New Business
12:00 Noon.....Adjourn

RECEIVED JUN 1 - 1982

Jerry Dover, General Manager
Thomas Elder, Area Manager
Volunteer REC, Decatur, TN.

EMPLOYEE ACTION PROGRAM
"THE TEAM APPROACH"

IN RECENT YEARS AND ESPECIALLY IN THE LAST FEW MONTHS, WE HAVE SEEN AND LISTENED TO LECTURES AND PRESENTATIONS ON THE ART OF JAPANESE MANAGEMENT. A GREAT PERCENTAGE OF IT POINTS TO EMPLOYEE PARTICIPATION, CALLED QUALITY CONTROL CIRCLES.

SUPPOSEDLY JAPAN STARTED THE CONCEPT OF EMPLOYEE CIRCLES IN THE 1960's. IN THE YEARS THAT FOLLOWED THE JAPANESE HAVE MADE GREAT PROGRESS IN THE INDUSTRIAL WORLD. COMING FROM A NATION KNOWN FOR TRINKETS AND INFERIOR PRODUCTS, TO A WORLD LEADER IN AUTOMOBILES, STEEL, ELECTRONICS AND EXPORTING SOME OF THE HIGHEST QUALITY PRODUCTS IN THE MARKET TODAY.

NOW WE ALL HAVE READ REPORTS ABOUT JAPAN'S GREAT GROWTH IN THESE FIELDS AND SOME SAY THE QUALITY CONTROL CIRCLES ARE RESPONSIBLE FOR IT, OTHERS BELIEVE THE JAPANESE USED THE BEST INFORMATION FROM FOREIGN TECHNOLOGIES AND PRACTICES, COMBINED WITH THE BEST JAPANESE TECHNOLOGY AND PRACTICES, ALONG WITH THE NATURE OF INTER-ORGANIZATIONAL RELATIONS BETWEEN STEEL FIRMS AND GOVERNMENT, AS WELL AS OTHER FIRMS AND GOVERNMENT TO BUILD THE SYSTEM. WHATEVER THE JAPANESE USED, WE ALL KNOW THEY HAVE MADE GREAT IMPROVEMENT IN BOTH PRODUCTION AND QUALITY.

I AM NOT SURE THEY DID NOT USE INFORMATION FROM OUR COUNTRY TO ORGANIZE THE QUALITY CONTROL CIRCLES, SOME OF THE BEST KNOWN CASES OF EMPLOYEE-MANAGEMENT COOPERATION IS RECORDED FROM THE 1920's. IN ONE SUCH CASE THE B & O RAILROAD ESTABLISHED A MODEL THAT HAS BEEN FOLLOWED IN OTHER INDUSTRIES. 31,000 SUGGESTIONS IN 15 YEARS MADE IMPORTANT CONTRIBUTIONS TO PRODUCTIVITY FOR B & O.

EXTENSIVE EXPERIMENTS WITH LABOR-MANAGEMENT COMMITTEES WERE USED DURING WORLD WAR II. WE ALL KNOW THE STORY OF PRODUCTION AS WELL AS QUALITY DURING THAT TIME. UNFORTUNATELY THE DEPRESSION OF THE 1930's ENDED THE B & O PLAN AND THE SENSE OF URGENCY DRAINED OFF AFTER THE END OF THE WAR, ENDING THE OTHERS. CASE AFTER CASE CAN BE FOUND IN THE HISTORY OF AMERICAN INDUSTRY, ALMOST ALWAYS IN ALL CASES IMPORTANT CONTRIBUTIONS WERE MADE BY MANAGEMENT-EMPLOYEE TEAMS AND COMMITTEES.

IN THE YEARS THAT FOLLOWED, LABOR AND MANAGEMENT SEEM TO BE DRAWN APART BY COMPETITION AND CONFLICT. AS PRODUCTION WENT UP, UNIONS ASKED FOR MORE MONEY, FRINGE BENEFITS AND JOB SECURITY. AND THE MANAGEMENT-EMPLOYEE RELATIONS DEVELOPED INTO A "ME AGAINST YOU" RELATIONSHIP AND THE MANAGEMENT-EMPLOYEE TEAMS WERE ALL BUT FORGOTTEN.

A SHORT TIME AGO, WE AT VEC ALONG WITH MANY OTHER COMPANIES IN THE U. S., BEGAN TO LOOK AT WHAT HAPPENED IN JAPAN, AND MORE IMPORTANT, WHAT HAS HAPPENED TO OUR PRODUCTIVITY AND QUALITY AT HOME. WE DID NOT HAVE TO LOOK VERY FAR TO FIND THAT WE ARE IN NEED OF IMPROVEMENT IN BOTH FIELDS. TO A GREAT EXTENT OUR EMPLOYEES WERE IN THE SAME FRAME OF MIND AS OTHERS REPORT NATION WIDE. PRODUCTIVITY AND QUALITY HAVE ALWAYS BEEN OUR STRONG POINTS AT VEC IN REPORTING TO OUR MEMBERS. PRODUCTIVITY BY OUR CREWS AND EMPLOYEES, QUALITY IN TERMS OF ADEQUATE AND CONTINUOUS ELECTRICITY, BUT, MOST OF ALL SERVICE TO THE MEMBERS AND COMMUNITY. TO DO THIS A COOPERATIVE MUST HAVE EMPLOYEES WHO FEEL THEY ARE A PART OF THE COMPANY. WHAT BETTER WAY IS THERE THAN TO GIVE THEM A FEELING OF NEED AND IMPORTANCE AND LET THEM BE A PART OF A TEAM WHICH HELPS SOLVE PROBLEMS, ESTABLISH SERVICE STANDARDS, PRODUCTION STANDARDS, PLANNING COMMITTEES, SAFETY COMMITTEES, MATERIAL HANDLING, PROCEDURE RECOMMENDATIONS, ETC.? EVERY MIND IN THE COOPERATIVE SHOULD BE TAPPED FOR IDEAS, AFTER ALL, EMPLOYEES ARE YOUR NUMBER ONE EXPENSE, SO, WHY NOT USE THE BRAIN AS WELL AS THE HANDS OF ALL EMPLOYEES.

HOW DO WE ORGANIZE AN EMPLOYEE TEAM PROGRAM FOR A POWER SYSTEM WITH 200 EMPLOYEES, WORKING OUT OF 9 OFFICES, LOCATED OVER 3000 SQ. MILE AREA? WELL THAT IS WHAT WE ARE TRYING TO DO NOW.

FIRST IT IS MOST IMPORTANT FOR MANAGEMENT TO BE FULLY COMMITTED TO THE PROGRAM. UPPER MANAGEMENT MUST BE WILLING TO SPEND TIME AND MONEY IN THE FIRST YEAR OF ORGANIZATION. LEADERS MUST BE FOUND AND TRAINED, TEAM MEMBERS ASSIGNED, SUPERVISORS AND MIDDLE MANAGERS MUST BE PREPARED TO GIVE FULL COOPERATION TO THE PROGRAM.

WE ARE CONDUCTING A SEARCH FOR THESE FIRST TEAMS NOW. ON EACH TUESDAY AND FRIDAY, ONE EMPLOYEE FROM EACH SERVICE AREA COMES TO THE HEADQUARTERS OFFICE FOR A DAY OF INFORMAL MEETING AND EXCHANGE OF INFORMATION WITH THE MANAGEMENT COUNCIL. AFTER THE GROUP MEETING EACH EMPLOYEE SPENDS TIME WITH EACH MANAGER OR DEPARTMENT HEAD, WHERE THEY CAN DISCUSS OR ASK QUESTIONS ON ANY SUBJECT. THEY HAVE LUNCH WITH THE MANAGERS WITH OPEN DISCUSSION, QUESTIONS AND GENERAL EXCHANGE OF INFORMATION.

WHEN THIS IS COMPLETE THE MANAGEMENT COUNCIL SHOULD HAVE A VERY GOOD LIST OF EMPLOYEES FOR TEAM MEMBERS OR TEAM LEADERS. THEY WILL KNOW WHAT SPECIAL INTEREST EACH EMPLOYEE HAS, WHAT HE OR SHE EXPECTS OR WISHES TO DO IN THE FUTURE. THEY ARE GIVEN PROJECTIONS OF FIVE TO TWENTY YEARS FOR COOPERATIVE CHANGES, SUCH AS, WHAT NEW JOBS TO EXPECT AND WHAT PREPARATION, EDUCATION, EXPERIENCE AND SKILLS THAT WILL BE NEEDED TO FILL PROJECTED JOBS THE COOPERATIVES HAVE NEVER HAD BEFORE. WE EXPECT TO HAVE THESE TEAMS ACTIVE IN THE NEAR FUTURE.

WE NOW HAVE A ACTIVE TEAM WORKING THE SERVICE STANDARDS. THE TEAM CONSIST OF ONE MEMBER OF THE MANAGEMENT COUNCIL, THREE MIDDLE MANAGERS AND THREE EMPLOYEES. THE TEAM DUTIES ARE TO PREPARE RECOMMENDATIONS ON DEVELOPING STANDARDS, SUCH AS, NEW MEMBER SERVICE FROM THE REQUEST UNTIL SERVICE IS CONNECTED. I AM A MEMBER OF THIS COMMITTEE AND THE SUGGESTIONS AND DISCUSSIONS FROM THESE EMPLOYEES HAVE BEEN GREAT. A CHANGE IN BILLING WAS SUGGESTED RECENTLY BY THE EMPLOYEES THAT SAVE ONE HOURS TIME PER DAY ON THE AREA COMPUTER TERMINAL, PER OFFICE.

OUR SAFETY COMMITTEE HAS BEEN ACTIVE FOR SOMETIME AND FROM IT WE HAVE RECEIVED EXCELLENT RESULTS. MEMBERSHIP IS MADE UP FROM THREE MANAGEMENT SUPERVISORS AND THREE TRADES AND CRAFT EMPLOYEES. RECOMMENDATIONS FROM THE SAFETY COMMITTEE HAS GONE A LONG WAY TOWARD PREPARING THE COOPERATIVE FOR SAFETY ACCREDIATION, WORKING CONDITIONS HAVE IMPROVED AND SAFETY HAZZARD ELIMINATION ON COOPERATIVE EQUIPMENT AND PROPERTY HAVE BECOME A PRIME CONCERN OF ALL EMPLOYEES. INTEREST IN PARTICIPATION BY EMPLOYEES IS VERY H#GH. NOT A SINGLE EMPLOYEE HAS REFUSED TO SERVE ON THE COMMITTEES, ONCE THEY MEET AND MAKE RECOMMENDATIONS AND MANAGEMENT ACCEPTS OR RETURNS THEM FOR FURTHER STUDY, AND PRODEDURES ARE ESTABLISHED THAT LETS THE EMPLOYEE KNOW FOR SURE THEY ARE A PART OF A DECISION MAKING TEAM.

HOW FAR DO WE GO IN THE TEAM APPROACH? I BELIEVE EACH COMPANY MUST BUILD ITS OWN PROGRAM TO FIT THE NEEDS OF THAT COMPANY. SURE, THERE ARE CONSULTING FIRMS AND OTHER SOURCES OF INFORMATION WE CAN OBTAIN, AND WE CAN OBTAIN UNLIMITED HELP FROM MEETINGS SUCH AS THIS AND ALL ARE NEEDED AND IMPORTANT, BUT, THE REAL QUESTIONS OF EMPLOYEE PARTICIPATION ARE WHAT SUBJECTS YOU WANT THE TEAMS TO WORK ON, THE EMPLOYEES YOU WANT ON EACH COMMITTEE, BENEFITS YOU EXPECT TO RECEIVE AND CAN YOU FORM A WORKABLE COMMITTEE IN YOUR SYSTEM. THIS IS ONE WE HAVE PROBLEMS WITH. PEOPLE WE NEED MAY BE 100 MILES APART. EACH SYSTEM IS DIFFERENT IN SOME RESPECT. THESE ARE DECISIONS YOU MUST MAKE. NO ONE KNOWS YOUR SYSTEM OR YOUR EMPLOYEES BETTER THAN YOU AND YOUR STAFF. MAYBE YOU DONT NEED EMPLOYEE TEAMS, BUT, IF YOU DO, WHAT I AM SAYING IS, YOU THE MANAGER AND YOUR STAFF, MIDDLE MANAGERS AND SUPERVISORS ARE THE ONLY ONES WHO CAN MAKE IT WORK. OTHERS MAY BE ABLE TO GUIDE YOU IN THE RIGHT DIRECTION, FILL IN INFORMATION FROM EXPERIENCE WITH OTHER PROGRAMS, BUT, HOW YOU HANDLE THE PROGRAM AND HOW YOU SUPPORT IT, WILL DETERMINE WHETHER IT IS A SUCCESS OR FAILURE. SOME OF THE FACTORS IN DETERMINING SUCESS ARE TOTAL MANAGER AND MIDDLE MANAGER SUPPORT, PARTICULARLY MIDDLE MANAGERS.

EVERYWHERE I GO, OR ANY LITERATURE I READ, THIS IS ALWAYS THERE... WHY MIDDLE MANAGERS DO NOT LIKE THE "TEAM CONCEPT", I DONT KNOW. MAYBE, BECAUSE THEY THINK SOMEONE COMING OUT OF THESE COMMITTEES MAY CAUSE JOB PROBLEMS FOR THEM. EVEN IN OUR COOPERATIVE, NO MORE THAN WE HAVE DONE SO FAR, MIDDLE MANAGERS, OR AT LEAST SOME, SAY IT WONT WORK. THIS MUST BE ELIMINATED IF THE PROGRAM IS TO SUCCEED.

YOU MUST HAVE A STEERING COMMITTEE, HEADED BY AN ORGANIZER, WITH SUBJECTS ASSIGNED TO THEM.

IF UNION, WORK VERY CLOSE WITH THEM, LISTENING TO COMMENTS AND IDEAS, LET THEM TAKE AN ACTIVE PART. KEEP BUSINESS AGENT OF UNION FULLY INFORMED.

START, DONT BE AFRAID TO MOVE AHEAD, BUT, BE SURE THERE IS A NEED AND SOMETHING FOR THE COMMITTEE TO DO.

KEEP IT SIMPLE, GOOD ADVISE FOR MOST ANY PROGRAM.

INVOLVE ALL OR AS MANY EMPLOYEES AS POSSIBLE.

KEEP COMMITTEES SMALL AND NOT DOMINATED BY SUPERVISORS.

GIVE TEAM LEADERS PROPER TRAINING.

- a. Keep away from gripe sessions.
- b. Training in proper way to hold meetings.
- c. Group training and good management practices.
- d. Allow meeting to be held on company time.
- e. Dont cut the time short, but HOLD THE LINE.
- f. Set the rules, NEVER discuss wages, benefits or job classifications.

TRAIN THE EMPLOYEES TO IDENTIFY PROBLEMS AND TO WORK WITH MANAGEMENT FOR SOLUTIONS.

TO BE SUCCESSFUL, MANAGEMENT MUST BELIEVE IT WILL WORK.

BE WILLING TO WORK HARD ON THE PROGRAM.

ALWAYS FOLLOW UP ON COMMENTS OR SUGGESTIONS. NEVER LET A SUGGESTION GO UNANSWERED. NOTHING WILL DESTROY A GOOD TEAM FASTER THAN HAVE THEIR RECOMMENDATIONS GO UNANSWERED. IF YOU CANNOT ACCEPT IT, RETURN IT AND TELL THEY WHY.

SHOW RECOGNITION AND APPRECIATION.

HAVE TOTAL INVOLVEMENT.

ASSIGN EACH EMPLOYEE TO A COMMITTEE.

WE AT VEC HAVE JUST STARTED WITH THE TEAMS I HAVE MENTIONED HERE TODAY. WE HAVE RESEARCHED MANY OTHER COMPANYS WITH THE SAME TYPE OF EMPLOYEE MANAGEMENT TEAM, GROUP CIRCLES, OR WHATEVER IT MAY BE CALLED. NEW ENGLAND PHONE COMPANY HAS WHAT THEY CALL UPWARD COMMUNICATION, WHICH HAS WORKED VERY WELL FOR THEM AND WE COULD SPEND HOURS TALKING ABOUT IT, BUT, OUR CONCLUSION IS: THERE IS A PLACE FOR TEAM CONCEPT AT VEC AND IN TIME WE WILL HAVE EMPLOYEE -MANAGEMENT TEAMS ORGANIZED AND TRAINED TO WORK ON ANY PROBLEM AREA OR PLANNING AREA IN OUR SYSTEM.

I AM SORRY WE DID NOT HAVE A COMPLETE EMPLOYEE ACTION PROGRAM TO PRESENT TODAY, BUT, I BELIEVE WHAT WE HAVE DONE SO FAR, AND WHAT OTHERS HAVE DONE IN ACTIVE EMPLOYEE PARTICIPATION PROGRAMS, PROVES THAT PRODUCTIVITY, QUALITY, EMPLOYEE MANAGEMENT RELATIONS, WORKING CONDITIONS AND SERVICE TO OUR MEMBERS WILL BE GREATLY IMPROVED BY SUCH A PROGRAM.

I AM SURE MOST OF YOU READ THE ARTICLE ON THE FRONT PAGE OF APRIL 30TH RURAL ELECTRIC NEWS, TITLE " ITS TIME FOR COMMON SENSE." IT IS A VERY GOOD ARTICLE AND IF YOU DID NOT READ IT, I URGE YOU TO FIND AND READ IT. VERY SIMPLY STATED, IT SAID, WE ARE IN TROUBLE.

I WOULD ADD ONE THING, WHERE IT SAID WE 1000 CONSUMER OWNED RURAL ELECTRIC SYSTEMS HAVE A COMMITMENT TO PROVIDE RELIABLE, AFFORDABLE ELECTRIC SERVICE FOR MORE THAN 25 MILLION RURAL PEOPLE, PLUS ONE MILLION NEW COMERS EACH YEAR. ITS TIME FOR FACTS, FAIRNESS AND COMMON SENSE.

I ADD, IT IS A FACT, WITHOUT FAIRNESS AND COMMON SENSE, WE WILL NOT HAVE THE EMPLOYEES TO DO IT WITH.

THOMAS L. ELDER,
RIVER BASIN SERVICE AREA MANAGER
VOLUNTEER ELECTRIC COOPERATIVE
P. O. BOX 277
DECATUR, TN. 37322



Pioneer Rural Electric Cooperative, Inc.

Phone (513) 773-2523

**William Ward, Manager Marketing and
Member Relations**

FALL 1981

RADIO CONTROL SWITCH

FIELD EVALUATION REPORT

*Conducted and Prepared By
Marketing & Member Relations Department*

PURPOSE

This study was undertaken for the benefit of both Pioneer Rural Electric Cooperative, Inc. and Buckeye Power, Inc. It has become increasingly important to know how well the radio control switch load management program will work when called upon to shave the peak demand on any cold evening in the approaching and subsequent winter season.

Pioneer has the deepest penetration of radio control switches in the state and perhaps in the nation. Their identification with the program dates back to 1971. Hence, it is mandatory to know to what extent if any, mechanical and human failings render the program ineffective.

METHODOLOGY

The total number or universe of Pioneer member households involved in the radio control switch load management program was 6,296 in August, 1981. The time and cost of checking all of these households would be prohibitive. Hence, the use of a balanced and representative sample is indicated.

A systematic sample of every 16th name on the printout list yielded 393 names. The objective of studying 3% of the total switches was set. This figure was 6,794 switches in the 6,296 households. Thus the total locations to be checked was established as a minimum of 204.

Each member relations field representative was equipped with a testing instrument, an extension cord, and a sweep oscillator. Location assignments were given each representative by pole number and name. Testing was begun in September and was concluded in November.

A total of 213 completed questionnaires was achieved. No more than a gap of two sample households resulted on the entire sample list hence ensuring that all of our service area was represented.

SUMMARY OF RESULTS

This section will follow the same order as the tabular results. Out of the completed total, those switches which were found to be present and connected made up 92.5%. The disconnected or missing switches when projected to the entire system would show 450-500 not available to the cooperative for peak shaving. This is the major problem as found in the study.

At the suggestion of Buckeye Power, Inc. all tabulations show a breakdown between member locations within ten miles of a transmitter and those located ten miles or further away. Thus the respondent totals where switches are present are 89 within ten miles and 108 outside ten miles for a grand total of 197.

Using the properly calibrated signal checker, 4 out of 5 member locations showed a strong signal being received. Those within ten miles have a greater majority and those outside ten miles have a smaller majority. Adequate signals were received in another 13% of the total locations. Inadequate signals were present in less than 8% of the locations; the vast majority of these being outside ten miles. Several of these instances involved the non-functioning of a transmitter at another contiguous cooperative. The two transmitters servicing the Pioneer area are giving good coverage.

Less than 5% of the switches were found not to be functioning. When the old switch was replaced all of these operated correctly. The time-out of the switches tended to cluster in a typical bell curve shape with more than 72% falling between six and seven and one half minutes. Those taking eight minutes or more to time-out were concentrated in the outside ten miles area.

Better than 95% of the switches were mounted and wired properly and were still in good condition. This speaks well for the different installers that Pioneer has used since 1971. Some were outside contractors and some were company personnel. Two out of three switches are mounted at the fuse box with the remainder located at the water heater. In relation to the grade of the ground at the residence, it was found that 40% each were above grade and 40% below grade with the remainder located at grade.

Another assumed source of trouble is the presence of obstructions or reflective materials close to the switch. Of the total 6% had obstructions and 3% had reflective materials. When cross-tabulated on the basis of signal strength, a majority of these switches proved to have only adequate or inadequate signals.

Despite the fact that it has been only recently determined that the antenna on the switch should be positioned vertically, three out of four were found in that position. In nearly every case where the antenna was horizontal, the representative was able to adjust it to a vertical position. This helps insure better future operation.

By straight line mileage, about 60% of the member locations were within the range of 6-14 miles from a transmitter. This further confirms the adequacy of the present coverage. Of the seven switches checked at a distance of twenty miles or more, four proved to have inadequate signals. Distance is a consideration to be dealt with.

About half of the water heaters were 52 gallon size with 82 gallon the next most common size. 60% of both upper and lower heating elements were 4500 watts with most others of lower wattage which are older in age than the quick recovery units. Only thirteen water heaters were jacketed. But 75% of the water heater thermostats were set at 140° or higher. This is a finding for further consumer education.

This study sets the current parameters for the factors limiting the effectiveness of the load management program. Those factors in rank order are:

1. Human failings - switches lost, burned up, disconnected.
2. Distance from transmitter.
3. Presence of obstructions and reflective materials.
4. Mechanical failings - switches which do not function.
5. Location of switch below grade.

All of these are at minor levels and many can be lowered over time by special efforts or regular member visits. The first and third factors can be improved by member communications. These results will stand Pioneer in good stead during the winter of 1981-82 and subsequent ones.

TABULAR RESULTS

TABLE I

Total sample as drawn from Rate 18 Universe	393	
Total calls completed	<u>213</u>	<u>%</u>
Radio controls present	197	92.5
Radio controls removed or missing	16	7.5

TABLE II

Completed calls by line section compared with Universe

<u>Section</u>		<u>Completed Within 10 Miles</u>	<u>Completed Outside 10 Miles</u>	<u>Total</u>	<u>%</u>
1	549	5	9	14	6.6
2	1,000	5	28	33	15.5
3	804	20	6	26	12.2
4	837	3	25	28	13.1
5	682	1	21	22	10.3
6	254	4	2	6	2.8
7	733	16	10	26	12.2
8	364	16	0	16	7.5
9	351	9	8	17	8.0
10	479	17	0	17	8.0
11	<u>243</u>	<u>1</u>	<u>7</u>	<u>8</u>	<u>3.8</u>
	6,296	97	116	213	100.0

(The number of respondents for all following tables is 197)

TABLE III

Strength of Signal

	<u>Within 10 Miles</u>	<u>Outside 10 Miles</u>	<u>Total</u>	<u>%</u>
Strong Signal	79	77	156	79.2
Adequate Signal	8	18	26	13.2
Inadequate Signal	<u>2</u>	<u>13</u>	<u>15</u>	<u>7.6</u>
	89	108	197	100.0

TABLE IV

A. Does the installed switch operate correctly?

	<u>Within 10 Miles</u>	<u>Outside 10 Miles</u>	<u>Total</u>	<u>%</u>
Yes	87	101	188	95.4
No	<u>2</u>	<u>7</u>	<u>9</u>	<u>4.6</u>
	89	108	197	100.0

B. If replacement is made, does it operate correctly?

Yes	2	7	9	100.0
No	0	0	0	

TABLE V

What is the duration of the time-out for the switch?

Under 6 minutes	13	17	30	15.2
6 - 6.49 minutes	24	32	56	28.4
6.5 - 6.99 minutes	24	22	46	23.4
7 - 7.49 minutes	19	22	41	20.8
7.5 - 7.99 minutes	8	9	17	8.6
8 minutes or more	<u>1</u>	<u>6</u>	<u>7</u>	<u>3.6</u>
	89	108	197	100.0

TABLE VI

A. Condition of the mounting of the switch.

Good	87	102	189	95.9
Fair	2	6	8	4.1
Poor	<u>0</u>	<u>0</u>	<u>0</u>	
	89	108	197	100.0

B. Condition of the wiring of the switch.

Good	88	102	190	96.4
Fair	1	6	7	3.6
Poor	<u>0</u>	<u>0</u>	<u>0</u>	
	89	108	197	100.0

TABLE VII

A. Where is the switch located?

	<u>Within 10 Miles</u>	<u>Outside 10 Miles</u>	<u>Total</u>	<u>%</u>
At the water heater	34	35	69	35.0
At the fuse box	54	72	126	64.0
Other	<u>1</u>	<u>1</u>	<u>2</u>	<u>1.0</u>
	89	108	197	100.0

B. Where is it in relation to the ground?

Above grade	38	47	85	43.1
Below grade	34	43	77	39.1
At grade	<u>17</u>	<u>18</u>	<u>35</u>	<u>17.8</u>
	89	108	197	100.0

C. Is there an obstruction block signal accessibility?

Yes	4	8	12	6.1
No	<u>85</u>	<u>100</u>	<u>185</u>	<u>93.9</u>
	89	108	197	100.0

D. Are reflective materials near the switch?

Yes	0	6	6	3.0
No	<u>89</u>	<u>102</u>	<u>191</u>	<u>97.0</u>
	89	108	197	100.0

E. What is the signal strength where an obstruction or reflective materials are present? (18 respondents)

Strong signal	2	6	8	44.4
Adequate signal	1	3	4	22.3
Inadequate signal	<u>1</u>	<u>5</u>	<u>6</u>	<u>33.3</u>
	4	14	18	100.00

TABLE VIII

What is the position of the antenna on the switch?

Vertical	63	85	148	75.1
Horizontal	26	23	49	24.9
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	89	108	197	100.0

TABLE IX

A. What is the approximate straight line distance of the switch from the base station transmitter?

	<u>Within 10 Miles</u>	<u>Outside 10 Miles</u>	<u>Total</u>	<u>%</u>
5 miles or less	30		30	15.2
6 - 10 miles	59		59	29.9
10 - 14 miles		58	58	29.4
15 - 19 miles		43	43	21.8
20 miles or more		7	7	3.7
	<u>89</u>	<u>108</u>	<u>197</u>	<u>100.0</u>

B. Signal strength of switches located 20 miles or more.

Strong Signal	3			42.9
Adequate Signal				
Inadequate Signal	<u>4</u>			<u>57.1</u>
	7			100.0

TABLE X

A. Size of water heater.

30 - 39 gallons		2	2	1.0
40 - 49 gallons	7	8	15	7.6
50 - 59 gallons	44	51	95	48.2
60 - 69 gallons	6	4	10	5.1
70 - 79 gallons	0	0	0	0
80 - 89 gallons	30	38	68	34.5
90 gallons or more	<u>2</u>	<u>5</u>	<u>7</u>	<u>3.6</u>
	<u>89</u>	<u>108</u>	<u>197</u>	<u>100.0</u>

B. Wattage of upper heating element.

Under 2,000	8	16	24	12.2
2,000 - 2,999	10	19	29	14.7
3,000 - 3,999	2	5	7	3.6
4,000 - 4,999	61	58	119	60.4
5,000 or more	2	5	7	3.6
Cannot determine	<u>6</u>	<u>5</u>	<u>11</u>	<u>5.5</u>
	<u>89</u>	<u>108</u>	<u>197</u>	<u>100.0</u>

C. Wattage of lower heating element.

	<u>Within 10 Miles</u>	<u>Outside 10 Miles</u>	<u>Total</u>	<u>%</u>
Under 2,000	15	34	49	24.9
2,000 - 2,999	3	1	4	2.0
3,000 - 3,999	1	4	5	2.5
4,000 - 4,999	61	58	119	60.4
5,000 or more	2	5	7	3.6
Cannot determine	<u>7</u>	<u>6</u>	<u>13</u>	<u>6.6</u>
	89	108	197	100.0

TABLE XI

A. Is there verification that the switch controls the water heater?

Yes	88	108	196	99.5
No	<u>1</u>	<u>0</u>	<u>1</u>	<u>.5</u>
	89	108	197	100.0

B. Are follow-up corrective actions required?

Yes	2	-	2	.9
No	86	103	189	95.9
Perhaps	<u>1</u>	<u>5</u>	<u>6</u>	<u>3.2</u>
	89	108	197	100.0

TABLE XII

A. Does the water heater have an insulating jacket?

Yes	8	5	13	6.6
No	<u>81</u>	<u>103</u>	<u>184</u>	<u>93.4</u>
	89	108	197	100.0

B. What is the thermostat setting on the water heater?

150° or above	23	51	74	37.6
140 - 149°	38	36	74	37.6
130 - 139°	22	11	33	16.8
120 - 129°	3	6	9	4.6
Under 120°	0	2	2	.9
Cannot determine	<u>3</u>	<u>2</u>	<u>5</u>	<u>2.5</u>
	89	108	197	100.0

- Q. What is composite reliability factor?
 A. 85%.
- Q. Do you control for annual peak?
 A. Yes, on a 75% Ratchet.
- Q. How much load are you shedding?
 A. Right now, about 900 to 1000 KW. It is time oriented.
- Q. How will you ever know the units are all hooked up?
 A. Don't really know. We pool information with other co-ops who don't have as high percent saturation.
- Q. Could you have members re-affirm the switching device is hooked up?
 A. Buckeye is recommending that co-ops re-affirm connection.
- Q. Do you know how much you shaved with these controls on your new peak?
 A. Around 6 MW at Pioneer. Buckeye saved 50 MW from all systems using controls.
- Q. What cycle do you use on maintenance?
 A. We're looking at a three-year cycle, whatever is needed to add to reliability.
- Q. What about a program to increase capacity of water heaters to take them out longer?
 A. We had water heaters off 8 hours and had four people call and want controls taken off, therefore we do not believe length of time off is a factor of any significance.
- Q. Is there cost sharing for the controls?
 A. Yes, Buckeye pays \$15.00 per year to Pioneer.
- Q. How many operations on defective switches?
 A. Don't know. We did some testing.
- Q. What did you mean "We called electric heat people".
 A. We had 1200 out of 3500 electrically heated homes volunteer to turn up thermostat and down on call to get \$3.00 credit.

William Ward, Manager, Marketing and
Member Relations
Pioneer REC
Piqua, Ohio

WORKING TOWARD PERFORMANCE NORMS
IN MEMBER SERVICES

1. Record hours and member calls/contacts by each representative monthly.
2. Summarize department totals for all representatives monthly.
3. Make six month or twelve month totals.
4. Analyze each representative's performance for six months or twelve months.
5. Share the findings both individually and at department meetings.
6. Use the findings to set quantitative objectives for short range planning.

PIONEER RURAL ELECTRIC COOPERATIVE, INC.
MEMBER SERVICES DEPARTMENT

MONTHLY TIME REPORT FOR _____

TOTAL

READ METERS	CALLS HOURS	
CONNECTS & DISCONNECTS	CALLS HOURS	
HIGH BILL COMPLAINTS	CALLS HOURS	
METER TESTS	CALLS HOURS	
DISCONNECT FOR NON-PAYMENT	CALLS HOURS	
RADIO CONTROLS	CALLS HOURS	
RIGHT-OF-WAY	CALLS HOURS	
ENERGY AUDITS	CALLS HOURS	
MEETINGS & SCHOOLS	HOURS	
VACATION OR ILLNESS	HOURS	
HOLIDAYS	HOURS	
M/S 910.01	CALLS HOURS	
GEN. OFFICE 920.01	HOURS	
DAILY SPLIT IN/OUT OFFICE	HOURS	
TOTAL CALLS		
TOTAL HOURS		
MILES DRIVEN		
ELEC. ORDERS M/S REPORT OUTSTANDING		
ENERGY AUDIT OUTSTANDING		

SIGNATURE _____

MEMBER SERVICE DEPARTMENT

12 Month Report February 1981-January 1982

	<u>Hours</u>	<u>No. Worked</u>	<u>Range of No. Per Hour</u>	<u>Aver.</u>
Conn. & disconn.	1909	2266	1.01-1.38	1.19
Reading meters	1433.5	5751	2.86-5.63	4.01
Radio switches	769.5	766	.36-1.28	1.00
Non-pay Disconn.	694.5	910	.93-1.53	1.31
Gen. memb. service	657.5			
High bill complaints	654	476	.63- .99	.73
Meetings & schools	337			
Urbana radio	229.5			
Home energy audits	228	92		2.48 hr.
Meter tests	198.5	129	.44-1.05	.65
General office	116.5			
Right-of-ways	111			

Total Miles Driven 101,625

High month: October, 1981 10,337

Low month: January, 1982 - 6,690

CENTRAL IOWA POWER COOPERATIVE'S (CIPCO'S) NEW TIME OF USE RATE

By John W. Parham, Manager
Maquoketa Valley Rural Electric Cooperative
Assisted by Jack Hicks, Manager
Linn County Rural Electric Cooperative

Monday, May 24, 1982

CIPCO started with eight distribution Co-ops serving primarily farm loads. It has one 88 MW coal fired plant, totally integrated with Iowa Electric Light and Power Company generation. Transmission lines were also integrated. You have heard former REA Administrator Hamil discuss it as the pioneer in cooperation between REC's and an investor owned system.

CIPCO had a very simple rate. The energy portion covered all costs of fuel. The demand portion covered all fixed costs. Demand costs were determined by percentage of load, each Co-op contributed to the peak, in an average of three high months, which always occurred in winter. If your system required an average of 10% of the three peaks you paid 10% of all fixed costs over the year.

CIPCO went to mag tape metering quite early. Later it went to billing demand costs based on one coincident one hour peak, which again occurred in winter. Again the percent a distribution Co-op contributed to peak set its demand portion of the rate until a higher peak was set. Further modification resulted in a summer/winter rate each six month period being billed as described above.

Changes occurred. Some Co-ops were no longer predominately composed of farm loads. Some had significant amounts of residential and industrial loads. Visualize the impact if a large industrial load happens to be down on peak.

The number of Co-ops grew to fifteen with Eastern Iowa Light and Power Co-op coming in on January 1, 1982.

In 1978 we saw a need to take a look at our G&T rates. Ernst and Ernst made a costing study of the generation and transmission. From that study CIPCO developed the rate described.

CIPCO RATE CONSIDERATIONS INCORPORATED:

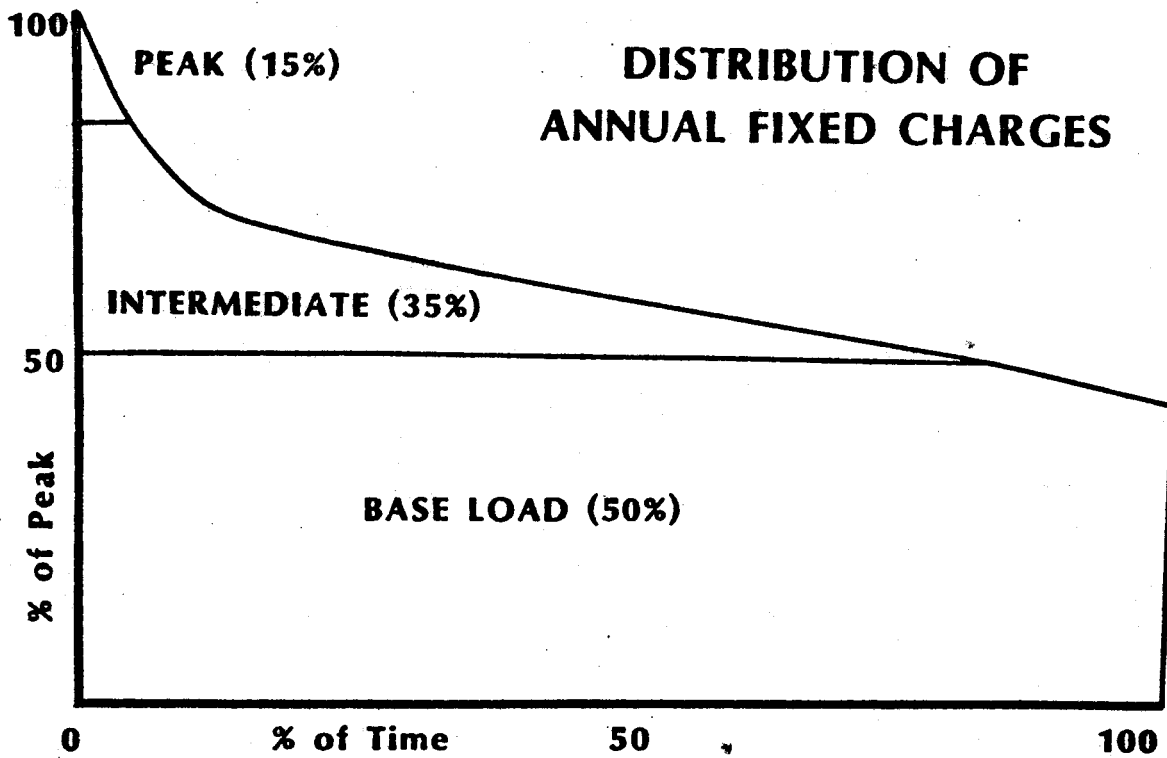
- * Demand and energy cost components to be retained.
- * Winter/summer season cost variances to be continued.
- * Time of Day cost variances to be addressed.
- * Price continue to be established on basis of cost relationships.

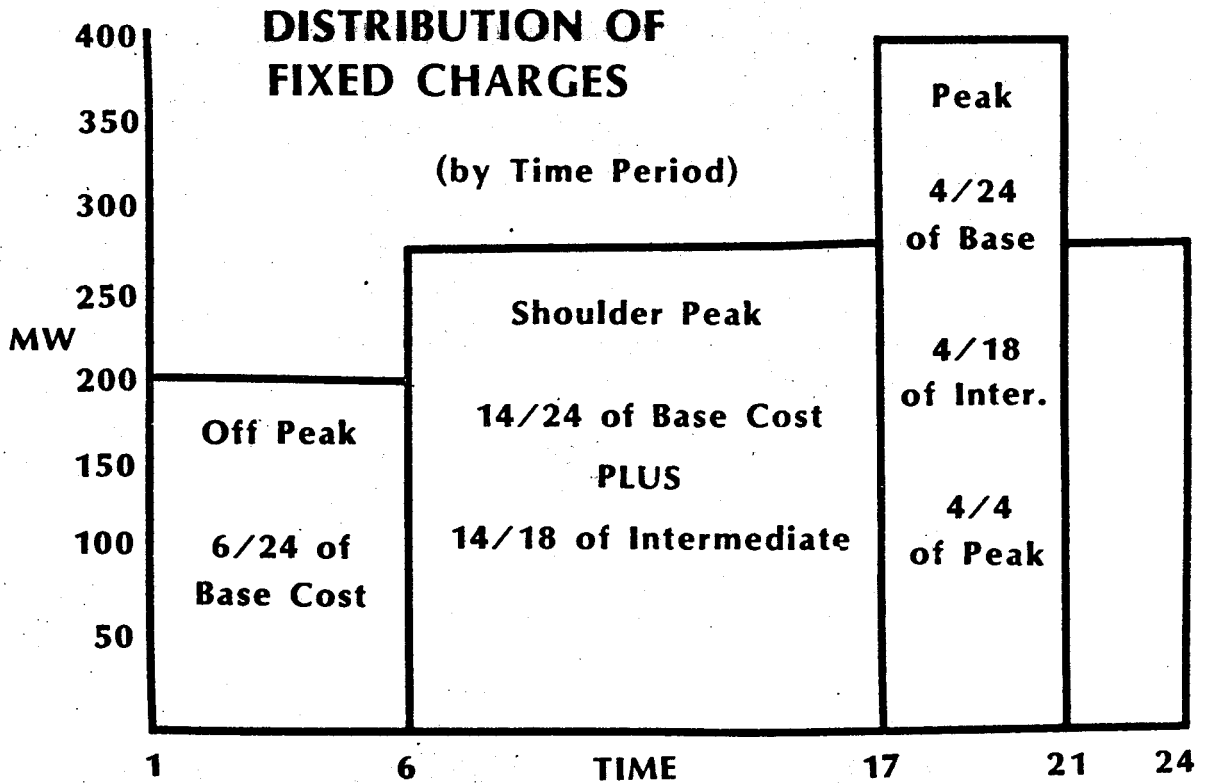
The energy portion of the rate covers the cost of energy and purchases. The demand portion still covers the fixed costs plus budgeted margins. The intent of the rate is that CIPCO will receive sufficient revenue to cover all costs plus margins as budgeted.

DETERMINATION OF TIME PERIODS

The logical breaks in fuel costs as well as combined IE/CIPCO generation costs as presented by E & E disclosed the following:

OFF PEAK 6 HR/DAY	SHOULDER PEAK 11 HR/DAY	ON PEAK 4 HR/DAY	SHOULDER PEAK 3 HR/DAY
12:01	6	17	24





BILLING KW IS BASED ON ONE HOUR INTEGRATED DEMAND FROM MAG TAPE METERS

Billing for February 1981 Example:

On Peak	Feb		Less	Off & Shoulder Billing KW	=									
Shoulder	Dec 80	+	Jan 81	+	Feb 81	÷ 3	Less	Off Peak Billing KW	=					
Off	Mar 80	+	Oct 80	+	Nov 80	+	Dec 80	+	Jan 81	+	Feb 81	÷ 6	=	

The highest On Peak demand would occur on a very cold evening usually following a lengthy period of severe weather. Use of that On Peak figure will continue until a higher peak is set or it is rolled out after six winter months.

The Shoulder figure is an average of three months and will not change for March, October and November billings, but in December 1982 a new figure will be rolled in.

The Off Peak portion changes monthly since it is a rolling average of the six most current months in the winter billing period.

You will note the On Peak figure used for billing is a real number with two numbers, composed of averages, subtracted from it.

A SUMMARY OF BILLING DEMAND COMPONENTS IN KW FOR FEBRUARY 1981

<u>Co-op</u>	<u>Off Peak</u>	<u>Shoulder</u>	<u>On Peak</u>
Adams	3,759 KW	5,182 KW	6,005 KW
Benton	8,086	11,262	12,623
Buchanan	10,771	14,983	16,964
Clarke	8,197	10,831	13,012
Farmers	12,924	15,810	18,559
Greene	13,950	18,181	21,379
Guthrie	7,540	10,246	11,818
Linn	17,768	24,424	28,399
Maquoketa	24,358	37,975	44,304
Marshall	8,488	11,329	13,375
Nyman	3,293	4,305	5,170
Pella	4,263	6,255	7,372
Rideta	4,804	6,368	7,714
T.I.P.	10,944	15,191	17,126
CIPCO TOTAL	139,145	192,342	223,820

ACTUAL CALCULATIONS FOR JANUARY 1982 (winter billing period) and
APRIL 1982 (summer billing period)

CENTRAL IOWA POWER COOPERATIVE

MEMBER COOPERATIVE

WHOLESALE POWER COSTS

MONTH OF JANUARY 82

	MILLS/KWH			
	<u>DEMAND</u>	<u>ENERGY</u>	<u>TOTAL</u>	<u>MONTH LOAD FACTOR</u>
ADAMS COUNTY REC	21.553	10.815	32.367	68.8
BENTON COUNTY REC	22.207	10.834	33.041	68.6
BUCHANAN COUNTY REC	19.113	10.855	29.967	78.3
CLARKE ELECTRIC	21.745	10.821	32.566	67.6
FARMERS ELECTRIC	18.615	10.796	29.411	75.2
GREEN COUNTY REC	21.032	10.816	31.848	69.0
GUTHRIE COUNTY REC	21.325	10.822	32.147	68.7
HAWKEYE POWER (Eastern Ia.)	22.643	10.841	33.484	68.7
LINN COUNTY REC	24.064	10.858	34.923	65.7
MAQUOKETA VALLEY REC	24.417	10.916	35.333	64.7
MARSHALL COUNTY REC	21.321	10.833	32.154	68.9
NYMAN ELECTRIC	21.285	10.818	32.103	68.9
PELLA ELECTRIC	22.356	10.838	33.194	68.0
RIDETA ELECTRIC	21.619	10.815	32.434	66.8
T.I.P. REC	21.015	10.830	31.845	72.4
TOTAL	22.094	10.845	32.939	68.8

CENTRAL IOWA POWER COOPERATIVE

MEMBER COOPERATIVE

WHOLESALE POWER COSTS

MONTH OF APRIL 82

			MILLS/KWH	
	DEMAND	ENERGY	TOTAL	MONTHLY LOAD FACTOR
ADAMS COUNTY REC	22.621	11.376	33.997	64.8
BENTON COUNTY REC	20.384	11.386	31.770	61.1
BUCHANAN COUNTY REC	19.607	11.386	30.993	69.1
CLARKE ELECTRIC	22.270	11.368	33.639	61.3
FARMERS ELECTRIC	17.727	11.338	29.065	72.3
GREENE COUNTY REC	22.688	11.356	34.044	66.9
GUTHRIE COUNTY REC	23.149	11.372	34.521	65.0
HAWKEYE POWER (Eastern Ia.)	24.176	11.378	35.554	61.4
LINN COUNTY REC	24.952	11.400	36.352	58.7
MAQUOKETA VALLEY REC	21.380	11.456	32.837	59.7
MARSHALL COUNTY REC	25.156	11.375	36.530	62.0
NYMAN ELECTRIC	25.228	11.376	36.603	64.1
PELLA ELECTRIC	24.557	11.386	35.943	60.5
RIDETA ELECTRIC	20.078	11.372	31.451	61.3
T.I.P. REC	21.681	11.383	33.064	62.1
TOTAL	22.463	11.388	33.851	62.6

The rate continues to be studied. Early indications in actual use show that it is very sensitive to fluctuations. A small deviation from the average can produce very significant changes in cost. It is presently the speakers' opinions that further refinement will be necessary.

QUESTIONS AND ANSWERS

JOHN PARHAM's Presentation

Q. What are distribution systems doing in reflecting cost of analysis?

A. We have time of day rates mandated by utilities commission which have not yet been implemented. It is very complicated and we are trying to explain it to members. We are still trying to determine the best method of communicating with the members on this.

It is difficult to do a cost of service study with a three part rate. Today we need to begin measuring demand with the ultimate consumer.

MANAGEMENT DEVELOPMENT COUNCIL
LABOR UNIONS & PRODUCTIVITY
ROGER C. LENTZ

Manager

Southeastern Illinois REC

LAST YEAR AT THE MANAGEMENT DEVELOPMENT COUNCIL, I WAS A LITTLE DISTURBED BY THE PRESENTATION OF THE INDIAN PROFESSOR--PARTICULARLY WHAT I REGARDED AS A BLATANT OVER-SIMPLIFICATION IN HIS STATEMENT THAT THE REASONS COMPANIES ARE ORGANIZED BY LABOR UNIONS IS THAT "IT'S ALL MANAGEMENT'S FAULT."

I THINK IT IS A BASIC POLICY OF THE FEDERAL GOVERNMENT AND OF THE GOVERNMENT OF MANY STATES TO ENCOURAGE UNION ORGANIZATION. MANAGEMENT MISTAKES, PARTICULARLY WHERE MANAGEMENT IS TAKEN IN THE LARGER SENSE OF INCLUDING BOARDS OF DIRECTORS, DO SOMETIMES PROVIDE RATIONALE FOR ORGANIZATION ATTEMPTS. THIS IS PARTICULARLY TRUE WHERE BOARDS HAVE TAKEN AN ACTIVE PART IN PERSONNEL ADMINISTRATION.

JOB SECURITY THREATS, WHEN AN ATTEMPT TO POLITICALLY UNSEAT A BOARD OCCURS, IS ANOTHER CAUSE OF UNION ORGANIZATION.

STILL ANOTHER IS THE OBVIOUS SEX DISCRIMINATION THAT EXISTS IN OUR SOCIETY DESPITE ALL OF OUR EQUAL OPPORTUNITY LAWS AND WOMEN'S LIB MOVEMENTS. IRONICALLY, ALTHOUGH UNIONS USUALLY CHAMPION THESE CAUSES, THEIR OWN MEMBERSHIP IS OFTEN ONE OF THE MOST CONSERVATIVE AND BIASED GROUPS EXISTING IN OUR SOCIETY.

THE THREAT OF POSSIBLE UNIONIZATION IS PROBABLY A MORE POTENT FORCE IN ENCOURAGING ORGANIZATIONS TO ADOPT PROGRESSIVE PERSONNEL POLICIES THAN IS UNIONIZATION ITSELF.

ALTHOUGH MY PERSONAL EXPERIENCE HAS NOT ALWAYS BEEN IN COMPLETE ACCORD WITH SOME OF THE ACADEMIC FINDINGS IN THIS PRESENTATION, I WOULD SUBSCRIBE TO THE FOLLOWING:

1. UNIONS ARE NOT NECESSARILY EVIL OR EVEN A NET DRAIN ON PRODUCTIVITY.
2. THERE IS NO MORAL OBLIGATION ON THE PART OF MANAGEMENT TO KEEP UNIONS OUT OR TO ATTEMPT TO GET RID OF THEM.
3. ON THE WHOLE, ORGANIZED LABOR HAS MADE A SUBSTANTIAL CONTRIBUTION TO THE R.E.A. PROGRAM.

R.E.A. ESTIMATES THAT ABOUT 400 COOPERATIVES REPRESENTING ABOUT 60% OF THE TRADES AND CRAFTS EMPLOYEES HAVE EMPLOYEES WHO ARE MEMBERS OF A LABOR UNION--MOST OF THEM MEMBERS OF THE I.B.E.W.

MOST OF THE LARGER COOPS ARE ORGANIZED. R.E.A. DOES NOT HAVE FIGURES AVAILABLE REGARDING CLERICAL AND TECHNICAL UNION REPRESENTATION.

ALTHOUGH UNION MEMBERSHIP IN THE U.S. HAS DECLINED IN THE PAST FEW YEARS, I.B.E.W. MEMBERSHIP, AMONG RURAL ELECTRIC COOP EMPLOYEES, HAS GROWN SLIGHTLY.

THE HISTORY OF RURAL ELECTRIFICATION HAS FOR THE MOST PART SHOWN STRONG POLITICAL SUPPORT FOR THE R.E.A. PROGRAM BY ORGANIZED LABOR. THIS SUPPORT HAS BEEN MAINTAINED ON A NATIONAL LEVEL DESPITE THE FACT THAT UNIONIZATION HAS MORE OFTEN THAN NOT BEEN BITTERLY OPPOSED AT THE LOCAL COOPERATIVE LEVEL.

EVERYONE IN MANAGEMENT SEEMS TO KNOW THAT UNIONIZED ORGANIZATIONS ARE NOT AS PRODUCTIVE AS NONUNION ORGANIZATIONS. AT LEAST THIS IS SOMETHING THAT VIRTUALLY ALL OF US IN MANAGEMENT HAVE TAKEN FOR GRANTED. MANY MANAGERS REGARD THIS AS AN INDISPUTABLE FACT, NOT EVEN WORTHY OF SERIOUS SCIENTIFIC ANALYSIS.

UNIONS, HOWEVER, HAVE DISPUTED THIS CLAIM FOR YEARS. THEY CLAIM THAT THE CONTRARY IS TRUE. RECENT STUDIES BY HARVARD PROFESSORS RICHARD FREEMAN AND JAMES MEDOFF APPEAR TO SUPPORT THE UNION POSITION.

JUSTICE LOUIS BRANDEIS OF THE U.S. SUPREME COURT MANY YEARS AGO OUTLINED AN IDEAL RELATIONSHIP BETWEEN MANAGEMENT AND LABOR AS FOLLOWS:

"DON'T ASSUME THAT THE INTERESTS OF EMPLOYER AND EMPLOYEE ARE NECESSARILY HOSTILE-- THAT WHAT IS GOOD FOR ONE IS NECESSARILY BAD FOR THE OTHER. THE OPPOSITE IS MORE APT TO BE THE CASE. WHILE THEY HAVE DIFFERENT INTERESTS, THEY ARE LIKELY TO PROSPER OR SUFFER TOGETHER.

BOTH LABOR AND EMPLOYERS SHOULD BEAR CONSTANTLY IN MIND THAT EACH IS HIS BROTHER'S KEEPER; THAT EVERY EMPLOYER IS INJURED BY A SINGLE EMPLOYER WHO DOES LABOR A WRONG; AND THAT EVERY LABORING MAN AND EVERY UNION IS INJURED BY EVERY INDIVIDUAL UNIONIST WHO DOES AN EMPLOYER WRONG. THE INFLUENCE OF A SINGLE WRONGFUL ACT BY ONE WHO CAN BE CLASSIFIED IS TREMENDOUS. IT AFFECTS EVERY OTHER MEMBER OF THE CLASS. WHEN AN EMPLOYER ACTS

IMPROPERLY TOWARD HIS EMPLOYEES, IT IS THE BUSINESS OF OTHER EMPLOYERS TO SEE THAT SUCH CONDUCT IS PREVENTED, FOR HIS WRONG WILL INJURE THEM. AND IN THE SAME WAY, ANY LACK OF FAIRNESS AND ANY ACT OF LAWLESSNESS ON THE PART OF LABOR IS CERTAIN TO INJURE OTHER WORKERS AND THE UNIONS AS A WHOLE, AND THE INDIVIDUAL MEMBERS OF LABOR UNIONS WITH EMPLOYERS.

OUR EMPLOYERS CAN NO MORE AFFORD TO BE ABSOLUTE MASTERS OF THEIR EMPLOYEES THAN THEY COULD AFFORD TO SUBMIT TO THE MASTERY OF THEIR EMPLOYEES."

WITH THIS QUOTATION IN MIND, LET'S TAKE A LOOK AT THE POSITION OF ORGANIZED LABOR AND SOME OF THE PROBLEMS LABOR LEADERS FACE IN THE "REAL WORLD."

TWO CHARTS ARE ATTACHED TO COPIES OF THIS PRESENTATION. THE FIRST SHOWS THE ANNUAL RATE OF CHANGE IN PRODUCTIVITY IN THE TOTAL ECONOMY COMPARED WITH THAT OF ELECTRIC AND GAS UTILITIES. IN GENERAL, UTILITIES FOLLOW PRETTY MUCH THAT OF THE TOTAL ECONOMY WITH INCREASES IN PRODUCTIVITY UNTIL 1977 AND A DECLINE THEREAFTER.

THE SECOND CHART SHOWS THE ANNUAL RATE OF CHANGE IN PRODUCTIVITY FOR ELECTRIC UTILITIES. IT TOO SHOWS A DECLINE SINCE 1977.

THE I.B.E.W. POSITION REGARDING PRODUCTIVITY HAS BEEN STATED IN A NUMBER OF ARTICLES IN THE I.B.E.W. JOURNAL. AN ARTICLE APPEARING LAST YEAR STATED "THE I.B.E.W. AND ITS MEMBERS REALIZE THAT PRODUCTIVITY GAINS ARE ESSENTIAL FOR ECONOMIC GROWTH. WE BELIEVE THAT AN IMPROVEMENT IN PRODUCTIVITY, HOWEVER, DOES NOT MEAN THAT WORKERS HAVE TO WORK HARDER AND FOR LONGER HOURS: NOR DO WE BELIEVE THAT ANY IMPROVEMENT IN PRODUCTIVITY SHOULD BE VIEWED STRICTLY AS A MEANS FOR HIGHER PROFIT FOR INDUSTRY. WE BELIEVE THAT INCREASING PRODUCTIVITY MUST CONTRIBUTE TO THE GENERAL PROSPERITY AND WELL BEING OF THE ECONOMY AND OF ALL AMERICANS. THE BENEFITS OF INCREASING PRODUCTIVITY SHOULD BE SHARED EQUALLY."

AMONG REASONS GIVEN BY THE I.B.E.W. FOR THE DECLINE IN PRODUCTIVITY ARE THE DEPRESSED STATE OF THE ECONOMY, THE LOW RATE OF CAPACITY UTILIZATION, RELUCTANCE OF INDUSTRY TO MODERNIZE AND EXPAND DOMESTIC PLANTS, THE DECREASE IN EXPENDITURES FOR RESEARCH, DEVELOPMENT, AND TRAINING, AND THE EXPORT OF TECHNOLOGY BY MULTINATIONAL CORPORATIONS.

THE NOVEMBER 1981 ISSUE OF THE I.B.E.W. JOURNAL CLAIMS THAT CURRENT DECLINES IN PRODUCTIVITY ARE NOT WORKER RELATED. THE OFFICIAL POSITION OF I.B.E.W. IS THAT THERE IS A

NEED ON THE PART OF GOVERNMENT AND INDUSTRY TO JOIN WITH LABOR IN A UNITED EFFORT TO IMPROVE PRODUCTIVITY.

PRODUCTIVITY IS A NOTORIOUSLY DIFFICULT CONCEPT TO MEASURE. ROBERT GEORGINE, PRESIDENT OF THE BUILDING AND CONSTRUCTION TRADES DEPARTMENT OF THE AFL-CIO, STATED IN A SPEECH BEFORE THE AMERICAN PRODUCTIVITY CENTER CONFERENCE IN CHICAGO IN 1979 THAT THE ONLY RELIABLE PRODUCTIVITY STATISTICS ARE THOSE FOR MANUFACTURING. HOW DO WE MEASURE PRODUCTIVITY OF A NURSE, A TEACHER, OR A MEMBER SERVICE REPRESENTATIVE?

BY SOME METHODS OF PRODUCTIVITY MEASUREMENT, THE EFFECTS OF O.S.H.A. AND THE ENVIRONMENTAL PROTECTION LAWS HAVE BEEN A DECLINE IN PRODUCTIVITY. THE SAME MIGHT BE SAID OF SUCH LEGISLATION AS THE EQUAL OPPORTUNITY LAWS. MR. GEORGINE CONTENDS THAT GAINS IN PROTECTING THE ENVIRONMENT AND IN WORKER HEALTH AND SAFETY SHOULD BE CONSIDERED AS GAINS IN PRODUCTIVITY, NOT LOSSES.

HE POINTS OUT THAT THERE IS NO GREATER THIEF OF PRODUCTIVITY THAN SLUGGISH ECONOMIC GROWTH AND RECESSION. AS TOTAL OUTPUT FALLS AND ECONOMIC CAPACITY BECOMES IDLE, PLANT AND EQUIPMENT ARE NO LONGER RUNNING AT THEIR MOST EFFICIENT RATE. FIXED OVERHEAD COSTS MUST BE SPREAD OVER FEWER UNITS AND PER UNIT COSTS RISE. IN A RECESSION NEW INVESTMENT SLOWS, CAPITAL PLANT BECOMES OUTMODED, AND INTRODUCTION OF NEW TECHNOLOGY IS OFTEN DELAYED.

UNION LEADERS POINT OUT THAT THEIR MEMBERS HAVE PAID A PRICE FOR PRODUCTIVITY DECLINES THROUGH LAYOFFS AND REDUCTIONS IN REAL WAGES AFTER ADJUSTMENT FOR INFLATION.

IF UNIONS AND MANAGEMENT SHARE THE SAME PRODUCTIVITY GOALS, WHY CAN'T THEY WORK TOGETHER MORE EFFECTIVELY?

AN ARTICLE BY PROFESSOR BENJAMIN SELEKMAN OF HARVARD, PUBLISHED IN 1959, OFFERS SOME CLUES. THIS ARTICLE ENTITLED REALITIES OF UNION POWER FROM A BOOK ENTITLED A MORAL PHILOSOPHY FOR MANAGEMENT POINTS OUT SOME OF THE THINGS THAT A UNION IS AND IS NOT.

1. A UNION IS A PRACTICAL ORGANIZATION WITH ITS GOAL SECURING MATERIAL GAINS FOR ITS MEMBERS AND AT THE SAME TIME ENHANCING THE PRESTIGE AND POWER OF ITS LEADERS.
2. A UNION IS NOT A REVOLUTIONARY ORGANIZATION. IT IS BASICALLY CONSERVATIVE, NEITHER COMMUNISTIC NOR SOCIALISTIC.

3. A UNION IS NOT A PUBLIC SERVICE ORGANIZATION. THE PERCEIVED NEEDS OF ITS MEMBERS COME FIRST.

4. A UNION IS NOT A DEMOCRATIC ORGANIZATION. IT IS POLITICALLY INFLUENCED TO A VARYING EXTENT BY ITS MEMBERS AND IS BASICALLY A POLITICAL MACHINE.

5. UNIONS USUALLY ADOPT AN ADVERSARY RELATIONSHIP IN THEIR DEALINGS WITH MANAGEMENT. THE ADVERSARY RELATIONSHIP DURING NEGOTIATIONS CAN SOMETIMES VERY ADVERSELY AFFECT THE ABILITY OF MANAGEMENT AND UNIONS TO WORK TOGETHER EFFECTIVELY IN MATTERS OF MUTUAL CONCERN.

THE NEED OF A LOCAL UNION BUSINESS MANAGER TO SATISFY POLITICALLY THE DESIRES OF HIS MEMBERS MAY AT TIMES RESULT IN WORK RULES THAT MANAGEMENT MAY REGARD AS "FEATHERBEDDING."

BID RIGHTS AND PROMOTIONAL PRACTICES SOMETIMES WORK AGAINST FLEXIBILITY IN COPING WITH CHANGE AND DISCOURAGE MANAGEMENT FROM NEW TECHNICAL INNOVATIONS.

THE DECEMBER 1980 ISSUE OF FORTUNE REPORTED ON THE STUDIES OF RICHARD FREEMAN AND JAMES MEDOFF, BOTH PROFESSORS OF ECONOMICS AT HARVARD. THESE PROFESSORS COMPARED THE PRODUCTIVITY IN THE UNION AND NONUNION SECTORS OF A NUMBER OF INDUSTRIES. IN MOST CASES, THEY FOUND THAT ORGANIZED LABOR CAME OUT AHEAD. IN MANUFACTURING PLANT STUDIES CONDUCTED IN TWENTY DIFFERENT INDUSTRIES, THEY FOUND THAT UNION ESTABLISHMENTS WERE ROUGHLY 20% MORE PRODUCTIVE. IN ONE STUDY OF A CEMENT FIRM THEY FOUND THAT THE FIRM WAS MORE PRODUCTIVE AFTER THE UNION CAME IN THAN IT HAD BEEN BEFORE. AN INCREASE IN PRODUCTIVITY DOES NOT NECESSARILY MEAN INCREASED PROFITS. MUCH OF THE INCREASE IN PRODUCTIVITY IS OFFSET BY GAINS IN WAGES AND FRINGES BY UNION MEMBERS.

THE STUDY SHOWED THAT PART OF THE PRODUCTIVITY INCREASE WAS THE RESULT OF LOWER QUIT RATES.

ONE OF THE FINDINGS WAS THAT FLEXIBILITY IN MANAGEMENT--HIGHLY PRIZED BY MOST MANAGERS--WASN'T ALL THAT IMPORTANT. THE CHANGE IN MANAGEMENT STYLE AFTER UNIONIZATION APPEARED TO BE ONE OF THE KEY FACTORS LEADING TO INCREASED PRODUCTIVITY. UNIONIZED PLACES ARE RUN MORE BY THE RULES, BUT THE RULES TEND TO MAKE THE ORGANIZATION MORE EFFICIENT. PROFESSOR FREEMAN POINTED OUT THAT WITHOUT RULES MANAGEMENT CAN BE ARBITRARY IN A WAY THAT UNDERMINES PRODUCTIVITY. THE FOREMAN CAN FAVOR THE BEST WORKER, HIS SON, OR THE GUY WHO HAPPENED TO BUY HIM LIQUOR FOR CHRISTMAS.

THE MAGAZINE PUBLIC INTEREST, IN AN ARTICLE ENTITLED THE TWO FACES OF UNIONISM, COMPARED TWO VIEWS OF UNIONISM BASED ON THE STUDIES OF FREEMAN AND MEDOFF. THESE VIEWS ARE THE MONOPOLY VIEW OF UNIONS AND ITS EFFECT ON ECONOMIC EFFICIENCY, ITS EFFECT ON DISTRIBUTION OF INCOME, AND THE SOCIAL NATURE OF UNION ORGANIZATION. IN GENERAL, THIS VIEW IS UNFAVORABLE TOWARD UNIONS. THE OTHER VIEW, CALLED THE COLLECTIVE VOICE-- INSTITUTIONAL RESPONSE VIEW, COMPARED THE SAME ITEMS. IN GENERAL IT TENDED TO FAVOR THE UNION POSITION.

WHILE THE STUDY SHOWED THAT SENIORITY RIGHTS ARE RELATIVELY MORE IMPORTANT IN UNION ORGANIZATIONS, IT ALSO SHOWED THAT UNDER UNIONISM, PROMOTIONS AND OTHER REWARDS TEND TO BE LESS DEPENDENT ON INDIVIDUAL PERFORMANCE AND MORE DEPENDENT ON SENIORITY. THIS WAS FOUND NOT ONLY TO REDUCE TURNOVER, BUT THAT IN UNION PLANTS FEELINGS OF RIVALRY AMONG INDIVIDUALS ARE LIKELY TO BE LESS PRONOUNCED THAN IN NONUNION PLANTS AND THE AMOUNT OF INFORMAL TRAINING AND ASSISTANCE WORKERS ARE LIKELY TO PROVIDE ONE ANOTHER IS GREATER. IT POINTED OUT THAT THE IMPORTANCE OF SENIORITY IN FIRMS IN JAPAN TOGETHER WITH PERMANENT EMPLOYMENT GUARANTEES ARE THOUGHT TO BE FACTORS THAT HAVE INFLUENCED THE INCREASING PRODUCTIVITY OF THE JAPANESE. ON THE OTHER HAND, SENIORITY CAN ALSO DISCOURAGE SOME OF THE MORE PRODUCTIVE WORKERS--PEER PRESSURE CAN RESULT IN A DECREASE IN THE NUMBER OF BRICKS LAID TO STAY WITHIN A QUOTA.

THE STUDY SHOWS THAT UNIONISM CAN ALSO RAISE EFFICIENCY BY PRESSURING MANAGEMENT INTO TIGHTENING JOB PRODUCTION STANDARDS AND ACCOUNTABILITY. OTHER STUDIES HAVE SHOWN THAT THE CHALLENGE THAT UNIONS HAVE PRESENTED TO MANAGEMENT HAS OFTEN CREATED SUPERIOR AND BETTER BALANCED MANAGEMENT BY FORCING MODERN PERSONNEL PRACTICES ON FIRMS AND BY FORCING THE DISCARDING OF TRADITIONAL PATERNALISM UNIONS OFTEN TEND TO INCREASE EFFICIENCY. PATERNALISM IS, I BELIEVE, THE GREATEST SINGLE PERSONNEL MANAGEMENT WEAKNESS OF R.E.A. COOPS.

ANOTHER STUDY POINTED OUT THAT UNIONS OFTEN DO VALUABLE WORK BY POINTING OUT IMPROVEMENTS THAT PERHAPS SHOULD HAVE BEEN OBVIOUS TO MANAGEMENT BUT WERE NOT.

PATERNALISM, A WIDESPREAD PRACTICE AMONG ELECTRIC COOPERATIVES, IS ESSENTIALLY MANAGEMENT FROM THE TOP DOWN, WITH LITTLE ENCOURAGEMENT OF SUGGESTIONS FROM THE RANK AND FILE WORKERS.

AN ARTICLE IN THE JUNE 1981 ISSUE OF U.S.A. TODAY QUOTED RENE MCPHERSON, DEAN OF THE STANFORD UNIVERSITY BUSINESS SCHOOL AS FOLLOWS:

"WE HAD BETTER START ADMITTING THAT THE MOST IMPORTANT PEOPLE IN AN ORGANIZATION ARE THOSE WHO ACTUALLY PROVIDE A SERVICE OR MAKE AND ADD VALUE TO PRODUCTS, NOT THOSE WHO ADMINISTER THE ACTIVITY. UNTIL WE BELIEVE THAT THE EXPERT IN ANY PARTICULAR JOB IS MOST OFTEN THE PERSON PERFORMING IT, WE SHALL FOREVER LIMIT THE POTENTIAL OF THAT PERSON, IN TERMS OF BOTH HIS CONTRIBUTION TO THE ORGANIZATION AND HIS OWN PERSONAL DEVELOPMENT."

DEAN MCPHERSON SUGGESTS 5 WAYS ORGANIZATIONS CAN MAINTAIN A CLIMATE FOR PRODUCTIVITY.

1. FACE TO FACE COMMUNICATION - "NOTHING MORE EFFECTIVELY INVOLVES PEOPLE, SUSTAINS CREDIBILITY, OR GENERATES ENTHUSIASM THAN FACE TO FACE COMMUNICATION." HE FAVORS A POLICY REQUIRING MANAGERS AND LEADERS TO MEET WITH ALL THEIR PEOPLE REGULARLY - TO TALK, TO EXPLAIN, TO LISTEN.
2. DISCUSS ORGANIZATIONAL PERFORMANCE FIGURES WITH ALL EMPLOYEES.
3. PROVIDE TRAINING AND OPPORTUNITY FOR DEVELOPMENT FOR EMPLOYEES SEEKING IMPROVEMENT IN SKILLS, EXPANDING CAREER OPPORTUNITIES, OR FURTHERING THEIR GENERAL EDUCATION.
4. PROVIDE JOB SECURITY.
5. CREATE INCENTIVE PROGRAMS THAT RELY ON IDEAS AND SUGGESTIONS, AS WELL AS ON HARD WORK, TO ESTABLISH A REWARD POOL. "DISTRIBUTE THIS POOL AS A PERCENTAGE OF INCOME TO EVERYONE IN THE PARTICULAR OPERATION, WITHOUT RESPECT TO RANK. GROUP COHESION IS VITAL."

THE SUGGESTIONS OF DEAN MCPHERSON APPEAR TO BE IN COMPLETE ACCORD WITH MODERN PERSONNEL MANAGEMENT THEORIES AND COULD BE A USEFUL TOOL IN IMPROVING PRODUCTIVITY.

IT IS INTERESTING TO NOTE THAT IN THEIR ATTEMPT TO IMPROVE JOB SECURITY IN THE FACE OF INCREASING MEMBER UNREST, SEVERAL COOPERATIVES HAVE ACTUALLY WELCOMED UNIONIZATION IF SOME OF THE FINDINGS OF FREEMAN AND MEDOFF REGARDING INCREASES IN PRODUCTIVITY AFTER UNIONIZATION ARE VALID, PERHAPS SUCH ACTIONS MAY NOT BE AS BAD AS THEY FIRST APPEARED

SOUTHEASTERN ILLINOIS ELECTRIC COOPERATIVE, MY LOCAL COOP, HAS BEEN ORGANIZED FOR MANY YEARS BY THE I.B.E.W.

THE ORIGINAL SYSTEM WAS BUILT BY UNION EMPLOYEES UNDER A LABOR CONTRACT THAT REFLECTED A NUMBER OF CONCESSIONS BY THE UNION NOT ENJOYED BY THE NEIGHBORING INVESTOR OWNED UTILITIES AT THAT TIME.

IN 1968 THE CLERICAL AND TECHNICAL EMPLOYEES WERE GRANTED REPRESENTATION THROUGH A N.L.R.B. CONDUCTED ELECTION.

LOCATED IN THE HEART OF THE SOUTHERN ILLINOIS COAL FIELDS, WE ARE IN ONE OF THE STRONGEST UNION AREAS IN THE COUNTRY. SURVEYS SHOW THAT OUR EMPLOYEES ARE AMONG THE HIGHEST PAID OF ANY COOPS IN THE CONTINENTAL U.S. (EXCLUDING ALASKA) AND THAT OUR FRINGE BENEFITS ARE CONSIDERABLY HIGHER THAN AT MOST COOPS. WE HAVE A WORK WEEK OF 8:00 A.M. TO 4:00 P.M., MONDAY THROUGH FRIDAY, INCLUDING A PAID LUNCH PERIOD.

WITH THE HANDICAPS OF WHAT IS IN EFFECT A 37½-HOUR WORK WEEK, BID RIGHTS LIMITING THE SO CALLED "MANAGEMENT PREROGATIVES" OF PROMOTIONS, RESTRICTIONS LIMITING WORKING OUTSIDE SHARPLY DEFINED CLASSIFICATIONS, AND OTHER FACTORS ADVERSELY AFFECTING PRODUCTIVITY WE HAVE AT TIMES BEEN HARD PRESSED TO MAINTAIN REASONABLE PRODUCTIVITY LEVELS.

ALTHOUGH WE HAVE FOUND THE I.B.E.W. TO BE TOUGH BARGAINERS, I BELIEVE THAT THEY HAVE BEEN AMONG THE MORE RESPONSIBLE UNIONS. OUR RELATIONS WITH THE LOCAL BUSINESS MANAGER HAVE BEEN GOOD AND I HAVE FOUND HIS ETHICAL STANDARDS TO BE HIGH.

SOME OF THE MORE IRRESPONSIBLE ACTS OF AREA UNITED MINE WORKERS' MEMBERS HAVE AT TIMES ADVERSELY AFFECTED SOME OF OUR EMPLOYEES.

UNDERGROUND COAL MINING IS CONSIDERED TO BE ONE OF THE MOST DANGEROUS OCCUPATIONS IN U.S. INDUSTRY. IT IS GENERALLY REGARDED AS HARD, DIRTY WORK. AS A RESULT OF THESE FACTORS, THE MINERS SEEM TO HAVE DEVELOPED A RATIONALE THAT LIKE THE MEDICS IN THE T.V. PROGRAM M.A.S.H., THEY ARE ENTITLED TO BLOW OFF STEAM PERIODICALLY.

THIS HAS PROVIDED A SORT OF COMMUNITY JUSTIFICATION FOR WILDCAT STRIKES AND VIOLENCE RANGING FROM VANDALISM TO MASS MURDER. SOME OF THIS IS DOCUMENTED IN THE BOOK BLOODY WILLIAMSON BY FORMER STATE HISTORIAN, PAUL ANGLE. THE KERR-MCGEE MINE RIOTS OF LAST SUMMER WERE A MORE RECENT EXAMPLE. IN THE FEW CASES WHERE PEOPLE HAVE BEEN BROUGHT TO TRIAL, THEY HAVE ALWAYS BEEN ACQUITTED.

TO SOME EXTENT, THE ENTIRE LABOR CLIMATE OF OUR AREA IS AFFECTED BY THE STRONG U.M.W. INFLUENCE.

UNDERSTANDING THE PROBLEMS FACED BY LOCAL UNION LEADERS IS IMPORTANT IN ACHIEVING AND MAINTAINING A GOOD WORKING RELATIONSHIP.

A BUSINESS AGENT MUST MAINTAIN A CREDIBLE STRIKE CAPABILITY OR HE LOSES A GREAT DEAL OF HIS BARGAINING POWER. THIS MEANS THAT HE MUST KEEP THE SUPPORT OF THE MORE RADICAL OF HIS MEMBERS. HE ALSO FACES ELECTION EVERY FEW YEARS. THE ADVERSARY RELATIONSHIP INHERENT IN THE NEGOTIATING PROCESS CAN EASILY CREATE SITUATIONS THAT HURT PRODUCTIVITY. I WOULD STRONGLY RECOMMEND THAT EVERY COOP, REGARDLESS OF WHETHER OR NOT THEY ARE ORGANIZED BY A UNION, KEEP AVAILABLE THE SERVICES OF A GOOD LABOR LAWYER. A COOP MANAGER WHO TRIES TO BE HIS OWN LABOR LAWYER IS AN AMATEUR TAKING ON A PROFESSIONAL. I THINK IT PAYS FOR A COOP MANAGER TO CULTIVATE A GOOD WORKING RELATIONSHIP WITH THE UNION BUSINESS MANAGER.

THE LABOR CLIMATE IN YOUR OWN SERVICE AREA HAS A GREAT DEAL OF INFLUENCE ON WHETHER OR NOT YOUR COOP WILL BE ORGANIZED BY A LABOR UNION. WITH PRESSURES ON BOARDS FROM MEMBERS TO HOLD DOWN RATES, BOARDS AND MANAGEMENT ARE OFTEN TEMPTED TO DO SO AT THE EXPENSE OF THEIR EMPLOYEES. THIS IS EXACTLY WHAT HAS CAUSED THE INCREASE IN UNIONIZATION AMONG THE NATION'S TEACHERS IN RECENT YEARS.

THE EMPLOYMENT OF GOOD EMPLOYEE COMMUNICATIONS AND MODERN PERSONNEL PRACTICES CAN HELP WHETHER YOU ARE A UNION COOP OR NOT.

CHART 1

PRODUCTIVITYANNUAL RATES OF CHANGE

<u>YEAR</u>	<u>Total Private Economy</u>		<u>Gas & Electric Utilities (SIC 491, 492, 493)</u>	
	<u>Index (1977=100)</u>	<u>Rate of Change</u>	<u>Index (1977=100)</u>	<u>Rate of Change</u>
1970	86.1		85.2	
1971	89.2	3.6%	89.7	5.2%
1972	92.4	3.6	93.0	3.7
1973	94.8	2.6	94.3	1.4
1974	92.7	-2.2	92.0	-2.4
1975	94.8	2.3	95.7	4.0
1976	97.9	3.3	98.2	2.6
1977	100.0	2.1	100.0	1.8
1978	99.8	-0.2	98.2	-1.8
1979	99.5	-0.3	97.8	-0.4
1980	99.3	-0.2	95.6	-2.2
Average Annual Rate of Change 1970-1980		<u>1.5%</u>		<u>1.2%</u>

PRODUCTIVITY

<u>YEAR</u>	<u>ANNUAL RATES OF CHANGE</u>	
	<u>Index (1977=100)</u>	<u>Rate of Change</u>
1970	77.8	
1971	82.2	5.7%
1972	86.4	5.1
1973	89.2	3.2
1974	87.1	-2.4
1975	92.9	6.7
1976	95.6	2.9
1977	100.0	4.6
1978	96.9	-3.1
1979	95.5	-1.4
1980	94.2	-1.4
Average Annual Rate of Change 1970-1980		<u>2.2%</u>

Use of Computer Generated Data for Management Control

William B. Miller
Cotton Electric Co-op
Walters, Oklahoma

Trust employees, but every now and then, manager gets the feeling he would like to know more than he does.

Using computer by-product, was able to look at use of time.

Manager looks for patterns of abuse of time.

Example of computer print out - Production time report.

Uses information to assure effective use of manpower.

Allows manager to use information to discern use patterns.

Uses information relating to transportation and construction unit installation costs.

Use computer and obtain this type of management control information as a by-product.

Use information to improve effectiveness of operations.

REDUCTION TIME REPORT

EMP NO	CURRENT REC	CURRENT EVNTIVE	CURRENT TOT PROD	CURRENT VAC USED	COMPLT S/L USED	OTHER NON-PROD	TOTAL NON-PROD	% NON-PROD TO PROD	YEARS EMPLOYED	CURRENT VAC ALLOCD
NAME	REG. REGULAR	SAFETY	TOT-PROD	VAC USED	S/L USED	OTHER N/P	TOTAL N/P	% NON-PROD TO PROD	REMAINING VACATION	REMAINING SICK LEAVE
	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Y-T-D	Y-T-D			
12003	21.0	1.4	22.4	1.0	1.5	0.0	1.5	5.8	20	23.0
WALKER, JIMMY	22 26.0									25.0
15400	17.0	0.3	17.3	5.0	7.0	0.0	7.0	33.3	15	30.0
EDWARDS, ALGER	22 46.0									1.0
15002	14.6	0.3	14.9	0.0	0.5	0.0	0.5	3.3	34	23.0
FRY, GEORGE A	22 56.0									53.3
15400	22.0	0.3	22.3	0.0	0.0	0.0	0.0	0.0	24	30.0
LEWIS, HAROLD	22 36.0									119.0
16402	21.0	2.6	23.6	1.0	1.0	0.0	1.0	5.1	13	8.5
FISHER, SHIRE	22 86.0									7.5
12203	22.0	3.7	25.7	0.0	0.0	0.0	0.0	0.0	26	30.0
FRY, GEORGE A	22 16.1									117.5
15401	22.0	1.4	23.4	0.0	0.0	0.0	0.0	0.0	25	30.0
PAITHAN, JIM	22 36.0									14.0
15404	22.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	10	14.0
FRANKS, PAUL	22 36.0									63.3
21001	20.0	5.1	25.1	1.0	4.0	0.0	4.0	15.9	25	26.0
HUTCHINS, TH	22 46.4									30.0
21253	22.0	0.3	22.3	0.0	1.0	0.0	1.0	4.5	1	12.0
IRWIN, WILLIAM	22 46.0									0.1
22005	21.0	1.4	22.4	0.0	0.0	0.0	0.0	0.0	1	10.0
JONES, NENE	22 36.0									5.0
22006	22.0	1.4	23.4	0.0	0.0	0.0	0.0	0.0	15	22.0
BELLY, JIMMY	22 56.0									14.0
22007	14.0	1.1	15.1	2.0	0.0	0.0	2.0	14.3	2	13.0
MARTIN, JERRY	22 46.0									0.0

GROUP PARTICIPATION

"EVALUATING TRADITIONAL ADMINISTRATIVE CONCEPTS"

William B. Miller, Manager
Cotton Electric Co-op

Assignments were made to conference participants who discussed the pros and cons of the ten concepts shown on the attached assignment sheet.

Concept A - Virgil Herriott
Concept B - Lawrence Moderow
Concept C - Craig DeBower
Concept D - Harold Smith
Concept E - Dave Larson
Concept F - Derl Hinson
Concept G - Dick Arnold
Concept H - Allen Ritchie
Concept I - Hal Porter
Concept J - Charles Overman

Bill Miller served in an adversary role and took the opposite position to that taken by the person assigned to address each concept. This made for very interesting presentations with each side of the issue being addressed.

Following the discussion of each the group was asked to score the way they felt about the concept and the results of the survey is attached following the statement of the concepts.

Evaluating Traditional Concepts

- CONCEPT (A) Management by Consulation. The manage strives to obtain as much advice from staff, supervisors, foreman and others before he makes a decision.
- CONCEPT (B) Should first line supervisors or even department heads be given complete authority to hire and fire employees who work for them.
- CONCEPT (C) Should emphasis be placed on the use of outside consultants to develop new programs and/or to solve organizational problems.
- CONCEPT (D) With more women entering the work force, should management be more receptive toward men accepting family responsibilities that traditionally have been the "mother's job" even though it may adversely impact productivity at the cooperative.
- CONCEPT (E) Should general pay increases be based on the traditional percentage method or should some other method be developed.
- CONCEPT (F) Job and Performance Appraisals.
- CONCEPT (G) Employee Suggestion Programs
- CONCEPT (H) Should time be spent on evaluating the reasons why an employee has decided to quit work.
- CONCEPT (I) Articles have been written regarding the adverse effect smoking in the work place has on productivity, should smoking be limited to only break periods.
- CONCEPT (J) How much weight should be given to the way an applicant for employment dresses as opposed to their skills and ability levels.

REMDC Annual Meeting - 5-25-82 Evaluating Traditional Concepts

CONCEPT (A) Score Card

- 25 I believe this is a very useful and important concept and therefore a lot of time should be devoted to it.
- 20 I believe this is a useful concept and some time should be devoted to it.
- 2 I believe it's usefulness and value is questionable and therefore I would devote very little time to it.
- 0 I believe it is not useful, has no positive benefit and I would not waste my time dealing with it.

CONCEPT (B) Score Card

- 15 Yes, I try to follow this concept to the fullest extent possible.
- 4 I agree with the concept, but admit that it causes some problems.
- 3 I disagree with the concept, especially in light of all the federal laws and rules pertaining to employee rights.

CONCEPT (C) Score Card

- 3 I prefer to use outside consultants even though I have a highly trained and experience staff.
- 2 I prefer to use outside consultants, because I do not feel I have the expertise within the organization to do the job like I want.
- 24 I prefer to use cooperative staff if at all possible.
- 0 I do not use consultants at all unless forced to by REA, i.e. work order inspection, loan application, etc.

CONCEPT (D) Score Card

- 4 I think men are recognized as the traditional "bread winner" and therefore believe that they should not be off the job just to take care of the kids or other family responsibilities.
- 20 I believe we should recognize the changing work force patterns and would agree to let the father take the kids to the doctor from time to time, or other family responsibility, especially if the spouse also works.
- 10 This decision should be left up entirely to the employee, so long as they use their sick leave or vacation when they are off the job.

CONCEPT (E) Score Card

- 4 I wholeheartedly endorse the percentage method.
- 13 I use the percentage method but admit it does cause some problems.
- 5 I prefer a combination of the percentage method, along with a fixed dollar amount added to each wage level.
- 1 I do not like the percentage method.
- 11 I believe any type of wage increase should be based solely on merit and market conditions.

CONCEPT (F) Score Card

- 19 I believe this is a very useful and important concept and therefore a lot of time should be devoted to it.
- 12 I believe this a useful concept and some time should be devoted to it.
- 3 I believe it's usefulness and value is questionable and therefore I would devote very little time to it.
- 0 I believe it is not useful, has no positive benefit and I would not waste my time dealing with it.

CONCEPT (G) Score Card

- 6 I believe this is a very useful and important concept and therefore a lot of time should be devoted to it.
- 18 I believe this is a useful concept and some time should be devoted to it.
- 10 I believe it's usefulness and value is questionable and therefore I would devote very little time to it.
- 0 I believe it is not useful, has no positive benefit and I would not waste my time dealing with it.

CONCEPT (H) Score Card

- 1 There are plenty of people needing jobs, so I don't waste time with an employee who has quit.
- 2 I sometime would like to know why they quit, but don't want to make a probe regarding the situation fearing I might discover more "snakes".
- 18 Some time should be spent in analyzing why an employee quits.
- 3 I believe a very formal and thorough procedure should be set-up in order to determine why an employee quits.

CONCEPT (I) Score Card

- 7 I believe employees should be allowed to smoke any place, at any time and further more I don't want to get involved in their personal habits.
- 46 It's OK to let them smoke, but I sometime wonder about the effects on productivity and employee's who don't smoke.
- 0 I believe efforts should be made to limit smoking at the work place.
- 1 I don't like employees to smoke on the job and believe they should only smoke during official break periods.

CONCEPT (J) Score Card

- 2 I don't care how much skill and ability they have, if they don't fit my dress code, I absolutely will not hire them.
- 3 I tend to give more weight to how they dress than to their skill and ability.
- 18 I tend to give more weight to their skill and ability than how they dress.
- 11 I admit that I get frustrated the way applicants dress but my first priority is to hire someone who can do the job right and have good productivity.
- 0 I don't care how they dress.

REPORT ON PRODUCTIVITY AND WORK MEASUREMENT PROJECT

Richard Seger, General Manager
Morgan County REMC
Martinsville, Indiana
and
Elmer Guerri, Consultant

Productivity is result of people effort.

Management Associated Results Company, E. A. Guerri, President began working with board at Morgan County REMC.

Manager Segers job is to move concepts down through the organization. Met with department heads and then front line supervisors and reviewed the program, stressing the consensus and consistency in communicating and working with employees. Elmer Guerri stressed the two words CONSENSUS AND CONSISTENCY as the way supervisors must deal with personnel supervised. He stated that the emphasis of the program at Morgan County is "Managing along the line of excellency".

To institute such a program three things much happen:

- (1) Commitment from top level management on policy interpretation.
- (2) "People must know what you want them to do, then they will do it." Most people want to do a good job.
- (3) Management must determine what rules and priorities are and tell people what they are and then expect them to follow. Polish (coach) the supervisors to help them do a good job.

Tell supervisors to quit complaining to the crews. Complain to their supervisor instead.

Once a decision is made there is a reasonable expectation that the decision will be carried out.

Manager should see that no supervisor disciplines an employee unless he has made the employee aware of his (1) expectations and (2) employee's deviation and (3) provided employee an opportunity to improve.

About one person in four will read book, policy, etc. Will really read what is given to them. Pass out information, cover it with personnel and then follow up.

Let supervisors have clear information, give check list. Have supervisors learn how to delay action until they get a consensus of how to handle a personnel problem.

Problems with personnel: (1) Get them under control (2) Put in a holding pattern until situation can be examined and course of action planned.

No course of action is risk free.

Management itself is risk taking.

To obtain consensus and consistency - prioritize information by needs analysis. Talk with supervisors to determine needs. Ask what has been biggest disappointment and what is greatest concern. Each of these areas need to be addressed and guidelines for action developed. Make sure rules are current (policies, practices, etc.)

Making policy is a top level management function. (Consensus is needed.)

Uniform application of policy (Consistency is needed), without disparate treatment ("you treated me differently and I don't know why").

Discriminate treatment is ("You treated me differently and I know why")

Management Development approach training - Must maintain confidentiality - communicate carefully and clearly relating to personnel actions.

Management can reduce the possible extent of liability by (1) documenting what happens; (2) communicating upward (to next level of supervision); (3) asking for help.

Counseling is not disciplinary action.

If you terminate employee without following the three steps listed above chances of reversal on contested decisions are 8 to 1. Use of steps reversal is 1 out of 3.

Even with probationary employees you cannot terminate except for cause. Stepwise discipline makes what you do with personnel believable.

Supervisors are monitors of job performance.

As a supervisor never forget.....NOBODY GIVES A DAMN ABOUT YOUR OPINION, ALL THEY CARE ABOUT ARE FACTS.

Insubordination (1) Direct clear order repeated by employee; (2) Statement from employee as to why he is refusing to carry out order; (3) Supervisor tell employee he cannot refuse to do the job; (4) Supervisor gives disciplinary warning.

Idea: Get a union steward's manual and change "steward" to "supervisor" and "union" to "company" and this makes a good supervisors manual.

Supervisors don't get to limitations until you have exhausted management's rights.

Consultant should know legal aspects of his special area. Make him tell you How to do what you want to do.

Make checklists for supervisors to handle employee problems. This makes it easy for supervisors to function in the personnel area.

To discipline - never discipline a supervisor without a fact finding one on one with employee ask (1) What is the reason for your action (Why do you do this?) ASK WHY?

See attached outline

STEPS TO DEVELOPING EMPLOYEE RELATIONS TO IMPROVE PRODUCTIVITY

E. A. GUERRI, PRESIDENT
MANAGEMENT ASSOCIATED RESULTS COMPANY, INCORPORATED
R. R. 13, Box 370
WEST TERRE HAUTE, INDIANA 47878

HOW TO ACHIEVE CONSENSUS AND CONSISTENCY

- INCONSISTENCIES ARE INEFFICIENT
- REDUCTION OF CONFLICT/GRIEVANCES/APPEALS
- UNNECESSARY EXCESSIVE CONTRACT DEMANDS
- SEVERE DISCIPLINARY ACTION

THE ROLE OF TOP LEVEL MANAGEMENT

- CONSENSUS GUIDELINES
- POLISH
- THE POSITIVE APPROACH

THE ROLE OF THE SUPERVISOR/FOREMAN (FRONT LEVEL)

- AUTHORITY TO DISCIPLINE, HANDLE GRIEVANCES, PROMOTE
- COMPLAINTS OF SUPERVISORS
- SOLIDARITY OF THE MANAGEMENT TEAM
- THE TRUE TEST OF AUTHORITY
- THE SUPERVISOR'S THREE STEP PRODUCTIVITY RESPONSIBILITY

PRODUCTIVITY IMPROVEMENT

- UPGRADING THE QUALITY OF THE WORK FORCE
- POOR PRODUCTIVITY/TRAIN/DISCIPLINE
- BEWARE TRANSFERS
- QUALIFICATIONS VS. SENIORITY (PROMOTIONS)
- PARTICIPATIVE MANAGEMENT/QUALITY CIRCLES
 - CAVEATS - NON-UNION
 - CAVEATS - UNION
- JOINT COMMITTEES
- TERMINATIONS
- THE SAFETY COP-OUT

THE CHECKLIST APPROACH

- SAMPLE CHECKLISTS
- THOROUGHNESS/FAIRNESS/ACCURACY
- BUILDING MANAGEMENT SOLIDARITY
- UNDERSTANDING STANDARDS/DEMANDS

MAY 25, 1982

COUNSELING

(THIS IS THE FIRST STEP IN STEPWISE DISCIPLINE.)

THE SUPERVISOR SHOULD COUNSEL WITH THE EMPLOYEE, PROVIDING HIM WITH ADVICE AND RECOMMENDATIONS REGARDING HIS JOB PERFORMANCE. INFORM THE EMPLOYEE OF ACCEPTABLE STANDARDS OF PERFORMANCE OR BEHAVIOR. EXCHANGE IDEAS AND THOUGHTS WITH THE EMPLOYEE OF THE BEST WAY FOR THE EMPLOYEE TO ACHIEVE SATISFACTORY STANDARDS OF PERFORMANCE. BE SURE TO ASK EMPLOYEE AT THE END OF THE COUNSELING SESSION IF HE IS CONFIDENT THAT HE CAN ACHIEVE A SATISFACTORY STANDARD OF PERFORMANCE. PROVIDE THE EMPLOYEE THE OPPORTUNITY TO IMPROVE.

DISCIPLINARY COUNSELING

IN MATTERS OF DISCIPLINARY COUNSELING, BE THOROUGHLY PREPARED. KNOW THE RULES AND REGULATIONS, CONTRACT CLAUSES, PROCEDURES, AND POLICIES WHICH APPLY TO THE INCIDENT OR TOPIC OF DISCUSSION.

REVIEW PERSONNEL AND PERFORMANCE RECORDS OF THE EMPLOYEE TO BE COUNSELED.

FEEL FREE TO PRIVATELY DISCUSS THE INCIDENT OR PROBLEM WITH OTHER SUPERVISORS OR THE MANAGER PRIOR TO THE COUNSELING SESSION WITH AN EMPLOYEE.

BE PREPARED TO SHOW SPECIFICS CONCERNING THE INCIDENT OR PROBLEM.

REVIEW THE COUNSELING CHECKLIST AND RIGHT TO REPRESENTATION SECTIONS OF THIS MANUAL PRIOR TO A DISCIPLINARY INTERVIEW WITH THE EMPLOYEE.

IF THE COUNSELLING SESSION WITH THE EMPLOYEE CONSIDERS ANY OF THE FOLLOWING QUESTIONS, THE EMPLOYEE'S UNION STEWARD SHOULD BE PRESENT DURING THE INTERVIEW:

1. COULD THE RESULTS OF THE INTERVIEW LEAD TO EITHER DISCIPLINE OR PROMOTION CONSIDERATION?
2. ARE THE RESULTS OF THE DISCUSSION TO BE PLACED IN THE EMPLOYEE'S PERSONNEL FILE FOR FUTURE REFERENCE FOR POSSIBLE DISCIPLINE OR PROMOTION CONSIDERATIONS?
3. IS THE INTERVIEW CONSIDERED A FACT FINDING INTERVIEW WHICH COULD IN ANY WAY AFFECT THAT EMPLOYEE'S FUTURE WITH THE ORGANIZATION?

IN A COUNSELING SESSION A SUPERVISOR SHOULD LISTEN TO, BUT DOES NOT HAVE TO BARGAIN WITH EITHER THE UNION EMPLOYEE OR THE STEWARD.

NO SWAPS! NO DEALS! NO FAVORS!

REMAIN CALM - BE FAIR - BE FIRM

STEPWISE CORRECTIVE DISCIPLINE

YOU MAY FIND IT NECESSARY AS A SUPERVISOR TO TAKE STEPWISE CORRECTIVE DISCIPLINE IF COUNSELING DOES NOT IMPROVE THE EMPLOYEE'S JOB PERFORMANCE OR BEHAVIOR TO AN ACCEPTABLE LEVEL OF PERFORMANCE. STEPWISE CORRECTIVE DISCIPLINE MAY ALSO BE USED IN SEVERE VIOLATIONS INVOLVING SAFETY, INSUBORDINATION, CIRCUMSTANCES OR INCIDENTS WHICH RESULTED OR COULD HAVE RESULTED IN PHYSICAL INJURY TO THE EMPLOYEE'S SELF OR OTHERS, OR THEFT OF PROPERTY.

STEPWISE DISCIPLINE IS A WRITTEN DISCIPLINARY ACTION WHICH COULD LEAD TO SUSPENSION OR TERMINATION OF AN EMPLOYEE.

THE SUPERVISOR SHOULD DISCUSS THE STEPWISE DISCIPLINARY PLAN WITH THE MANAGER AT THE NEXT HIGHER LEVEL BEFORE DISCIPLINARY ACTION IS TAKEN AT THIS LEVEL. THE SUPERVISOR MAY USE "TEMPORARY RELIEF OF DUTIES PENDING INVESTIGATION" OF AN EMPLOYEE IF HE DEEMS APPROPRIATE, IN ORDER TO PERMIT TIME FOR INVESTIGATION AND DISCUSSION OF STEPWISE DISCIPLINARY ACTION WITH THE MANAGER.

REVIEW STEPWISE DISCIPLINARY SECTION OF THIS MANUAL BEFORE TAKING DISCIPLINARY ACTION AGAINST AN EMPLOYEE.

NEVER DISCIPLINE AN EMPLOYEE WITHOUT FIRST CONDUCTING A FACT-FINDING INTERVIEW.

INVESTIGATE AND DOCUMENT INCIDENT OR PROBLEM THOROUGHLY.

CONDUCT A FACT-FINDING SESSION WITH THE EMPLOYEE, THE UNION STEWARD AND ANOTHER REMC MANAGEMENT PERSON PRESENT. DO NOT GIVE THE EMPLOYEE YOUR DISCIPLINARY DECISION DURING A FACT-FINDING SESSION. (IMPORTANT)

THE SUPERVISOR SHOULD REVIEW THE FACTS DETERMINED DURING THE SESSION; DETERMINE PROPER DISCIPLINARY ACTION; DISCUSS PLAN AND PREPARE A WRITTEN LETTER TO THE EMPLOYEE FOLLOWING THE CHECKLIST FOR PREPARING A DISCIPLINARY LETTER. BE SURE TO INCLUDE REFERENCE TO PAST ORAL WARNINGS AND COUNSELING SESSIONS. EARLIER VERBAL/ORAL STEPS WILL BE OF LITTLE, IF ANY, SIGNIFICANCE TO THE ARBITRATOR OR TO THE NLRB IF THE UNION HAS NOT BEEN MADE AWARE OF THEM, THEREBY PROVIDING THE UNION THE OPPORTUNITY TO PROTEST.

FOLLOW THE CHECKLIST FOR PREPARING ALL FORMS OF DISCIPLINARY LETTERS.

AFTER THE DISCIPLINARY LETTER IS PREPARED, HOLD A STEPWISE DISCIPLINARY SESSION WITH THE EMPLOYEE, THE UNION STEWARD, AND ANOTHER REMC MANAGEMENT PERSON ATTENDING. GIVE THE DISCIPLINARY LETTER TO THE EMPLOYEE AND A COPY TO THE UNION STEWARD. READ THE LETTER ALOUD AT THIS SESSION. THE SESSION IS ENDED. THE REMC HAS ACTED BASED ON ITS INTERPRETATION OF THE SITUATION. THE UNION HAS THE RIGHT TO GRIEVE BASED ON ITS INTERPRETATION.

MORGAN COUNTY REMC
SUPERVISOR'S MANUAL

YOU HAVE BEEN SELECTED AS A SUPERVISOR FOR THE MORGAN COUNTY REMC. IN THIS POSITION YOU ARE AN IMPORTANT PERSON ON THE MANAGEMENT TEAM. YOU ARE DELEGATED THE RESPONSIBILITY AND AUTHORITY TO DIRECT THE EMPLOYEES UNDER YOUR SUPERVISION IN SUCH A MANNER AS TO EFFICIENTLY UTILIZE THEIR TALENTS AND ABILITIES TOWARD THE ACCOMPLISHMENT OF THE REMC'S OBJECTIVES. AS A SUPERVISOR YOU ALSO HAVE THE AUTHORITY AND RESPONSIBILITY FOR UNIFORMLY APPLYING THE PROVISIONS OF THE LABOR AGREEMENT AND MORGAN COUNTY REMC POLICIES, RULES, AND PROCEDURES TO THE EMPLOYEE'S JOB PERFORMANCE AND BEHAVIOR WHILE HE IS EMPLOYED BY THE REMC AND ASSIGNED TO YOUR SUPERVISION.

TO MERIT THE RESPECT OF THE EMPLOYEES UNDER YOUR SUPERVISION, YOU MUST SUPERVISE THEM IN A CONSISTENT MANNER, WITH THE OBJECTIVE OF PRESERVING THE RIGHTS OF MANAGEMENT; INSURING THAT EMPLOYEES RECEIVE ALL CONTRACTUAL BENEFITS DUE THEM; AND THAT THE EMPLOYEES SATISFY AND MEET ALL OF THEIR JOB RESPONSIBILITIES. YOU WILL BE EXPECTED TO SUPERVISE FIRMLY, WITHOUT FEAR OR FAVOR, EXTENDING TO OTHERS THE SAME DEGREE OF DIGNITY, RESPECT, AND CONSIDERATION THAT YOU WOULD WANT THEM TO EXTEND TO YOU UNDER SIMILAR CIRCUMSTANCES.

YOU WILL BE EXPECTED, AS A SUPERVISOR, TO PROVIDE YOUR EMPLOYEES WITH TRAINING, EVALUATION, COUNSELING, AND STEPWISE CORRECTIVE DISCIPLINE AS REQUIRED. YOU CAN EXPECT THE CONFIDENCE AND SUPPORT OF MANAGEMENT IF YOU EXERCISE YOUR SUPERVISORY AUTHORITIES AND RESPONSIBILITIES CONSISTENTLY, FAIRLY, AND WITHOUT FAVORITISM IN THE APPLICATION OF THE LABOR AGREEMENT AND REMC POLICIES, RULES, AND PROCEDURES. AS A SUPERVISOR YOU SHOULD MUTUALLY GIVE AND EXPECT TO RECEIVE COORDINATION AND COOPERATION WITH OTHER SUPERVISORS OF THE REMC.

AT THE SAME TIME YOU WILL BE EXPECTED TO PROTECT AND PRESERVE AND ENFORCE MANAGEMENT'S RIGHTS UNDER THE COLLECTIVE BARGAINING AGREEMENT.

TRAINING

YOU HAVE THE AUTHORITY AND RESPONSIBILITY TO DEVELOP THE EMPLOYEE'S JOB SKILLS, SAFETY KNOWLEDGE, AND WORK HABITS TO A REASONABLE STANDARD OF PERFORMANCE FOR THE JOB HE IS EMPLOYED TO DO.

EVALUATION

APPRAISE THE EMPLOYEE'S JOB PERFORMANCE AND INDICATE TO THE EMPLOYEE THOSE AREAS WHERE HE MEETS OR EXCEEDS STANDARDS AND THOSE AREAS WHERE IMPROVEMENT IS NEEDED. DEVELOP A PLAN, WITH THE EMPLOYEE, OUTLINING WHAT CAN BE DONE TO MEET STANDARDS OF JOB PERFORMANCE AND A REASONABLE TIME FOR ACCOMPLISHMENT.

EMPLOYEE/EMPLOYER RELATIONSHIP

THE SUPERVISOR MUST INSURE THAT THE BASIC LABOR/MANAGEMENT RELATIONSHIP IS HONORED AND PRESERVED, NAMELY, EIGHT HOURS OF WORK FOR EIGHT HOURS OF PAY.

DOCUMENTATION

THE SUPERVISOR SHOULD MAKE NOTES AND MEMOS CONCERNING VERBAL/ORAL WARNINGS, COUNSELING SESSIONS, STEPWISE FACT-FINDING SESSIONS, AND DISCIPLINARY SESSIONS. THESE NOTES ARE PROPERTY OF THE CORPORATION AND ARE NOT TO BE GIVEN TO THE EMPLOYEE OR THE UNION.

CONSENSUS.....UNIFORMITY IN INTERPRETATION OF
.....CONTRACT
.....COMPANY RULES AND POLICIES
.....OPERATING POLICIES / PROCEDURES

CONSISTENCY.....UNIFORMITY OF APPLICATION
.....ALL DEPARTMENTS
.....ALL SHIFTS
.....BY ALL SUPERVISORS

MANAGEMENT'S INTERPRETATION GUIDES SUPERVISORY ACTION

MANAGEMENT DEVELOPMENT APPROACH TRAINING

MANAGING ALONG LINES OF EXCELLENCE

CONSENSUS / CONSISTENCY / MANAGEMENT'S INTERPRETATION

COMMUNICATION UPWARD / ASK FOR HELP

DOCUMENTATION

(Confidentiality)

THOROUGHNESS

COUNSELLING AND VERBAL/ORAL STEPS

(Not Disciplinary action)

STEPWISE POSITIVE DISCIPLINE

JOB PERFORMANCE / SENSORY FACTS

CHECKLISTS AND ⁺JUST CAUSE ANALYSIS

DO RIGHT VOLUNTARILY

THE POLITICS OF THE UNION / THE GRIEVANCE

THERE IS NO QUICK ANSWER TO ANY QUESTION ON THE CONTRACT

COLLECTIVE BARGAINING AND THE SUPERVISOR - THE NEW ROLE

EXTEND TO OTHERS THE SAME DEGREE OF

DIGNITY, RESPECT, AND CONSIDERATION

THAT YOU WANT THEM TO EXTEND TO YOU

*Action for
improving productivity*

THE SUPERVISOR'S ROLE

THE SUPERVISOR IS MANAGEMENT'S FRONT LINE REPRESENTATIVE !

GET IN OR GET OUT !

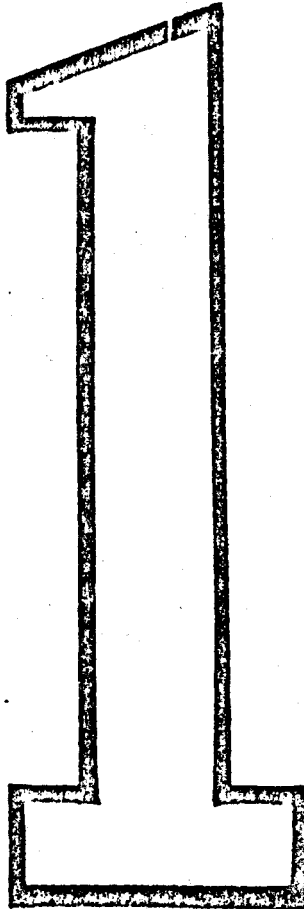
SOLIDARITY

CONSENSUS

CONSISTENCY

COOPERATION, YES !!!!!

CONCILIATION, NO !!!!!



A SUPERVISOR'S JOB

1. PRESERVE AND ENFORCE THE RIGHTS OF MANAGEMENT
2. INSURE THAT EMPLOYEES DO RECEIVE ALL CONTRACTUAL BENEFITS DUE THEM
3. DEMAND THAT EMPLOYEES DO SATISFY AND MEET ALL OF THEIR JOB RESPONSIBILITIES (JOB DUTIES - EIGHT HOURS OF WORK FOR EIGHT HOURS PAY)

COMPLAINTS OF FRONT-LINE SUPERVISORS TODAY

.....UNION WORKERS GET BETTER TREATMENT
THAN SUPERVISORS RECEIVE.

.....UNION WORKERS HAVE MORE SECURITY
THAN SUPERVISORS HAVE.

.....UNION WORKERS GET BENEFITS AND RAISES
BEFORE SUPERVISORS.

.....WHEN I BECAME A SUPERVISOR I TOOK A
STEP DOWN

.....MY JOB IS THANKLESS. I'M NOT GIVEN ANY
AUTHORITY TO CARRY OUT MY RESPONSIBILITIES.

.....I AM ALWAYS IN THE MIDDLE - MANAGEMENT'S
ERRAND BOY AND MANAGEMENT'S WHIPPING BOY.

.....MANAGEMENT ABOVE ME DOESN'T BACK ME.

.....IN NO WAY DO I GET PAID WHAT I'M WORTH.

.....THE ONLY WAY WE HEAR ANYTHING ABOUT WHAT
IS GOING ON IS FROM THE UNION.

HOW CAN WE EARN MORE AUTHORITY ?

.....MAKE PROPER DECISIONS, AND DEMONSTRATE
WE CAN HANDLE THE AUTHORITY WE DO HAVE.

..... COMMUNICATE UPWARD.

.....KNOW WHEN TO ASK QUESTIONS.....AND
WHEN NOT TO!

.....KNOW WHEN TO ASK FOR HELP.....AND
WHEN NOT TO!

.....UNDERSTAND THE IMPORTANCE OF ACTION
FROM A CONSENSUS POSITION.

.....DEVELOP GENUINE RESPECT AND APPRECIATION
FOR THOSE WHO WORK FOR ME AND TREAT THEM
WITH DIGNITY

.....FOLLOW GUIDELINES OF EXCELLENCE AND
PROFESSIONALISM IN DISCHARGING MY DUTIES

TOP LEVEL MANAGERS MUST BE WILLING TO GRANT TO FRONT LEVEL

SUPERVISORS THE AUTHORITY TO.....

.....THE AUTHORITY TO DISCIPLINE.

.....THE AUTHORITY TO HANDLE STEP 1 GRIEVANCES AND TO SIT IN ON APPROPRIATE STEPS OF THE GRIEVANCE PROCEDURE.

.....THE AUTHORITY TO MAKE HIGHLY CONSIDERED RECOMMENDATIONS REGARDING PROMOTIONS AND JOB BID AWARDS.

.....THE AUTHORITY TO DESERVE TOP LEVEL MANAGEMENT'S BACKING AND SUPPORT.

TOP LEVEL MANAGERS MUST BE WILLING TO RESPECT FRONT LEVEL

SUPERVISORS ENOUGH TO.....

.....COMMUNICATE WITH THEM.

.....TRAIN THEM AND PROVIDE GUIDELINES FOR THEM.

.....INVOLVE THEM IN MANAGEMENT ACTIVITIES.

.....DEMONSTRATE CONFIDENCE IN THEM!

.....POLISH AND REVIEW AND EVALUATE THEIR PERFORMANCE.

THE USUAL APPROACH FOR FRONT LINE SUPERVISORS
IN INDUSTRIAL RELATIONS AND IN CONTRACT USE
(THE USUAL APPROACH USUALLY FAILS)

.....I WILL TRY TO USE COMMON SENSE AND DO WHAT IS RIGHT AND
FAIR.

.....I WILL TRY TO TREAT OTHERS AS I LIKE TO BE TREATED.
(FOLLOW THE GOLDEN RULE.)

.....I WILL TREAT ALL EMPLOYEES ALIKE, AND I WILL BE FIRM,
FAIR, AND CONSISTENT.

.....I GENERALLY KNOW THE CONTRACT. I HAVE READ IT, BUT
IF I GET INTO TROUBLE, THE LABOR RELATIONS MANAGER OR
MY BOSS WILL BAIL ME OUT.

.....I STILL HAVE TO WORK WITH THESE PEOPLE.....

WE HAVE GENERALLY FAILED IN DEVELOPING ON THE PART OF THE
SUPERVISOR A COMMITMENT TO DIGNITY AND PROFESSIONAL
EXCELLENCE IN ADMINISTERING AND LIVING BY THE AGREEMENT
OR CONTRACT. THE "USUAL APPROACH" USUALLY GETS SUPERVISORS
INTO PROBLEMS.

MARC 17

COMMON SENSE IS NOT THE KEY IN WORKING WITH THE CONTRACT.
INSTEAD YOU EARN RESPECT BY KNOWING AND ENFORCING AND
FOLLOWING THE CONTRACT, AND BY KNOWING THE RULES OF
COLLECTIVE BARGAINING AND HANDLING GRIEVANCES.

NOT COMMON SENSE ! NOT THE GOLDEN RULE !

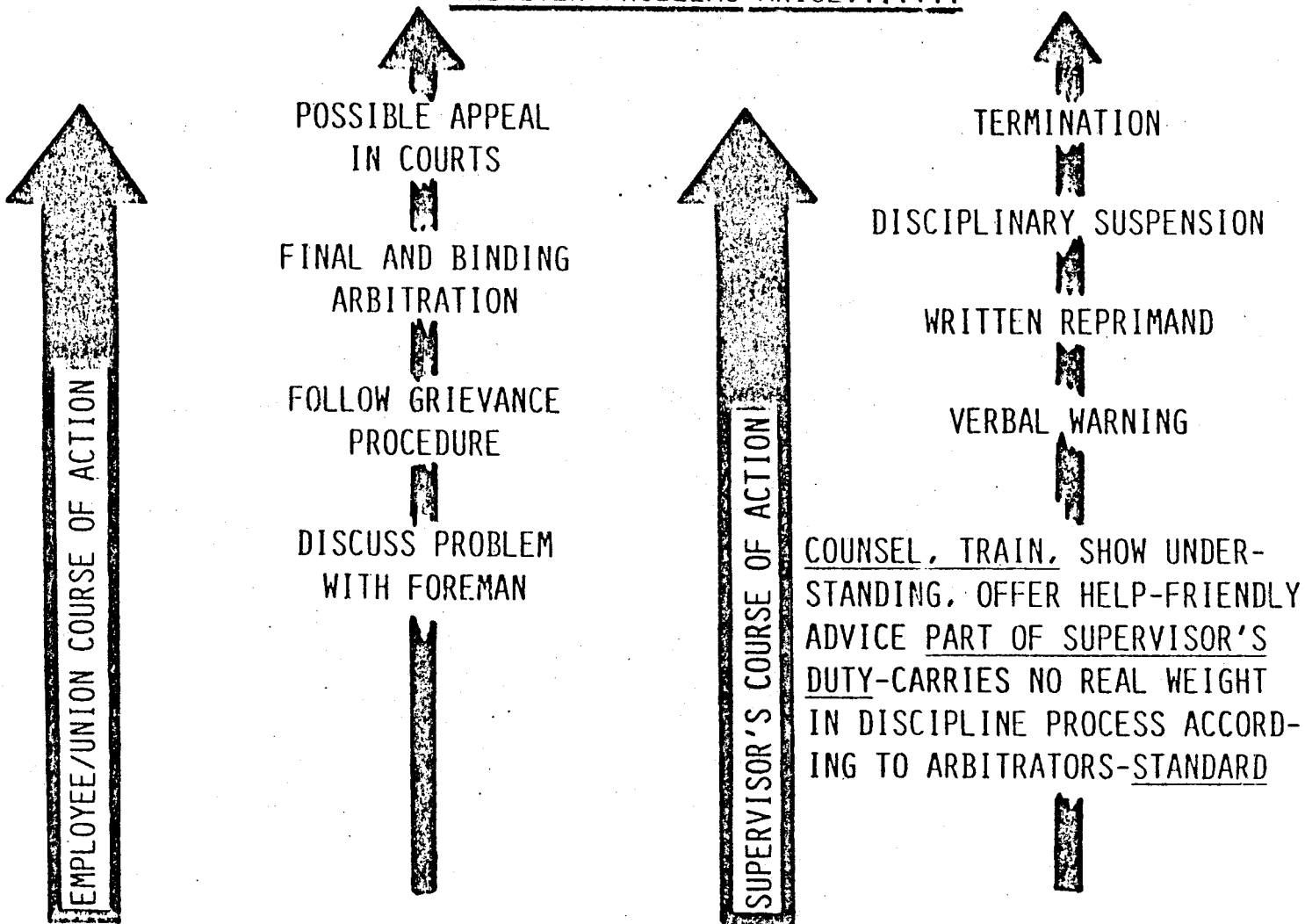
NEVER ASK FOR FAVORS !

NO SWEETHEART CONTRACTS !

NO SIDE DEALS !

NO SWAPPING GRIEVANCES !

WHENEVER PROBLEMS ARISE.....



WHEN THE UNION BELIEVES THAT THE FOREMAN OR THE COMPANY ACTED UNFAIRLY OR ACTED CONTRARY TO THE CONTRACT OR IN AN UNSAFE MANNER OR IN A DISRESPECTFUL MANNER.....

WHEN THE FOREMAN OR COMPANY BELIEVES AN EMPLOYEE HAS POOR PERFORMANCE, DIDN'T FOLLOW RULES OR PROPER PROCEDURES, VIOLATED CONTRACT PROVISION, NEGLECTED DUTIES, WAS IN UNFIT CONDITION OR UNABLE TO PERFORM JOB.

THE COMPANY ACTS.....

THE UNION GRIEVES.....

WHY MUST DISCIPLINE BE "STEPWISE" ?

THE JUST CAUSE REQUIREMENT CARRIES WITH IT THE "IMPLIED"
REQUIREMENT FOR STEPWISE DISCIPLINE, WITH THE BURDEN OF
PROVING JUST CAUSE PLACED UPON THE SUPERVISOR/EMPLOYER.

NOT ONLY MUST YOU HAVE A "GOOD REASON".....
.....YOU MUST HAVE A "BELIEVABLE" GOOD REASON !!!!
FOLLOWING STEPWISE DISCIPLINE WILL MAKE IT BELIEVABLE !

.....THE OPPORTUNITY TO IMPROVE IS REPEATED AT EACH STEP

.....ARBITRATORS DISAPPROVE OF ACCELERATED DISCIPLINE !

.....STEPWISE DISCIPLINE MAKES THE UNION AWARE OF ACTION

.....STEPWISE DISCIPLINE YIELDS PERFORMANCE IMPROVEMENT

THE SUPERVISOR MUST DEMONSTRATE RESPONSIBILITY BY

.....MAKE KNOWN THE ACCEPTABLE CRITERIA / REQUIREMENTS

.....CRITIQUE & EVALUATE EMPLOYEE - MAKE KNOWN DEVIATION AND AREA OF SUPERVISOR'S DISSAPOINTMENT OR CONCERN

.....PROVIDE OPPORTUNITY AND TIME FOR IMPROVEMENT OR FOR THE EMPLOYEE TO ATTEMPT TO IMPROVE PERFORMANCE

DURING....."DISCIPLINARY TRACK" PERIODS

"JOB BID PERFORMANCE" PERIODS

"PROBATIONARY NEW HIRE" PERIODS

"TEMPORARY EMPLOYMENT" PERIODS

DO NOT WAIT UNTIL THE LAST DAY OF THE PERIOD TO REVIEW

INTERVIEW

-TO JUSTIFY A SIMPLE INTERVIEW WITH AN EMPLOYEE ALL YOU NEED IS LACK OF FACTS
-DON'T HARASS / DON'T BADGER / DO LISTEN
-RESPECT THE PERSON'S DIGNITY, AND YOURS
-DETERMINE THE "BONA FIDE" FACTS NEEDED

COUNSELLING

-TO JUSTIFY COUNSELLING THERE SHOULD BE DISSATISFACTION OR DISPLEASURE WITH THE JOB PERFORMANCE OF THE EMPLOYEE
-TWO PARTY PROCESS / EXPLAIN STANDARD
-PRESENT PERFORMANCE/REASONS/CONSENSUS
-ASSIST EMPLOYEE / PROVIDE OPPORTUNITY

DISCIPLINE

-JUST CAUSE PRINCIPLES GOVERN DISCIPLINE
-CORRECTIVE TRAINING / STEPWISE POSITIVE
-SENSE OF WRONGDOING (GUILT VS. SHAME)
-SUSPICION VS. PREPONDERANCE OF EVIDENCE VS. PROOF BEYOND REASONABLE DOUBT
-BE ABLE TO SHOW WITH FACTS/NOT OPINIONS
 - ...DIRECT CONTRACT OR RULE VIOLATION
 - ...IMPAIRED JOB PERFORMANCE/MISCONDUCT

REMEMBER: WHAT YOU DO TODAY SOLVES A PROBLEM OR PREVENTS TOMORROW'S PROBLEMS. LONG TERM RESULTS ARE YOUR GOALS !!

RURAL ELECTRIC MANAGEMENT DEVELOPMENT CONFERENCE, MAY 25, 1982

INTRODUCTION

TO THE

TEXAS INSTRUMENTS TI-59

HAND-HELD PROGRAMMABLE CALCULATOR

Wm. Fred Lamar, Ph. D.
Chaplain and Associate Professor
DePauw University
Greencastle, Indiana 46135
(317-658-4615)

The Texas Instruments TI-59 programmable calculator belongs to that class of computational instruments that perform beyond the normal expectations of a mere "calculator" without having the capacity, size, or expense normally associated with the "computer". As we all know, computers now come in many sizes--"main-frames", "mini", "micro", and "personal" versions--and old differentiations now do not mean what they did in the past. However, the TI-59 remains unique in that it is one of the few hand-held, battery-powered, computational instruments that is capable of using both "canned" and user-designed programs.

The TI-59 can be matched with a PC-100C printer to provide a hard-copy printout of one's computations. The printer may be formatted to print numbers, words, specialized engineering and mathematical symbols, and graphs of up to ten related variables. In addition, the printer is capable of providing a listing of all programming steps and memory bank contents, and of tracing the workings of a program. The entire outfit, calculator and printer, will fit into a four-inch-deep attache' case.

The calculator will accept programming commands by two different means. Texas Instruments offers for the machine a series of program libraries or modules, which are approximately the size of one's thumbnail and cost \$40.00 each. Each module contains up to 5000 programming steps. Modules are available in many areas of potential interest to rural electricians:

- Electrical Engineering
- Surveying
- Business Decisions
- Math/Utilities
- Securities Analysis
- Real Estate/Investment

A sample of the table of contents of the Business Decisions module is enclosed with this paper.

The TI-59 may also be programmed by the user through the use of the "LEARN" mode of the calculator or by the insertion of pre-programmed magnetic cards. The cards, which are about the thickness of a piece of stiff paper and the size of one's little finger, are capable of containing up to 480 program steps or 60 ten-digit memories per card. The calculator, itself, is able to accept the information from two full cards at one time--up to 960 program steps, 100 memories, or a combination of program steps and memories.

TI-59 magnetic card programs, specifically designed for Rural Electric Cooperatives, are available in many areas, including:

- Energy Audits
- Distribution service
 - Installation (Guying, anchoring, wire sagging)
 - Load forecasting
 - Equipment overload
- Financial Ratio Targeting
 - Rate approximations
 - Key-ratio management and financial targeting
 - Facilities charge computations
 - Peak-load pricing allocations
- Wage and Salary Administration
 - Data sorting
 - Salary charting
 - Automatic computation of overtime and fringe benefits
 - Point-factor analysis

The latter two programs are available through NRECA, and will be the subject of the demonstration this morning.

TABLE OF CONTENTS

INTRODUCTION	1
Using This Manual	1
Using the Optional Printer	1
Tips for Running Programs	2
Using <i>Solid State Software</i> Programs as Subroutines	2
Downloading <i>Solid State Software</i> Programs	3
Removing and Installing Modules	3
BD-01 BUSINESS DECISIONS MODULE CHECK	5
Checks installation of library module.	
Initializes calculator for linear regression.	
BD-02 LONG-TERM FINANCING REQUIREMENTS	7
Given the cost of capital for various forms of funding, selects the cheapest form and computes the amount needed to support operating plans.	
BD-03 DEBT FINANCING	13
Computes the cost of capital for bonds.	
BD-04 INVESTMENT EVALUATION	16
Computes internal rate of return, future value, and present value for a series of uneven cash flows. Also computes the cost of capital for common stock with growing dividends.	
BD-05 PROJECT PLANNING AND BUDGETING	23
Aids in preparation of a 13-column spread sheet by storing a matrix of input data and performing a variety of row and column operations.	
BD-06 BREAKEVEN ANALYSIS	30
Computes breakeven points for projects or products based on fixed and variable costs and selling prices. Learning curves can be applied to both variable cost and selling price.	
BD-07 FACILITY CAPACITY	35
Computes multiple facility throughput performance based on job arrival rate, service times, and queuing theory.	
BD-08 ECONOMIC REORDERING AND PRODUCTION RUNS	41
Computes economic reorder or production quantities by minimizing sum of ordering, production, and carrying costs.	

BD-09	REORDER TIMING	48
	Computes reorder point based on inventory carrying costs, stockout costs, and demand variation.	
BD-10	DEMAND FORECASTING	53
	Computes forecast of future demand by exponentially smoothing past demand.	
BD-11	ASSEMBLY LINE BALANCING	61
	Helps you balance line by assigning tasks to work stations so as to minimize slack time.	
	SHORT-TERM FINANCING REQUIREMENTS	69
	Determine the amount and timing of short-term financing based on factors such as sales forecasts, inventory purchases, collection and payment policies.	
	FACILITY SCHEDULING	75
	Determine job sequence using any of a variety of scheduling rules, priorities, due dates, and job processing times.	
	APPENDIX A	79
	Equations	
	APPENDIX B	90
	Program Reference Data	
	WARRANTY INFORMATION	Inside Back Cover



decision power *electric cooperative management simulation*

DATA FOR MEAN 1981 DISTRIBUTION COOPERATIVE

<u>Parameter</u>	<u>Value</u>
<u>(1) From Previous Year's Balance Sheet</u>	
Total utility plant	\$16,000,000
Accum. depreciation	4,000,000
Current assets	1,800,000
Other assets	1,400,000
Equity	4,400,000
Long term debt	9,600,000
Other liabilities	1,200,000
<u>(2) Revenue Factors</u>	
No. Consumers:	
RESDL	8,550
SEASL	900
S.COM	660
L.COM	60
IRRIG	130
KWH/Consumer:	
RESDL	12,000
SEASL	4,000
S.COM	18,000
L.COM	660,000
IRRIG	35,000
Rate (\$/KWH)	
RESDL	.050
SEASL	.050
S.COM	.053
L.COM	.037
IRRIG	.040
Line Miles Energized	2,000
<u>(3) Expense Factors</u>	
Wholesale power cost (\$/KWH)	\$.032
Distribution expense (\$/mile)	\$ 270
Consumer rate (\$/consumer)	\$ 26
Depreciation rate	.027
Tax rate	.015
Administration & general cost	\$440,000
Interest rate	.036
Debt retirement rate	.035

FINANCIAL RATIO TARGETING PROGRAM

1981 Mean Data

.2894736842 86
 .1184210526 87
 1.551446759 88
 1.443787879 89

Increase in Consumers

-----RATES-----

RESDL 0.0500
 IRRIG 0.0400
 S.COM 0.0530
 L.COM 0.0370
 OTHER 0.0500

600. Resdl
 0. Irrig
 20. S.Com
 2. L.Com
 50. Other
 10972. New Total
 9080000. Add'l Kwh

-3. Resdl
 10. Irrig
 0. S.Com
 -2. L.Com
 5. Other
 5612600. Add'l Kwh

-----RATIOS-----

EQ. 0.2895
 LIQ. 0.1184
 TIER 1.5514
 RORB 1.4438

181270008. Kwh Purchased
 0. Kwh Produced

75. Add'l Miles of
 Dist. Line

0.
 .0296296296 } Cost of Power
 DPT? 1.

25 }
 8.5 Gen'l Inflation

0.027 } Depreciation
 DPT? 1. Rate

0. }
 0.015 } Tax Rate
 DPT? 1.

+8%

1676659.076 Net Chng in Total Cost
 9072919.076 New Total Cost

---SALES REVENUE---

7586840.00

1950000. Work Plan

RESDL 50.00
 IRRIG 116.67
 S.COM 79.50
 L.COM 2035.00
 OTHER 16.67

336000. Debt
 Retirement

FINANCIAL RATIO TARGETING PROGRAM

30000. Cap. Cred

1950000. Loan
8.5 Int

-1369093.876 Mgn 85
.1946756017 Eqty 86
.0322354298 Liq 87
-1.742279232 TIER 88
-9.207211098 RORB 89

950285.7143 85
0.3 86
.1588045755 87
2.903411318 88
6.390709453 89

1500000. Loan
8.5

757428.5714 85
0.3 86
.1271648278 87
2.64299783 88
5.093737451 89

1000000. Loan
8.5

543142.8571 85
0.3 86
.0890963015 87
2.29781999 88
3.652657448 89

.0109119302 Mgn/Kwh

.0614421472 Resdl 79
0. 80
.0532406384 Irrig 81
.0577392857 S.Com 82
.0466399086 L.Com 83
.0755577429 Other 84
543142.8571 Mgn 85
0.3 Eqty 86
.0890963015 Liq 87
2.29781999 TIER 88
3.652657448 RORB 89

-----RATES-----

RESDL 0.0614
IRRIG 0.0532
S.COM 0.0577
L.COM 0.0466
OTHER 0.0756

-----RATIOS-----

EQ. 0.3000
LIQ. 0.0891
TIER 2.2978
RORB 3.6527

---SALES REVENUE---

9688965.93

---AVG. BILL---

RESDL 59.60
IRRIG 170.81
S.COM 86.61
L.COM 2513.89
OTHER 26.45

FINANCIAL RATIO TARGETING PROGRAM

FACILITIES COST ALLOCATIONS

Mgn/Kwh		
.0109119302		TOTAL NON-KWH COSTS
Delivery Costs		
.0125514054		
.0069014204		RESDL
.0100932863		
.0016837742		194.77
.0208950878		16.23
Consumer Costs		
.0024190146		
.0007313592		IRRIG
.0015642961		328.46
.0000435333		27.37
.0067041262		
Kwh. Cost		S. COM
0.04		234.54
		19.55
		L. COM
Overhead Factor		1248.75
1.055073454		104.06
		OTHER
		129.56
Margin Factor		10.80
1.059386985		
		AVRG KWH CHARGE
.0614421472	79	.0447092434
0.	80	
.0532406384	81	
.0577392857	82	
.0466399086	83	
.0755577429	84	
543142.8571	85	
0.3	86	
.0890963015	87	
2.29781999	88	
3.652657448	89	

FINANCIAL RATIO TARGETING PROGRAM

DEMAND COST ALLOCATIONS

% Demand			
0.5	0.25		0.25
% Demand by Class			
0.15	0.2		1.25
0.3	0.2		0.
0.15	0.2		0.
0.15	0.2		0.
0.25	0.2		-0.25
RESDL			
562808.6744	375205.7829		2345036.143
.0052842908	.0035228605		.0220178783
.0276389125	.0370547931		.0555498108
IRRIG			
1125617.349	375205.7829		0.
.2248985712	.0749661904		0.
.2472531929	0.108498123		.0335319326
S.COM			
562808.6744	375205.7829		0.
.0459811008	.0306540672		0.
.0683357226	.0641859998		.0335319326
0.15	0.2		0.
0.25	0.2		-0.25
L.COM			
562808.6744	375205.7829		0.
.0140345691	.0093563794		0.
.0363891908	.0428883119		.0335319326
OTHER			
938014.4573	375205.7829		-469007.2287
.2350913427	.0940365371		-.1175456713
.2574459644	.1275684696		-.0840137388

WAGE AND SALARY PLANNING PROGRAM
 DEMONSTRATION RUN, PART I:
 DATA SORT, MEDIAN, MEAN, AND STANDARD DEVIATION

READY		ITEMS	
3.85	3.69		40.
4.89	3.85	ARITH MEDIAN	7.86
10.	4.89		
9.85	5.		
3.69	5.25		
7.85	5.36	MEAN	7.48
8.75	5.65		
8.65	5.74		
5.	5.75		
5.25	6.65	S. DEV	1.54
5.65	6.98		
5.75	7.1		
5.74	7.2		
5.36	7.3	RANGE-ONE S. DEV	5.93
6.65	7.5		
6.98	7.7	TO	9.02
7.87	7.77		
7.98	7.8		
8.65	7.8		
8.5	7.85		
8.	7.87		
9.	7.89		
8.75	7.9		
8.63	7.98		
8.24	8.		
8.76	8.24		
8.45	8.45		
8.9	8.5		
8.7	8.63		
8.8	8.65		
7.8	8.65		
7.1	8.7		
7.9	8.75		
7.8	8.75		
7.2	8.76		
7.3	8.8		
7.5	8.9		
7.7	9.		
7.77	9.85		
7.89	10.		

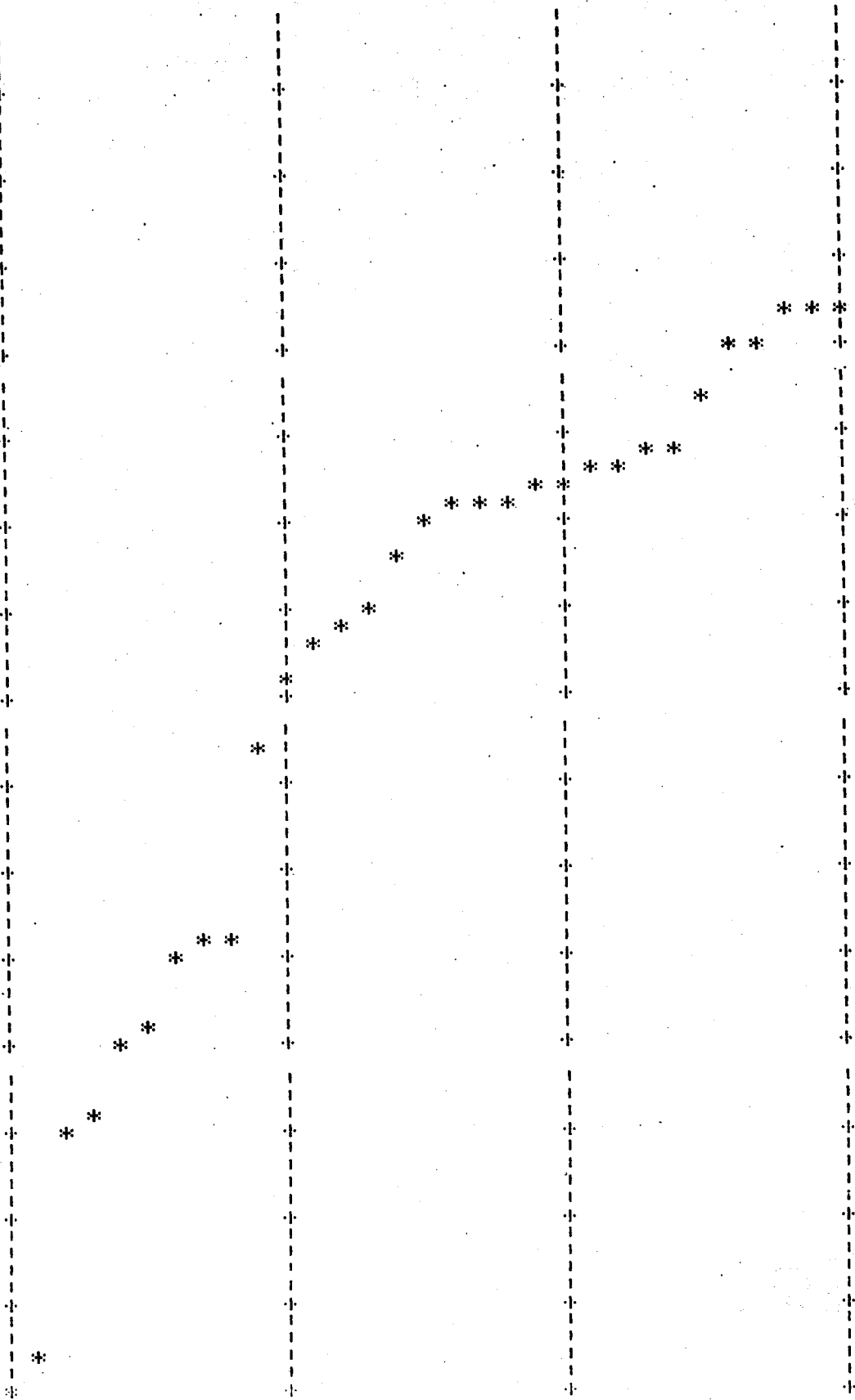
WAGE AND SALARY PLANNING PROGRAM
 DEMONSTRATION RUN, PART I CONT'D:
 DATA PLOT

\$10.00

H
O
U
R
L
Y
W
A
G
E

READY

\$3.69



I T E M C O U N T

WAGE AND SALARY PLANNING PROGRAM
DEMONSTRATION RUN, PART II:
SALARY DECISIONS WITH PERIODIC ECONOMIC ADJUSTMENT,
RAISE, AND FRINGE BENEFITS

READY	40000.00
0.15	0.15
	46000.00
ANNL COMP	REPEAT
	OPTION
	40000.00
HIGH	0.25
65000.00	
	ANNL COMP
LOW	50000.00
38000.00	
	ANNL COMP PLUS FRNG
MEAN	68500.00
51500.00	
	RHNG TOTL ANNL COMP
HIGH STOPR	50000.00
59225.00	
	RTTL COMP DVTM FRNG
LOW STOPR	68500.00
43775.00	
0.08	
	ANNL COMP
HIGH	
70200.00	
LOW	
41040.00	
MEAN	
55620.00	
HIGH STOPR	
63963.00	
LOW STOPR	
47277.00	

WAGE AND SALARY PLANNING PROGRAM
 DEMONSTRATION RUN, PART II CONT'D:
 HOURLY WAGE DECISIONS WITH PERIODIC ECONOMIC ADJUSTMENT,
 RAISE, OVERTIME, AND FRINGE BENEFITS

	8.50		
	6.25		
	0.12		
HOURLY COMP			
HIGH	8.50		
LOW	6.25		
MEAN	7.38		
			6.80
			0.10
HIGH STOPR	8.26		
		ANNUAL COMP	
			11968.00
LOW STOPR	6.49		
		ANNUAL COMP PLUS FRNG	
			16396.16
	13600.00		0.18
	10000.00		15199.36
	0.12		REPEAT
		0.08	OPTION
			0.15
			14660.80
			REPEAT
			OPTION
			0.12
	ANNUAL COMP	ANNUAL COMP	
HIGH	13600.00	HIGH	14688.00
			ANNUAL COMP PLUS OVTM
LOW	10000.00	LOW	10800.00
			14122.24
MEAN	11800.00	MEAN	12744.00
			ANNUAL COMP OVTM FRNG
			19347.47
			RUNNING TOTL ANNUAL COMP
HIGH STOPR	13216.00	HIGH STOPR	14273.28
			64122.24
LOW STOPR	10384.00	LOW STOPR	11214.72
			RTTL COMP OVTM FRNG
			87847.47

WAGE AND SALARY PLANNING PROGRAM
 DEMONSTRATION RUN, PART III:
 CURVE FIT AND POINT-FACTOR ANALYSIS

READY		450.00
	111.	7.55
	3.85	
	250.	500.00
	4.75	8.42
	375.	
	6.	
	500.	550.00
	8.	9.40
	700.	
	14.	600.00
	3.	10.49
EXPONENTIAL		650.00
		11.71
COEFF-DETR		
.9829282528		700.00
		13.07
PNT. FACTOR-ANALYSIS		750.00
	100.00	14.59
	3.50	
		800.00
	150.00	16.28
	3.91	
		850.00
	200.00	18.17
	4.36	
		900.00
	250.00	20.28
	4.86	
		950.00
	300.00	22.63
	5.43	
		1000.00
	350.00	25.26
	6.06	
	400.00	
	6.76	

BUILDING OUR MANAGEMENT TEAM

"AN EXERCISE IN TEAMWORK"

Wayne Keller, Executive
Vice President
Barbara Dev...nk,
Administrative Manager
Blue Ridge EMC, Lenoir, NC

Definition of a Team: Any group of people who must significantly relate to each other in order to accomplish shared objectives.

Definition of Team Building: The process of planned and deliberate encouragement of effective work practices while at the same time diminishing difficulties or "blockages" which interfere with the effective functioning of the team.

Definition of Organization Development: A process of change aimed at improving organizational effectiveness through systematic diagnosis and organization-wide interventions.

Advantages to Team Building: Four advantages to team building for those concerned with the development of people in organizations.

1. Team managers and team members usually appreciate the process and almost always derive from it tangible benefits which enhance operating effectiveness.
2. The process moves fairly rapidly, is enduring, and clearly related to organizationally significant goals.
3. Persons leading the training find their skills are relevant and appreciated.
4. Individuals learn new attitudes and skills and improve their personal effectiveness.

Team building deals with real issues and has clear relevance to organizational objectives.

The learning of one individual is reinforced by others in the team.

Team Building As An Organizational Development Strategy:

It takes time to develop into a well-integrated, resourceful, and effective team, and perhaps few managers recognize they need to facilitate the process of team development.

Team building is only one aspect of organization development.

Team building is an appropriate strategy when the following conditions exist:

1. The lack of effective teamwork is a serious "blockage" to organizational effectiveness.
2. The culture of the organization supports a team approach to getting things done.
3. Teams are receptive and prepared to undertake the process.
4. Suitable resources (leaders) are available.
5. Team managers and advisors are aware of those things which build effective teamwork.

A manager must ask himself, "Is lack of team effort an organizational problem?"

Is Your Organization Ready For Team Building?:

To determine whether team building is a priority in organizational development in your Cooperative you may want to look at the following areas of organization effectiveness and ask yourself these questions:

1. Clear Aims: Has the organization carefully defined its objectives and ensured that these have been well communicated throughout?

Do individual managers relate their work to corporate goals and people clearly understand the mission of the organization?

2. Assertive Leadership: Do those in managerial positions adopt an assertive and vigorous approach and take a positive leadership role?

Do they adapt an entrepreneurial approach which emphasizes achievement and problem solving?

3. Effective Management Processes: Have systems and procedures been carefully designed to provide control without inhibiting flexibility?

4. Positive Climate: Are attitudes and relationships friendly, cooperative, open and positive?

Do people make efforts to help each other assist the organization to achieve its objectives?

5. Appropriate Structure: Is the hierarchical structure of the organization suitable to the tasks being completed and does it assist work to be effectively completed?

6. Balanced Power Relations: Have the relationships between management and worker groups been resolved so that the managerial function retains initiative and decisiveness and yet operates with fairness and integrity?

7. Developed Individuals: Do the people have skills to perform their current jobs well and is their individual potential being developed?

8. Effective Teamwork: Do identifiable teams (groups) work well together and are resources coordinated effectively?

Do meetings achieve useful results and are projects accomplished by inter-divisional or inter-departmental groups?

A manager must be aware of the current needs within the organization before making strategic decisions about team building. He must identify and audit the key teams and make well-considered choices about which teams should benefit from any investment in team building.

Identify Teams In Organization: Every important section of the organization must be reviewed and the key teams identified. Some of the important teams in our organization are:

1. Board of Directors.
2. Executive Vice President and Board of Directors.
3. Executive Vice President and Division/District Managers.
4. Division/District Managers.

5. Division or District Manager and his/her staff.
6. Staff Directors.
7. Staff Directors and Supervisors.
8. Department Supervisor and his/her staff.
9. Work teams.
10. Project teams.

WHERE TO BEGIN:

We decided to concentrate on the first three teams to begin our program of team building.

Board and Executive Vice President Team:

The Board and I are working with an outside consultant who is assisting us with an assessment of how well the Board is functioning as the top management team in the organization, and how well the Board and manager work together to form a team. He is giving guidance to us and we are doing some self-assessment and carrying out some inter-action programs to help us become more effective. Each Board member completed an assessment profile on his/her own performance, as well as an assessment profile on each of the other directors and the Board as a whole, and a separate assessment profile on the manager. This information has been used to determine courses of action to be taken by the Board individually and collectively, and by the manager to strengthen these two teams.

Senior Management Team:

I have concentrated much of my effort in team building with the senior management team composed of the four Division Managers and the four District Managers and myself.

Concentrated Efforts On Two Internal Management Teams:

My assessment of the organization indicated we had done a pretty good job in the first seven areas relating to organization effectiveness and our need now is to get the organization work the way it was intended, and I felt the best way to accomplish this was to get all our teams working effectively. To determine the priority to be given

in working on team building, I looked at the teams which would have the greatest impact on the organization and determined the two internal management teams we would concentrate on in our team building efforts, because of their impact on the organization, were: The Manager and his staff, and the staff directors. These teams have a major impact on the survival of the organization and its ability to operate in a sound financial condition. This does not mean other teams are not important, nor that they do not make significant contributions to the achievement of corporate objectives. These two teams represent our key planners and decision makers.

Also, teams which respond best to team building are those with substantial and important tasks to be accomplished and the two teams selected meet this criteria.

Team Building Action: The most effective team building sessions are those which help members work together more effectively and which result in clear improvement in team performance.

From joint activity, on a continuing basis, comes commitment to team achievement.

To be effective, team building must be understood and supported by top management.

Some of the activities we have undertaken in our team building program are:

1. The completion of individual assessment profiles and a review of results with a management consultant and development of action plans based on the profile results.
2. A session at which each member of my staff and I shared written statements of our personal philosophy of management and discussed these for understanding. We were all surprised at what we learned about each other in this session.
3. An exercise to develop management concepts which the group was committed to. This helped us to clarify our commitment to basic management principles as a group.
4. An exercise to determine where our team was in its development. The exercise helped us focus on areas which the team needed to concentrate on in order to improve its effectiveness.

5. An exercise to "See ourselves (the senior management team) as others see us" which resulted in a list of needs that the group committed to address to assure a stronger team effort and image.
6. An exercise in which individual team members wrote their personal commitments to the team and to helping it to function more effectively. This clarified our commitments to the team.
7. A session where each member of the team discussed his/her assigned responsibilities and how he/she interpreted the carrying out of these responsibilities. This clarified our individual roles and how these roles inter-relate.
8. A clarification of common responsibilities between team members which emphasize the mutual effort that is required to achieve the objectives and goals in these areas.
9. The Staff Directors team has worked primarily on clarification of individual roles and joint responsibilities in its team building program.

At this point the bottom line is that we are making progress in team building. The teams are clear about what they want to achieve. They are confronting and dealing more openly with issues. Members of the teams show support for each other and a higher level of trust is being built. Relations with other teams are stronger. Members of the teams do not feel threatened when they are called on to review the way the team functions, but rather learn from the experience.

We will continue our efforts in team building so long as it continues to contribute to the effectiveness of the organization.

Barbara will take the remaining time to involve the group in a team building experience.

RURAL ELECTRIC SYSTEM PROFILE

The following are offered as the characteristics of today's rural electric system which is best equipped to meet the challenges of today and tomorrow. This exercise is designed to be completed on an individual basis. If you feel your system possesses a particular characteristic, mark it with a plus sign (+). If you feel it does not, then mark the statement with a minus sign (-). If you're not sure, mark it with a question mark (?).

Employee

	+	-	?
9	0	0	
9	0	0	
9	0	0	
9	0	0	
7	0	2	
9	0	0	
8	0	1	
9	0	0	
9	0	0	
8	0	1	

1. It has a clear definition in writing of its basic viewpoints and objectives.
2. It expresses its actions and plans in terms of results, rather than activities.
3. It knows where it has been, where it is now and where it must be at some stated time in the future.
4. It has the resources available that are needed when they are needed.
5. Its board of directors, management and employees understand the objectives and goals of the business and are committed to them.
6. Its products or services are regarded as high quality, reasonably priced and necessary.
7. Its consumers, or members, are given the opportunity to influence major decisions and actions by the cooperative.
8. It treats people, both within and outside the organization, fairly and consistently.
9. It participates actively in community programs as a good corporate citizen.
10. It is constantly searching for better products and services to meet consumer needs.

Director

	+	-	?
12	0	0	
10	0	2	
12	0	0	
11	0	1	
11	0	1	
11	0	1	
8	3	1	
11	1	0	
12	0	0	
11	1	0	

After you've marked each of the 10 characteristics, state here any comments that you have about things that you feel need attention, or things that you feel should be done.

BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION

Determining Priority of Goals

Below are listed 12 goal statements or end results that are peculiar to rural electric distribution systems. Some systems put a high priority on certain goals of end results while other systems put a different priority on the same goals. We would like for you personally to rank the 12 goals listed below based on how you feel your system would rank them.

The goal or end result you feel has the highest priority should be ranked as Number 1, the goal you feel should have the second highest priority rank Number 2, etc. until you rank all statements.

We will attempt to develop a group composite so that you can compare your ranking with the composite of the group.

	<u>Rank</u>	
	<u>Employee</u>	<u>Board</u>
A. Maintenance of a well-trained compensated group of employees	1	6
B. Lowest possible cost electric service	10	7
C. Applying cooperative principles in the operation of the system	7	4
D. High quality and continuity of electric service	5	3
E. Leadership in providing needed member and community services	9	11
F. Active involvement and participation by the members	8	10
G. Maximum financial condition and member equity	11	9
H. Adequate and dependable long-term power supply sources	2	5
I. A well-trained, effectively functioning Board of Directors	4	2
J. Active participation and leadership in public and legislative activities	12	12
K. A highly skilled and motivated management team	3	1
L. The maximum use of available financial, physical and human resources	6	8

BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION

MANAGEMENT PHILOSOPHY OF GENERAL MANAGER

I believe good management is not easy and requires a lot of constant effort. It is not a simple step-by-step method of planning, organizing, directing, coordinating, and controlling. The basic management tools are important; however, I believe the real job of management is influencing the atmosphere between individuals, groups, and within groups, so there is a free flowing of information and maximum freedom of decision making in an organized structure designed to achieve the objectives of the organization.

I believe that to achieve this a manager must constantly monitor and take timely actions to keep the climate for the group as well as each individual in tune with the objectives of the organization. I believe personnel decisions are the most important decisions in management and that personal development is a necessity if the organization is to move forward. I believe accountability is not only necessary for the success of the organization but for the personal success of an individual.

MANAGEMENT PHILOSOPHY OF DISTRICT MANAGER

My personal management philosophy is based primarily on having an organization structured to effectively manage available resources in getting things done, with people being the number one resource. The organizational structure should fully relate to position responsibilities in terms of delegations, working relationships, position result standards, accountability, etc.

To have an effective operation within the framework of the organization will require a staff of capable employees, especially in key management positions, who have a good understanding of, and respect for, the roles that are to be played and a sense of dedication to the objectives and goals of the organization, functioning as a team and effectively using talents, skills, expertise, and other available resources. I believe in the concept of working with and through people to get things done.

MANAGEMENT PHILOSOPHY OF DIVISION MANAGER

I believe:

- In the free enterprise system and in the cooperative way of doing business which enables people to join together and pool their resources to meet common needs.
- In management by objectives through team effort, and that a manager has two basic responsibilities: (1) To create a true whole that is larger than the sum of its parts, and (2) To harmonize in every decision and action the requirements of the present and the long range future.
- In the involvement of personnel supervised in setting work goals and decision making.
- In clear delegations with commensurate authority and accountability.
- In people and their desire to achieve the results their employer wishes so long as they know what those results are and can measure their own progress.
- In the right of every person to have an atmosphere in which to work that will permit the individual to work to his/her fullest potential within a given position.
- That as a manager I must be fair to all constituents - members, employees, other managers - in decision making.

MANAGEMENT CONCEPTS

(Developed at Team Building Session,)

Management is achieving results through people.

Management is a process (alive-moving-active-cyclical).

Manager must have integrity.

Manager is a leader/teacher (by example, transfer of knowledge and skills, attitudes and values).

Manager must influence the atmosphere for accomplishment.

Manager must be committed to objectives of the organization.

Manager is a helper of people to enable them to make meaningful contributions to organizational objectives and personal objectives.

Manager has (defined) responsibility with commensurate authority and commensurate accountability --

Re = AV = AC = In Balance

Manager must develop self to meet changing needs - be flexible, open-minded.

Manager must be innovative -- consider and understand new ideas.

Manager builds trust and confidence and deals fairly and openly.

Manager must be able to relate to individuals, other managers, employees, members.

Manager must be pro-active, not re-active.

Manager believes that people want to do a good job.

Manager must hold people accountable.

Manager has a responsibility for seeing that people -- employees, members, and other constituencies -- are informed.

Managers must see that they and the people who report to them have understanding and respect for the roles of others in the organization.

Manager understands and supports management by objectives as practiced in Blue Ridge Electric Membership Corporation.

Manager must monitor progress and do necessary re-planning.

Manager's personnel decisions (staffing) are most important decisions a manager makes.

TEAM BUILDING SESSION

Common Functions for Members of Senior Management Team

1. To coordinate total efforts within the division/district toward meeting system goals.
2. To exercise necessary control to assure system results are achieved in the division/district.
3. To assure division/district is supportive of system programs, policies, practices, etc.
4. To assure necessary information is provided to develop an adequate data base for system planning in all key result areas.
5. To assure proper coordination of system operational planning and implementation of plan.
6. To confront potential problem areas for the system in a timely way.
7. To provide nurture and support for other members of the Senior Management Team.
8. To provide common communications to division/district personnel in all system matters vital to total understanding and team effort.

WHAT GROUP NEEDS TO ADDRESS

(Formulated at

Senior Management Team Building Session)

- * Open non-defensive communications within the Senior Management Group
- * Improve (sufficient) leadership effectiveness
- * Exercise group accountability roles (group accountability for system results) to each other
- * Exercise proper amount of interaction (input)
- * Demonstrate staff managers/district managers are a team
- * Identify team functions
- * Speak with one voice
- * Eliminate "we-they" syndrome
- * Assure that all people, especially supervisors, understand and support the organization
- * Develop and apply more professional management methods (avoid interruptions)
- * Improve communications -- do in proper manner -- thinking and actions of Senior Management Group to supervisors
- * Exercise our complete management role with responsibility-authority-accountability role

Commitments Made by Individual Members of Senior Management Team
at Team Building Session

District Manager

I will:

1. Maintain a regular contact with each staff member.
2. Be honest and say what is on my mind.
3. Let you know when I think you are wrong.
4. Change my opinion when you convince me I am wrong.
5. Respect your opinion and expect you to respect mine.
6. Support you and your department and expect you to support me and my department.

District Manager

To provide the opportunities for productive contacts between other members of the S.M.G. and myself. To allow them sufficient time and confidentiality to openly discuss our mutual responsibilities, results, etc., and any other areas that they want to discuss. In return, I will be open, honest, and timely in my responses. I will be supportive of them and their responsibilities to my staff and the members of Watauga District.

District Manager

I will work closer with each person on the Senior Management Team in seeking their support and in giving my total support to their efforts. I will endeavor to be frank and open in sharing information with each person on the Management Team and will actively seek their counsel and guidance in helping me to do a better job in my position.

District Manager

I will:

1. Communicate openly and freely with all members of the Senior Management Team and expect them to do the same with me.
2. Recognize the rights of others.
3. Support the objectives of the Cooperative.
4. Make an effort to improve my planning techniques in order to accomplish more.
5. Listen more and maintain a positive attitude.

Manager, Operations

1. Will make regular planned contact with other team members.
2. Will speak up and confront problems and situations on a timely basis.
3. Will communicate thinking and actions of management team to subordinates in order to provide better support.
4. Will work to assure proper input from all team members when developing plans.
5. Will make greater effort to show leadership by example.

Manager, Member & Public Relations

1. Deal honestly and openly with all staff members.
2. Deal directly with each staff member on "rifle-shot" approach.
3. Not be defensive when confronted by a staff member. Judge input on merit.
4. Listen especially hard and objectively when approached with criticism or misunderstanding.
5. Stop trying to fix everything.
6. Allow other staff members to make mistakes.
7. When I have done all I can do -- stop doing.
8. Examine my true motives before approaching another staff member and adjust accordingly.
9. Hold myself accountable first, remembering I don't have anything to give away if I don't possess it.
10. Seek out needed assistance for me.
11. Don't ever try to change anyone but me.

Manager, Finance

I will:

1. Try to get the staff department heads to meet at least two times a month.
2. Contact each district manager, either by visit or telephone, at least once a month.
3. Review system plans and results with the district managers and staff managers.
4. Listen to and discuss with each staff and department manager their primary areas of responsibilities to help me establish a good data base in each area.
5. Do my best to keep each staff and district manager fully informed in my primary areas of responsibilities.
6. Help, nurture, and support all other team members.
7. Keep E.V.P. fully informed.

Administrative Manager

I will:

1. Maintain one-to-one contact with each member of the Senior Management Staff.
2. Share as clearly and simply as I know how with each Senior Staff Member any concern I have which affects their area of responsibility.
3. See that each staff member has information relating to my area of responsibility which should be communicated on a common basis with background understanding.
4. Seek out comments and evaluation of system results in my area of responsibility as well as information for planning.
5. Work with my staff to give them the same understanding about team effort and team support, and encourage and guide them in implementation.
6. Accept accountability for the above commitments.

General Manager

I will:

1. Hold team members accountable for commitments made today.
2. Work with individual team members on a regular basis to seek maximum understanding, support, and effort toward achieving desired system results.
3. Confront problems and potential problems on a timely basis -- use ABC communication.
4. See that all information I need to communicate is effectively communicated in a common effort throughout the system.
5. Keep staff on track -- operating within the framework of position delegations.
6. Welcome criticism, suggestions, and opinions expressed by staff.

TEAM BUILDING

ACTIVITY I

WORKING TEAMS TO WHICH I BELONG

PURPOSE: This activity helps identify various working teams to which you belong and examines why some are more effective than others.

A. Think of the three or four major working teams to which you belong and list these below.

Team A _____

Team B _____

Team C _____

Team D _____

B. Using check list attached, rate each team and put appropriate rating opposite each statement number (1 through 7).

STATEMENT	TEAM A	TEAM B	TEAM C	TEAM D
1				
2				
3				
4				
5				
6				
7				

C. Record the Team's letters from above which score:

1 or 2 on Statement 1

5 or 6 on Statement 2

1 or 2 on Statement 3

5 or 6 on Statement 4

1 or 2 on Statement 5

5 or 6 on Statement 6

1 or 2 on Statement 7

Does this conform to your own experience as a part of the working teams?

D. Now answer the following questions:

1. Which teams appear most often?
2. Which teams appear least often?
3. Which teams do you think are the most developed?
4. How could the least developed team become more developed?

CHECK LIST
TEAM BUILDING
ACTIVITY I

SCALE

1. The group is effective at getting things done

1 2 3 4 5 6

The group is ineffective at getting things done

2. Membership is vague and easy to achieve

1 2 3 4 5 6

Membership is defined and difficult to achieve

3. The group has clear standards of behavior

1 2 3 4 5 6

The group has little influence on behavior of its members

4. There is no clear difference of roles

1 2 3 4 5 6

Individuals have clearly different roles in the group

5. There are close personal relationships within the group

1 2 3 4 5 6

Relationships are mainly impersonal

6. People share a clear concept of the purpose of the group

1 2 3 4 5 6

People have a low understanding of group purpose

7. People feel a strong sense of personal commitment to the group

1 2 3 4 5 6

There is little personal commitment to the group

TEAM BUILDING

ACTIVITY II

TEAM RATING

PURPOSE: To compare working teams against characteristics commonly associated with success, identify those teams most in need of development and provide a basis for helping them.

- A. Identify those teams you desire to rate.
- B. Use the team rating score form below and rate each team, using a scale from 1 to 10 for each characteristic listed.

CRITERIA	TEAM A	TEAM B	TEAM C	TEAM D	TEAM E	TOTAL
CLEAR OBJECTIVES AND AGREED GOALS						
OPENNESS AND CONFRONTATION						
SUPPORT AND TRUST						
COOPERATION AND CONFLICT						
SOUND PROCEDURES						
APPROPRIATE LEADERSHIP						
REVIEW						
INDIVIDUAL DEVELOPMENT						
SOUND INTER-GROUP RELATIONS						
TOTAL						

C. Compare results between teams and between criteria, asking particularly:

- (1) Does this activity tell us (me) anything about which teams are in need of development?
- (2) Are there any criteria requiring attention and which are common to some/all teams reviewed?

Note: This exercise can also be used within a team to contrast the views of individual members.

SUMMARY REPORT ON MANAGEMENT RESEARCH PROJECT
ON "PRODUCTIVITY"

Copy of complete report may be obtained by contacting
Barbara Deverick, Secretary REMDC
Blue Ridge Electric Membership Corporation
Caller Service 112
Lenoir, North Carolina 28645
Telephone (704) 758-2383

S U M M A R Y

This report summarized the results of the REMDC Research Project in productivity measurement carried out over a three-year period. It reviewed the approaches taken in the study and the findings of the study.

The basic management environment necessary in a rural electric cooperative for a productivity improvement program to be implemented successfully is discussed in the report. Specific reference is made to objective, valid performance indicators which are available annually to each rural electric cooperative from REA and CFC reports. These reports provide rural electric cooperative management with a feel for how well the cooperative measures up against its own past performance in certain key areas, as well as comparisons with the performance of other cooperatives. Use of such information will identify some key areas for which the management of a cooperative may want to develop more definitive control measures. This research report identifies work measurement as a means of reducing the focus of productivity to a more specific area or activity of utility operations.

Principles of a successful work measurement program have been outlined in the report. The need for a well-defined plan for the implementation of the work measurement program, with good follow-up, has also been emphasized.

A detailed discussion of how a work measurements program may be developed in an electric utility is set forth. Special references to integrating the program with the REA accounting system have been made and a model flow chart (see Exhibit A-1) for an integrated work measurements program is presented.

The report concludes with a statement of benefits to be derived from the implementation of work measurements program. Specific statements of cost savings are given as well as statements relating to improvements of quality of work. A key statement relating to results achieved indicates a utility can expect an automatic 5% improvement just because a work measurement program is implemented.

The report is meant to encourage an electric cooperative to take a more definitive look at productivity within its own organization, and initiate some positive programs for improvement. Work measurement is emphasized as a management tool which can help improve productivity, and the report offers guidelines for developing a work measurement program in an electric utility.

An effective work measurement program must minimize paper work and duplication and be an integral part of the utility's accounting and data system. Measure all work functions (activities) for an individual employee ideal for work measurements. It can begin with the work order system and the ideal time for implementing a work measurement program is when the utility is putting the inventory and work order accounting on the computer.

Certain aspects of the work measurement system are beneficial even when done manually; however, a comprehensive work measurement program can best be implemented with use of data processing equipment. With present computer hardware costs, more electric cooperatives can justify purchasing data processing equipment for the purpose of work measurement.

Productivity Improvement a Necessity

Improvement of productivity must be a major strategy of electric utilities - consumers and regulatory agencies will give impetus to action in productivity

improvement. Work measurement can be one means of achieving improvement in productivity which will be reflected in the cost of service and the rates paid by the consuming public. Electric cooperatives must take the initiative to find ways to improve productivity and introduce innovations in work methods and procedures. There can be no delay. The information contained in this report provides guidelines which will permit an electric cooperative to begin immediately to institute a program for productivity improvement. This is only the beginning.

Productivity Research

All electric cooperatives are urged to do productivity research, within the limits of their resources, and share the results of their projects with other cooperatives. The REMDC provides an excellent forum for sharing management information and ideas such as productivity with managers who have similar interests and are creatively seeking to manage more effectively.

RURAL ELECTRIC COOPERATIVES HAVING WORK MEASUREMENT PROGRAMS

AND PROVIDING DATA FOR THIS RESEARCH PROJECT

ARE LISTED HERE WITH PERSONNEL INVOLVED WITH THE PROJECT

- Blue Ridge Electric Membership Corporation
Caller Service 112
Lenoir, North Carolina 28645

Telephone: (704) 758-2383

Wayne D. Keller, Executive Vice President
Bob J. Moretz, Director of Operations
Barbara Deverick, Administrative Manager

- Four County Electric Membership Corporation
P.O. Box 667
Burgaw, North Carolina 28425

Telephone: (919) 259-2171

L.P. Beverage, Manager
Forris Barnhill, Line Superintendent

- Lee County Electric Co-op, Inc.
P.O. Box 3455
North Fort Myers, Florida 33903

Telephone: (813) 995-2121

James D. Sherfey, General Manager
O.D. Reynolds, Operations Division Director

- Shenandoah Valley Electric Co-op, Inc.
P.O. Box 8
Dayton, Virginia 22821

Telephone: (703) 879-2551

Mark McNeil, Manager
Allen Ritchie, Staff Assistant

- Union REA, Inc.
P.O. Box 359
Brighton, Colorado 80601

Telephone: (303) 659-0551

Richard L. Arnold, Manager
Clyde McDowell, Operations Manager

Others Contributing to the Development of this Report:

Marvin Athey, Assistant Manager
East Central Electric Association
412 North Main
Braham, Minnesota 55006

Richard Seger, Manager
Morgan County REMC
P.O. Box 1716
Martinsville, Indiana 46151

Case Studies Made By:

Edward J. Moran
Lennard Davis, Jr.
David J. Rabideau
Charles Weaver, Director
Electric Loans and Management Division
Rural Electrification Administration
USDA
Washington, D.C. 20250

REMDC Management Research Committee:

Richard Seger, Chairman
Marvin Athey
Virgil Herriott
Wayne Keller

THE PLANNING ORIENTATION AS A KEY TO PRODUCTIVITY

SUMMARY COMMENTS

Anthony Pisano, Executive Director
of the American Management
Association's (AMA) Professional
Institute

Productivity is complex.

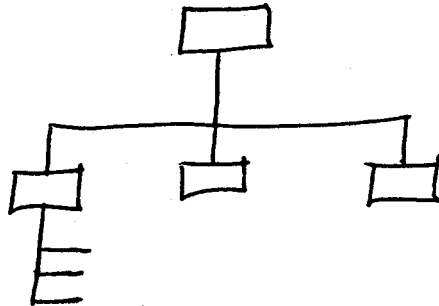
- Inputs which go into productivity (1) Land (2) Labor (3) Capital - Human element is most important.
- Interface of man and machine presents a special complexity.
- Three different perspectives brought to bear on the human element in productivity, (1) The Economist (2) The Psychologist (3) The Sociologist.
- Economists "When jobs are scarce marginal people will be more productive".
- Sociologists "People work in groups. Supervisors are not oriented to the new breed of people (young, blacks)".
- Psychologists "We have to understand what motivates people. We don't know how to most effectively change the actions (productivity) of people".
- Study by Japanese Board of Trade indicated "Japenses not outcompeting United States because of technology, but Japanese culture is outcompeting U. S."
- Today we'll develop three or four considerations as REMDC continues to focus on the Human Element as it affects productivity.

First

- The Human Element of productivity is not only a function of people at work, but also a function of how we planned and what we planned for in terms of people (labor), and the direction the organization is taking (Strategic Planning).

Point to be developed - THE HUMAN ELEMENT IN PRODUCTIVITY HAS TO BE TREATED IN THE ORGANIZATIONAL SETTING (People at work, engaged in processes). However, the organizational setting is often shaped by decisions and considerations which are uniquely strategic. The total perspective on productivity is in this linkage.

THE DYNAMIC



- PEOPLE

- AT WORK

- COMMUNICATIONS

This is where productivity happens or doesn't happen.

We will look at

- I. The Strategic Dimension
 - A. Basic Management Orientation
 - B. Unique View
 - C. Disciplined Assessment
 - D. Internal Dialogue
 - E. Adaptability

II. Strategic Considerations

- A. The dynamic
- B. Organizational Influences of Strategic Decisions
- C. Crucial Link - Human Resource Planning
- D. Case: G. E. Corporation

III. Treating the Human Element

- A. The need to Discriminate
- B. Excellence of Supervisory Leadership
- C. Performance-based evaluation
- D. Implementation Dilemma/project approach

MANAGEMENT ORIENTATIONS

First element of strategic positioning

(1) Production (2) Sales (3) Technology (4) Finance (5) Customers/Competitors/Distribution
Strategic Direction - There has been some thinking about the orientation the organization must take in order to make progress. Orientation must be balanced. Orientation is not static. Emphasis changes as conditions change.

Equilibrium and orientations

Customer/ competitors/Distribution Orientation

- Who are the customers?
- What is the meaning of competition?
- What is the meaning of distribution?
- How do we monitor the market place?
- What change is inevitable? How do we manage it?

A Unique way of looking at things - "In any situation, a handful of factors will determine the outcome, and strategy will be effective if these can be controlled or applied successfully."

AREA

Factors for Success - Key Strategies

Banking

How to amass money cheaply and lend it at as high a price as possible

Manufacturing

Economies of scale/production/technology

Public Manpower Agency

Availability of entry level positions in the labor markets

School System

Time on Task

MUST AIM STRATEGIES AT THE KEY FACTORS FOR SUCCESS.

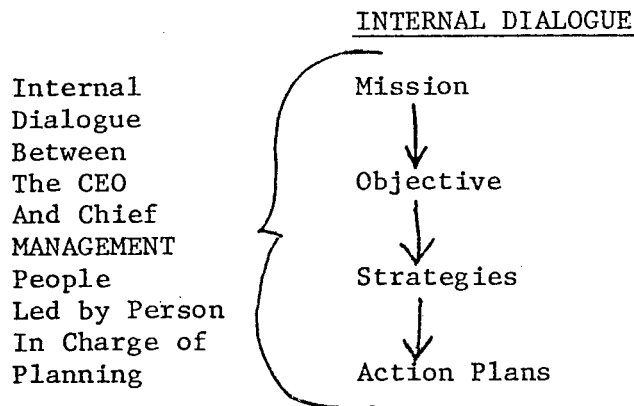
Concepts apply across the spectrum of business. The applications are different.

A Disciplined Assessment - A disciplined, ongoing look at your business.

- Data
- Constituents' Expectations
 - Employee Expectations
 - Past Performance
 - Current Situation
 - Customer/Market
 - Organizational Resources
 - Competition
 - Environmental Setting

- Analysis
- Opportunities
 - Threats
 - Weaknesses
 - Strengths

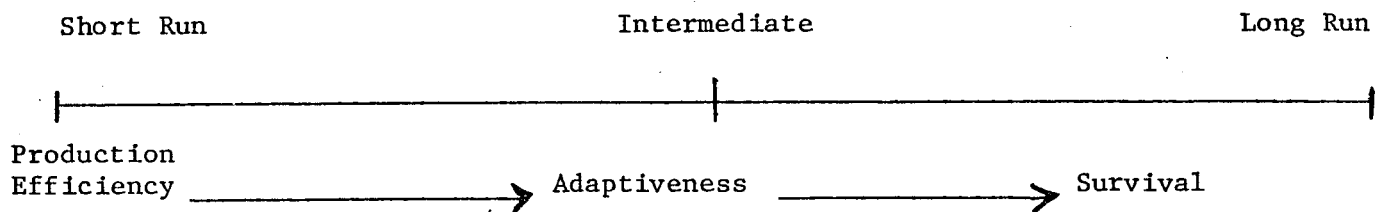
Disciplined assessment is posing questions against the world you operate in.
 What are the (1) Opportunities (2) Threats (3) Weaknesses (4) in each key result area.



There is an ongoing thoughtful dialogue between the CEO and the senior management team, with a close look once a year for refinement.

Action plan has a title and a completion date.

CRITERIA OF ORGANIZATIONAL EFFECTIVENESS



Auto industry in U. S. dwelt on short run.

The extent to which any organization practices strategic planning on a continuing basis the firm has a strategic character.

Use the historical perspective in making the strategic plan.

What appears to be sophisticated strategic planning loses its sophistication in its lack of simplicity.

Data are key but to concentrate on this is to lose the dynamic.

Best experience is when the top management sits in a non-threatening environment and discusses and formulates strategies.

Greatest by-product to the planning mode is building a "team climate throughout the organization.

When planning is viewed in this loose open way team building is enhanced.

The chief executive who understands that team direction comes from the planning dialogue will find tangential benefits in planning.

(Brief Exercise to give group flavor of what dialogue should be in Strategic Planning)

Basic Orientation in REC's Today -

1. Customer - Members
2. Orientation - Past Progression
 - A. A new technology/production
 - B. Sales
 - C. Finance

Key Factors

1. Satisfy member needs (must set up a disciplined listening mechanism to learn what these needs are)
2. Energy Cheapest \$
3. Wisdom of capital investment
4. Consumer consent

Facilitator keeps planning team on track.

Role of General Manager is to be the Chief Planner of the cooperative.
This role cannot be delegated. Planning director is a staff support person.
 Serves as a resource to General Manager.

CONTINUUM OF AUTOCRACY

Here it is DO IT	Balanced Involvement in decision making	Let's Vote
---------------------	--	------------

If a decision does not impact subordinates or their acceptance. Make the decisions. Decisions which impact subordinates and their commitment, be consultative in your approach as a manager/supervisor. The situation dictates the degree of planning involvement a general manager will have with his staff and each supervisor with his personnel.

- How much weight do you give in the situation audit to hard data and opinion or intuition? Balance the input.
- Where decisions are hard, use hard data in decision making.
- Begin with the intuitive opinion and develop data to confirm.
- What kind of setting do you create for strategic planning sessions.
 - (1) A setting where there are no interruptions (perhaps away from the office)
 - (2) All the appropriate people present
 - (3) Data on the table - Every participant prepared to participate
 - (4) Commitment to the strategic planning concept
 - (5) Do it on a scheduled basis

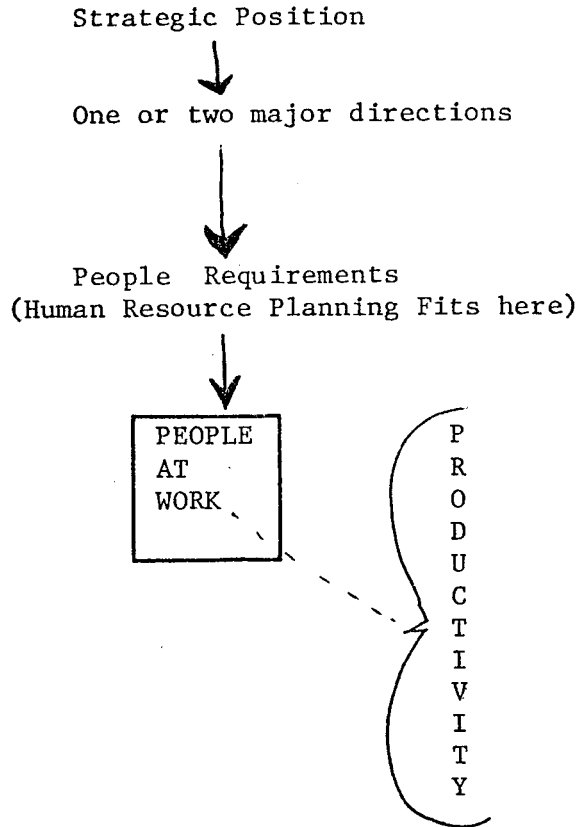
Operational planning asks "How do we maintain?"

Strategic Planning asks "Who are we and where are we going?"

Use strategic planning to deal with one issue which is a threat or opportunity as well as for overall co-op planning.

-The issue in REC's is the application of the strategic planning process, given the controlled environment in which REC's operate.

WHAT WE HAVE DEVELOPED SO FAR IN THE PRESENTATION



Tendency in productivity effort is to go right to "People at Work" instead of looking at the total organization from a strategic viewpoint.

Part of the disciplined assessment is - Listening to our customer-members.

- There are multiple orientations and we must think about them all.
- Over a period of time orientations change.
- Not so important that there be an orientation, but that there be a harmony in orientation.
- Unless there is a reasonable harmony in orientation, it can cause an organization to be disfunctional.

Internal Dialogue

- It is a process. It is a team effort. It starts at the mission level.
- Process of strategic planning is circular.
- Team involvement. CEO is chief planner, with his senior management group.
- Planning team is involved, team consists of CEO, senior managers, supervisors.
- Sometimes when a REC board member asks a question which seems operations oriented board member may be asking instead "Where are we headed?"
- Mission should have three levels - Necessary - Desired -
 - Necessary - (1) Basic Purpose of Organization (2) Scope of Enterprise (3) Special statement of financial viability (Example need to build reserve, etc.)
 - Desired - Value Kinds of statements (Quality of Service, how you relate to customers/employees/public).
- Human Element - Given where we see ourselves going, what are our people requirements
- Human resource planning is the activity of specifying people requirements for strategic scenarios which will unfold over time to maintain and develop the

enterprise. (Examples: Data Processing, development of new technology, growth, regulatory requirements.

- One of the largest factors affecting the productivity problem is decisions on job specifications, hiring specifications and training specifications.
- Wise decisions in meeting people requirements impact favorably on productivity.
- As you do strategic planning the human resources planning questions must be asked in tandem with the strategic planning dialogue.
- The internal labor market must be considered in human resources planning. This is a strong contributor to employee morale.
- When we complain about the productivity of people at work we must look at the linkage between people requirements for the job and how people are developed to meet work requirements.

DON'T BE DELUDED INTO BELIEVING THAT BECAUSE YOU ARE IN A RESTRICTED ENVIRONMENT YOU SHOULDN'T DO STRATEGIC PLANNING.

- Separate personnel administration from human resource planning.
- Human resource planning is strategic in process.
- Personnel management is not planning.
- Human resource planning deals with what are the characteristics of the future personnel requirements to carry out the strategic plan.
- All this points to the fact - THE DEMAND FOR LABOR IS NOT SELF-GENERATED, IT IS DERIVED. (We have no need for people except as they are needed to meet goals generated by strategic planning.)
- What training is need for management/ supervisory personnel already on the job is part of the planning process.
- Be very slective and discriminating in training for personnel.

TREATING THE HUMAN ELEMENT

- The people business is a messy business.

THE HUMAN ELEMENT

PEOPLE	BEHAVIOR	STRUCTURE	PROCESS
1. Managing Partners	National Identity		
2. Typists		Job Enrichment	
3. School Administrators	Management Orientation		
4. Project Managers			Performance based Evaluation
5. Assembly line Workers	Quality Circles		
6. Sales People		Product Specialization	

(Diagram shows how to address productivity problems with various types of employees) IN DEALING WITH PRODUCTIVITY PROBLEMS ASK YOURSELF DOES THE PROBLEM RELATE TO BEHAVIOR, STRUCTURE OR PROCESS.

- Productivity improvement process can address productivity problems anywhere in the organization.
- There is a great tendency to jump to behavior aspect when dealing with people performance problems.
- In thinking about improving the human element of productivity, think of which area needs to be addressed to produce results (1) Behavior; (2) Structure; or (3) Process.
- Process is (1) Decision Making;(3) communications;and (3) How you evaluate performance.
- Behaviour changes is getting people to orient themselves differently.
- Be as discriminating in examining causes of problems in performance with the human element as in the development of work measurement program.
- Management function as opposed to the technical function deals with people and it is no a precise, clear process.
- Perhaps a problem with the success of performance appraisal program is that we do not consider (1) Behaviour; (2) Structure; (3) Process.
- Be careful of the tyranny of the system in doing performance appraisals.
- To generate success in a performance appraisal program, train and orient supervisors in the WHY and HOW of Performance Appraisals.

Excellence of Supervisory Leadership

1. Supervisors' Effectiveness is where productivity happens.
Supervisors need - Training, training, training.....
2. Any productivity program directed at the rank and file employees without underpinning of excellence of supervisory leadership will have little success, if any.

(A) Few supervisors have credibility unless then have been excellent in their technical or craft position.

(Don't make your chief accountant the manager of finance unless he has been the best chief accountant you have ever had.)

Promote your best crafts persons and train them to be communicators.

(Recommended for reading "The Gamesman" by Harold McAbee)
Supervisor must be a communicator.

(B) The ability to convey a sense of wholeness. The supervisor must be able to communicate to each of his/her people they are a part of something greater. (This is the Quality Circle Concept. This is the Team Concept.)

Excellent supervisors can grasp the sense of the whole. This has to do with the day to day communications which instills the team concept.

(C) A supervisor must have the consultative approach which allows for participation so that the solution will be as effective as possible.

The consultative approach will lead to commitment.

SUPERVISORY EXCELLENCE HAS THREE PARTS (A) KNOW THEIR CRAFT OR TECHNICAL AREA: (B) BE ABLE TO COMMUNICATE - THE ABILITY TO SECURE TEAM EFFORT.; (C) THE CONSULTATIVE APPROACH.

Cited landmark court decision in case of Griggs vs. Duke Power Company relating to performance-based evaluation of work performance.

- In looking at performance, we look at the activity to be performed and to the reason (objective) for the behavior (the end result).
- REMDC work measurement project is one way of taking you there. It will enable co-ops to get their hands around the job outputs in a way you haven't had before.
- When you begin taking on the human element in productivity, look at the basics -
 - (1) Supervisory Excellence
 - (2) Activities of job and reason (end results) for activity
- Do basic "trench work" rather than the sophisticated processes and "gimmicks"

Implementation of work measurement project is the dilemma - Must use the Project approach

- Productivity improvement director must be looking at "the project board" which will show:

EXAMPLE OF PROJECT BOARD

PROJECT A	
1. Problem	Sales people have few continuing clients
2. Objective	Increase continuing clients as relationship to percent of total sales.
3. Approach (3 or 4 major tasks)	a. Gather data b. Survey sales force c. Develop Recommendations d. Develop Implementation Plan
4. Schedule	Make Pert or Bar Chart
5. Budget	\$

- We tend to leave the project board approach when we deal with people problems.
- Problem with dealing with productivity and people element we leave the project orientation behind. THIS IS WRONG. We have to be more disciplined, more hard nosed, more budget minded, when dealing with productivity and people.

SUMMARY
Considerations

- The human element starts outside the "four walls" of the organization.
- When we tie our people planning to strategic directions/future approaches, we minimize productivity problems as those people planned for go to work.
- Let's be very analytic and discriminating in our choice of applications for work measurement (productivity improvement).
- Application of any technique in the absence of supervisory excellence is possibly a waste of time and resources.
- Implementation: It's were much of the project goes wrong.
- Be aware of the culture.
- Stick to basics.

MINUTES

1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING

OPENING

The 1982 Rural Electric Management Development Council held its annual conference at the Hyatt Regency Hotel in Nashville, Tennessee, May 24-27, 1982. Council Chairman Robert L. (Bob) Roberts opened the meeting at 1:30 P.M. and welcomed council members and guests. An invocation was given. Chairman Roberts named Barbara Deverick as Secretary for the 1982 conference. He thanked Barbara for the work she had done for the council in the past. The Chairman then introduced the program committee and the Committee Chairman Bill Miller. Bill discussed the meeting of the program committee and reviewed the program. He stated that the theme for the 1982 council conference is "The Human Element as It Relates to Productivity". One change in the printed program was announced; that change was the deletion of the presentation by Jim Golden because Jim was unable to be present for the meeting. There was a brief discussion of plans for golfing on Tuesday afternoon and a count of those to play golf was taken. It was announced that there would be no formal meals for the group except the breakfast meal on Thursday morning, which would be followed by the business meeting of the council. Information relating to restaurants and entertainment in and around Nashville was presented.

CONFERENCE

The Program Chairman stated that the Program Committee had received good support from council members in the development of the program and the presentations were focused around the conference theme "The Human Element as It Relates to Productivity". The program proceeded as outlined with presentations by council members and by Anthony Pisano of the American Management Association.

BUSINESS SESSION

On Thursday, May 27, Bob Roberts convened the membership for the annual business session. He requested Derl Hinson to present the invocation, which he did. Comments were made concerning a brief statement prepared by Dr. Roy Musick concerning an employee assistance counseling program he was advocating. Chairman Roberts recognized Roger Geckler, a member of the membership committee, to give the committee report. Roger reported that Committee Chairman Bill Beverage was unable to be at the meeting and he reported that invitations to attend the 1982 conference had been extended to nine new systems. Roger stated that the committee recommended that interim membership privileges be granted to Randolph Electric Membership Corporation in Asheboro, North Carolina; Lighthouse Electric Co-op, Inc. in Floydada, Texas; and Lee County Electric Co-op, Inc. in North Fort Myers, Florida.

MEMBERSHIP REPORT

Roger stated that the committee had received applications for membership with all the necessary documentation from

MINUTES

1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING

MEMBERSHIP REPORT
(CONT.)

Union Rural Electric Association, Inc., Brighton, Colorado, Richard Arnold, Manager; Southside Electric Cooperative, Crewe, Virginia; Northern Electric Cooperative, Virginia, Minnesota, Lyman Patee, General Manager. Roger Geckler recognized Joseph Sloan, General Manager of Anoka Electric Cooperative, Anoka, Minnesota, who was an invited guest at the conference.

INTERIM MEMBERS
APPROVED

Motion was made and seconded and adopted that the cooperatives recommended by the committee be granted interim membership in accordance with the membership requirements.

CERTIFICATIONS
APPROVED

A question was raised about the certification for Southside Electric Cooperative, since the manager who had applied for certification was no longer manager there. A motion was made, seconded, and adopted that certification be approved for Union Rural Electric Association, Inc. and Northern Electric Cooperative. The committee was requested to have the information from these cooperatives which had been submitted for certification for display at the 1983 REMDC meeting.

RE-CERTIFICATION
REMINDER

All REMDC members who were certified the first year of the certification program were reminded that they are due for re-certification before the 1983 REMDC meeting to maintain continuing certification in the Council.

ASSOCIATE MEMBERS

Allen Ritchie gave a brief report on members who had not paid 1981 dues. (See Treasurer's report for list of 1981 dues paid.) There was no report from the committee nor a recommendation relating to the associate memberships. Chairman Roberts referred this matter back to the committee with a request that a report and recommendation be brought to the 1983 Council meeting. It was suggested that the Membership Committee work on getting the G & Ts to become members of the Council. A motion was made, seconded, and adopted to accept the report of the Membership Committee with thanks and appreciation for the work done.

RESEARCH COMMITTEE

Chairman Roberts then recognized Richard Seger, Chairman of the Management Research Committee, to present the recommendations of the Committee. Dick Seger stated that the work of the Committee had been reported on Tuesday afternoon when the presentation was made by the subcommittee members on the productivity project. He reminded the members that a copy of the recommendations from the Research Committee had been given to members on Tuesday for their study prior to the business session. Dick reviewed the Committee recommendations with the group. He thanked the Committee and the Subcommittee on Productivity for their excellent work. Jim Kiley asked if the Research Committee and subcommittee had a budget. Allen Ritchie, Treasurer, reported that an amount had been carried over for use by the Research Committee for the past three years, the period

MINUTES

1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING

RESEARCH COMMITTEE
(CONT.)

of time the productivity research project has been carried on. He stated that the remaining balance of the allocation was approximately \$1600. Jim Kiley stated that he thought committees should be reimbursed for out-of-pocket expenses.

RESEARCH
RECOMMENDATIONS
ADOPTED

A motion was made and seconded to adopt the following recommendations from the Management Research Committee:

1. Recommend that the Rural Electric Management Development Council adopt the "Research Project Report on Productivity" as presented by the Management Research Committee.
2. Recommend that "Productivity Measurement" be a continuing project of the Council and that the REMDC reports be disseminated to interested parties, other than Council members, at cost (\$5.00 per copy).
3. Recommend that REA, CFC, and NRECA be encouraged to participate by forwarding requests pertaining to productivity to the REMDC for response by providing available information and reports.
4. Recommend that time be scheduled on future REMDC annual programs for new or modified methods of productivity measurement, and that a subcommittee of the Research Committee be appointed each year to review reports and update the "Research Project Report on Productivity".
5. Recommend that research be conducted either by the Research Committee or subcommittee in coordination with REA and CFC into Rural Electric Systems which have implemented productivity measurement systems in particular areas of operations as evidenced by Annual Statistical Profile and Key Ratio Trend Analysis reports.

A question was raised as to whether or not recommendation number 5 limits the research recommended to the two reports mentioned in the recommendation. Dick stated that it did not limit the study to these two reports. The motion to adopt the recommendations was unanimously adopted.

Chairman Roberts stated he would defer asking for a motion on the suggestion made by Jim Kiley until the treasurer made his report.

TREASURER'S REPORT
APPROVED

Chairman Roberts recognized Allen Ritchie, Treasurer, for his report. Allen gave a copy of the report to each Council member and briefly reviewed the contents of the report. Allen again stated that there was approximately \$1600 remaining of the allocation for the research project. He stated there were a few miscellaneous bills still to be paid from the \$1627.62 balance shown in the Treasurer's Report. Motion was made, seconded, and adopted that the

MINUTES
1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING

TREASURER'S REPORT
APPROVED (CONT.)

Treasurer's Report be approved with thanks and appreciation to Allen for his excellent work.

Chairman Roberts requested Allen Ritchie, Chairman of the Nominating Committee, to present that committee's report. Allen reported the Nominating Committee had met and submitted the following report:

NOMINATING COMMITTEE
REPORT

Program Committee: John Parham, Chairman
Jerry Dover to replace Jim Lane
and serve balance of unexpired
term
Lawrence Moderow -- Term expires 1985 -

Nominating Committee:
Dave Larsen -- Term expires in 1985

Membership Committee:
Lloyd Geer -- Term expires in 1985

Management Research Committee:
Virgil Herriott, Chairman
Harold Smith -- Term expires in 1985
Dick Arnold -- Term expires in 1985

ELECTION

Motion made, seconded, and adopted to adopt the report of the Nominating Committee and elect the slate. (See list of officers and committee members for 1983 on last page of minutes.)

PROGRAM COMMITTEE
REPORT

Bill Miller, Program and Planning and Coordination Committees Chairman, was recognized by Chairman Roberts for his report. Bill stated that Bob Roberts, Kim Kiley, and he had met with Bob Kabat and Jack Woods, and explained that the Council wanted to continue to work with NRECA and Management Services Department, but that the Council did not feel it could any longer sponsor the advanced management program. Bill stated that there were good vibes in the discussion and that both Bob and Jack understood the Council's position. He said that both Bob and Jack had been invited to the REMDC meeting and had replied to him and stated that the REMDC meeting was in conflict with the NRECA Tax Conference and they would be unable to attend.

Bill stated that the Program Committee met in St. Louis and planned the program using the recommendations from the 1981 conference. They developed the theme for the meeting. Bill gave the results of the poll taken during the conference presentations on management practices. He thanked the members of his committee for their work. Chairman Roberts thanked Bill and the excellent program planning which had been evidenced in the conference. Council members joined in the thanks with their applause.

MINUTES
1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING

GOLF REPORT

Bill Ward was recognized by the Chairman to report on the golf tournament. Awards were presented to Ronnie Hunt, Jim Kiley, Harold Smith, and Bill Ward.

REIMBURSEMENT OF
COMMITTEE EXPENSES

Chairman Roberts recognized Jim Kiley for further comments on the subject of reimbursement of expenses for Council committees. Jim pointed out that it probably wasn't a problem for general managers to get their expenses paid, but when a person who was not a general manager was serving on a Council committee, there could be problems of reimbursement. There were comments in support of Kiley's comments. Wayne Keller suggested reimbursement of travel expenses only (plane fare, etc.). A motion was made, seconded, and adopted that the Council pick up the bill for travel for specific committee meetings not held in conjunction with other related meetings. Jim Kiley suggested that the committee chairmen prepare a work plan and budget for their committee work, and submit this to the Council Chairman and Treasurer so that funds could be budgeted for this purpose. Lyman Patee suggested that the plan show tentative dates for the committee meetings, if any, so that the treasurer can plan to have the money available and not lose any interest on investments.

1983 CONFERENCE

LOCATION

Chairman Roberts stated that the next order of business was a discussion of plans of the 1983 conference. The Chairman showed the cities which had good air transportation within a 600-800 mile radius of St. Louis. A motion was made that the 1983 Council meeting be held in St. Louis. The motion was seconded and adopted, and included in the motion was the statement that the Chairman of the Council and the Program Chairman would coordinate on the place in St. Louis where the meeting would be held, the one proviso being that there be good support facilities at the meeting site. A motion was made, seconded, and adopted that the dates for the 1983 Council meeting be May 23-26, 1983. A motion was made, seconded, and adopted that the group breakfast be cancelled for 1983.

DATES

THEME SUGGESTIONS

The question was raised concerning the theme for the 1983 Council meeting. It was stated that perhaps a better term would be "emphasis" rather than theme. Jim Kiley stated that he hoped that the Program Committee will work on using Anthony Pisano and AMA again. Members of the Council were urged to carry out at least one productivity project during the year which they could report on at the 1983 Council meeting. Virgil Herriott suggested that a possible theme or emphasis for 1983 could be "What Management Strategies Work Managing At a Time Like This". Virg said he would like to know what works and what doesn't work in management strategy in turbulent times. Chairman Roberts suggested to the Program Chairman that he put a consultant in the program budget for 1983. Roger Lentz volunteered to video tape the Council program in 1983.

MINUTES

1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING

THEME SUGGESTIONS
(CONT.)

The members felt this would be a good contribution to the work of the Council. A question was raised as to whether or not the Planning and Coordination Committee was needed since the Council no longer sponsored the advanced management program with NRECA. A motion was made that the name of the committee be changed to the Planning Committee and be composed of the officers and committee chairmen with a representative from NRECA to be named by NRECA. The motion was seconded and adopted.

RESEARCH
SUGGESTIONS

Virgil Herriott asked for project recommendations for the Research Committee. Dick Seger suggested the Committee might wish to examine the question of "How can distribution cooperatives influence productivity as to G & Ts and input power costs?" Bill Miller suggested doing some research on "What is a good data base for establishing member consensus (surveys, etc.)". Dick Arnold suggested research in "To what extent, if any, these 'hard times' have affected co-op/board budgets". Allen Ritchie expressed concern that NRECA is not represented at the meeting. He said in the local distribution cooperatives when members held a meeting to discuss co-op related issues, the co-op was always represented by members of management. Chairman Roberts stated again that Bob Kabat did not appear to be upset that the Council stopped supporting the advanced management program.

COMMENTS FROM NEW
PEOPLE

Chairman Roberts stated that there were several new people at the 1982 Council meeting and he would like to recognize them for comments. Dick Arnold stated that the areas of inquiry in which the Council members were doing research and study were very vital to the rural electric program. He stated that the response of the members to the research projects of the Council was good. He said that he felt that it was imperative that Rural Electric co-ops have a high degree of professionalism in their management and that this professionalism had been demonstrated at the 1982 REMDC meeting. Allen Holt and Bob Phillips stated they had received much from the meeting and appreciated the action taken on the interim membership for Randolph EMC. Fred Kane stated he, too, had gained much from the meeting and felt fortunate to have participated in the meeting. Jim Kinghorn stated that the subjects covered at the Council meeting were very timely and helpful to him, that the meeting couldn't have come at a better time. He said it was heartening to him to know that such a group was meeting and planning for the future. Joseph Sloan stated that he found the program excellent and thanked the Council for inviting him to participate.

TIME SCHEDULE FOR
MEETING

Bill Miller, Program Chairman, stated that not having the advanced management program a part of the Council program had enabled the committee to set a different timing on the Council program. He asked for comments about beginning the

MINUTES

1982 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL MEETING


TIME SCHEDULE FOR
MEETING (CONT.)

meeting at 1:30 P.M. on Monday and ending by Noon on Thursday. Everyone present agreed that this was a good schedule to be used in the future.

THANKS

Chairman Roberts again thanked all the committees and gave particular thanks to Bill Miller and the Program Committee for its excellent planning and program, and to Anthony Pisano for his very excellent presentation which built on the report of the Management Research Committee on Productivity. The Chairman again thanked the Secretary for her work.

There being no further business to come before the group, upon motion, second, and vote the meeting was adjourned.


Barbara Deverick, Secretary

TREASURER'S REPORT
THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL

OPERATING STATEMENT

May 13, 1981 to May 17, 1982

INCOME:

1981 Dues (Schedule A)	\$ 300.00
1981 Interim Dues (Schedule B)	300.00
1982 Dues (Schedule C)	7,500.00
Interest from Investments	722.84
Total	\$ 8,822.84

EXPENSES:

Council

1981 Meeting	
NRECA-Coffee, Luncheon, Breakfast	\$ 623.41
NRECA-Portion on Adv. Mgt. Conf.	6,000.00
Blue Ridge EMC - 1981 REMDC Proceedings	436.66
1982 Meeting	
SVEC-Prepare and mail 1982 dues statements	19.34
Sub-Total	\$ 7,079.41

Research Committee

American Productivity Center - complete payment - "Productivity" Research Project	3,000.00
Total	\$10,079.41

NET INCOME

\$(1,256.57)

THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL

SCHEDULE A

<u>1981 Dues Paid After May 12, 1981</u>			
Chugach Electric Assoc.	5/26/81	\$	300.00

SCHEDULE B

<u>1981 Interim Membership Paid After May 12, 1981</u>			
Northern Electric Cooperative Assoc.	6/02/81	\$	300.00

SCHEDULE C

<u>1982 Dues Paid as of May 17, 1982</u>			
Adams EC	4/14/82	\$	300.00
Blue Ridge EMC	3/31/82		300.00
Cass County EC	3/29/82		300.00
Chugach Electric Assoc.	--		--
Clark County REMC	3/29/82		300.00
Cornhusker PPD	3/29/82		300.00
Cotton EC	4/06/82		300.00
East Central EA	5/03/82		300.00
Flint EMC	3/31/82		300.00
Four County EMC	3/31/82		300.00
Hancock-Wood EC	--		--
Jackson Purchase EMC	--		--
Kay EC	3/29/82		300.00
KEM	--		--
Linn County REC	3/29/82		300.00
Lumbee River EMC	3/29/82		300.00
Maquoketa Valley REC	4/06/82		300.00
Mid-Carolina EC	--		--
Morgan County (Ind.) REMC	5/13/82		300.00
Northern EC	4/14/82		300.00
Oklahoma EC	--		--
Pioneer REC	4/06/82		300.00
Shenandoah Valley EC	3/29/82		300.00
Sioux Valley Empire EA	4/06/82		300.00
Southeastern Illinois EC	3/29/82		300.00
Southeast Iowa EA	3/29/82		300.00
Southside EC	--		--
Union REA	4/14/82		300.00
Volunteer EC	3/29/82		300.00
White River Valley EC	--		--
Whitley County REMC	3/29/82		300.00
Wright-Hennepin CEA	3/29/82		300.00
Yampa Valley EA	4/06/82		300.00

Total

\$ 7,500.00

THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL

BALANCE SHEET

May 17, 1982

5/17/82

5/12/81

ASSETS

Current

Cash in Checking Account	\$ 6,127.72	\$ 2,207.13
Investments-Savings Account	<u>11,895.91</u>	<u>17,073.07</u>
Total	\$18,023.63	\$19,280.20

MEMBERS' EQUITY

Retained Earnings	\$19,280.20	\$15,366.67
Net Gain	<u>(1,256.57)</u>	<u>3,913.53</u>
Total	\$18,023.63	\$19,280.20

RESEARCH COMMITTEE

Resources

REMDC Allocation - "Productivity" Continued from 1980 and 1981	\$ 4,627.62
Expenditures (from Council Operating Statement)	<u>3,000.00</u>
Remaining Budget Allocation	\$ 1,627.62

Respectfully submitted,

Allen R. Ritchie
Allen R. Ritchie
Treasurer

THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL

ATTENDANCE RECORD

Cooperative	Years											
	'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82
Adams Electric Cooperative <i>Gettysburg</i>	0	X	X	X	X	X	X*	X	X	X	X	X
Blue Ridge EMC	X	X	X	X	X	X	X	X	X	X	X	X
Carroll Electric Cooperative Corp.			X	X	X	X	X	X	-	-	-	-
Cass County Electric Coop.	X	X	X	X	X	0	X	X	0	*	0	X
Chugach Electric Assn., Inc.				0	0	0	0	0	-	-	-	-
Clark County REMC										X	X	0
Cornhusker PPD	X	X	0	0	0	0		0	X	X	0	0
Cotton Electric Cooperative				X	0	X	0	X	X	X	0	X
East Central Electric Association			X	X	0	0	-	0	X	X	X	0
Flint EMC										X	X	X
Four County EMC	0	0	X	X	X	0	X	0	X	0	X	X
Jackson Purchase REC	0	X	0	X	0	0	-	0	0	-	-	-
Kay Electric Coop.	0	X	X	X	X	X	0	X	0	0	0	0
KEM Electric Coop.	X	0	X	X	0	0	X	X	X	-	-	-
Linn County REC					X	X	X	X	X	X	X	X
Lumbee River EMC					0	0	0	X	X	X	X	X
Manquoketa Valley REC.										*	X	X
Morgan County REMC (Indiana)	0	0	X	X	0	X	X	X	X	X	0	X
Oklahoma Elec. Coop.					X	0	0	0	X	0	0	-
Pioneer REC						X	X	X	X	X	X	X
Shenandoah Valley Electric Coop.	0	0	X	X	X	X	X	X	X	X	X	X
Sioux Valley Empire Electric Assn.	X	X	X	X	X	X	X	X	X	X	X	X
Southeastern Illinois EC										X	X	X
Southeast Iowa Co-op EA										X	X	X
Southside EC									X	X	0	-
West Plains Electric Coop.	X	X	X	X	X	X	X	X	X	-	-	-
White River Valley Electric Coop.	X	X	X	X	X	X	X	X	X	X	0	-
Whitley County REMC					X	0	X	X	X	X	X	0
Wright-Hennepin Elec.						X	X	X	0	X	X	X
Yampa Valley Electric Assn.	X	X	X	X	X	X	X	X	X	X	X	0
Mid-Carolina EC									X	*	-	-
Union Rural EA										0	X	X
Volunteer EC										0	X	X
Hancock-Wood EC										X	X	-

Code: X - Paid - Attended
 0 - Paid - Did not attend
 * - Attended - Dues not paid

Co-ops represented at meeting by invitation (prospective members):

*Randolph Electric Membership Corp. (North Carolina)
 Anoka Electric Coop

RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL

OFFICERS AND COMMITTEES FOR 1983

Officers

Chairman	Robert L. (Bob) Roberts	Term expires in 1984
Vice Chairman	Barbara H. Deverick	Term expires in 1984
Treasurer	Allen Ritchie	Term expires in 1983
Secretary		Appointed annually by Chairman

Standing Committees

Program

Chairman.	John Parham	Term expires in 1984
	Jerry Dover*	Term expires in 1983
	Jack Hicks	Term expires in 1984
	Lawrence Moderow	Term expires in 1985

Nominating

Chairman.	Allen Ritchie	Term expires in 1983
	Roger Lentz	Term expires in 1984
	Ronnie Hunt	Term expires in 1984
	Dave Larson	Term expires in 1985

Membership

Chairman.	Everette Bristol	Term expires in 1983
	Elmer Stocker	Term expires in 1983
	Roger Geckler	Term expires in 1984
	Lloyd Geer	Term expires in 1985

Management Research

Chairman.	Virgil Herriott	Term expires in 1983
	Wayne Keller	Term expires in 1984
	Harold Smith	Term expires in 1985
	Dick Arnold	Term expires in 1985

Planning

Chairman.	John Parham
	Allen Ritchie
	Everette Bristol
	Virgil Herriott
	Jackson Wood
	Robert L. Roberts, Ex Officio

- A. All committee members and officers elected for three-year term except as noted.
- B. Chairman of each standing committee, except Planning and Coordinating Committee, named by the Nominating Committee and serve three years when elected, unless completing an unexpired term as a replacement.

* Filling unexpired term.