



MASSEY UNIVERSITY

MASSEY UNIVERSITY COLLEGE OF SCIENCES

Paper Outline 2010

Paper Number and Title: 112.743 Advanced Studies in Cooperatives

Credits value: 15 Credits **Semester:** I

Campus: Manawatu **Mode:** Internal & Block

Calendar Prescription: An advanced study of the theory and practices of cooperatives and mutuals. Emphasis is placed on the ownership and governance of cooperatives and their subsequent performance in meeting the conflicting demands placed on them through shareholder/supply or shareholder/buyer complexities. The competitiveness of cooperatives in a global environment is explored through appropriate case studies, with particular attention being paid to global equity and consumer markets.

Pre- and Co-requisites: Graduate status (AES can be expected only in *rare* exceptions).

Restrictions: Nil

E-Learning Category:

Paper Coordinator: Dr James Lockhart (AACSB, Teacher of record)
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Other Contributing Staff: Mr Jeremy Hubbard and Mr Lindsay Hawkes, School of Accountancy; Dr Hamish Gow, Department of Economics and Finance; Dr Elena Garnevska & Mr Daniel Conforte, Institute of Food, Nutrition and Human Health.

Guest lectures from Alan Robb and Professor Ralph Stablein are anticipated.

Aim: Research students have noted the lack of a paper on cooperatives at Massey University. The New Zealand Cooperative Association has identified a need among their members for graduate level education, given the reported low level of understanding of cooperative businesses. The learning outcomes below are based on the need to understand the theory and purpose of cooperatives, why they are formed, and how they deliver wealth to their members. An aim of the course is to understand the alternative structures, strategies and governance adopted by cooperatives and how to better assess their performance over time.

Learning Outcomes: On successful completion a student will be able to:

1. demonstrate advanced knowledge on the theory and practices of cooperatives
2. rationalise the complexity of supply/shareholder and buyer/shareholder fiscal policies
3. critically appraise cooperative performance measures, membership and equity issues
4. evaluate cooperative governance models
5. analyse cooperative strategies from the perspective of shareholders.

Assessment:

Essay: Discuss the attributes of and motivation for the cooperative organisational form (firms where owners are also patrons). Analyse the paradigms from which these attributes have been identified, discuss the limitations of each paradigm (i.e., what can and cannot be explained, in both a positive – what is - and normative – what should be – manner).

Case Study: Analyse the performance of either the KNCU (a producer patron cooperative) or the Group Health Cooperative (consumer patron cooperative). Determine the organisation’s purpose, the role and responsibility of governance, identify the processes for delivering customer and patron (either producer or consumer) value. The analysis must draw on a range (at least three) of theoretical perspectives.

Report: A case study analysis of a cooperative/mutual of your choosing. Determine the organisation’s strategic intent, the role and responsibility of governance, identify the processes for delivering customer value and either creating or maintaining its core competencies. Analyse the processes of wealth creation and determine whether patrons are receiving returns in excess of the cost of capital. Analyse the organisation’s governance structure. Write a report to the Chairman of the case organisation in response to the following instructions:

Describe the organisation’s current strategy and still pertinent aspects of its past strategies (hindsight).

Evaluate the ‘strengths’ and ‘weaknesses’ of the cooperative/mutual. Particular attention should be directed at the organisation’s governance. Identify the key strategic issues, including governance structure and competencies, confronting the organisation over the next decade or more (foresight).

Determine what should be on the organisation’s strategic pathway.

Examination: All candidates will complete a three (3) hour examination at a Massey University examination centre. The examination consists of seven compulsory questions, of which five must be attempted. Question One is compulsory.

Alignment of Assessment to Learning outcomes:

Assessment Description	LOs Assessed					Contribution to Mark
	1.	2.	3	4.	5.	
1. Essay	x	x				15 %
2. Case Study	x	x	x	x		20 %
3. Report		x	x	x	x	35 %
4. Examination	x	x		x	x	30%

Deadlines and Penalties:

Assessment	Due Date / Deadline	Penalty
1. Essay		
2. Group & individual assessment		
3. Report		
4. Examination		See aegrotat consideration

Requirements to Successfully Complete the Paper:

To pass the paper with a C grade, an aggregate of 50% of the total assessment is required including at least 50% in the final examination.

Learning Programme and Schedule:

A recommended work and learning schedule is presented in the table below. The work *rate* is based on an average of 12.5 hours per week, for a 15 week semester.

Date (Plan here)	Weekly Step	Topic	Text/ Readings	Assessment/ Exercises
Week	1	A theory of enterprise ownership; producer-owned enterprise	Hansmann: Part I & II	
	2	Customer-owned enterprise; non-profit & mutual enterprise	Hansmann: Part III & IV	
	3	Corporations & shareholders	Monks & Minow: Ch's 1 & 2	
	4	Assignment One	Hansmann; Monks & Minow	Essay
	5	Nil		
	6	Preparation of case study	Case study notes	
Days One & Two: First Contact Block				
	7	Analysis of performance	Monks & Minow: Ch 4	Case study
	8	Governance	Monks & Minow: Ch 3	
	9	Preparation of report	Data collection	
Day Three & Four: Second Contact Block				
	10	International governance	Monks & Minow: Ch 5	
	11	Preparation of report		
	12	Preparation of report		Report
	13	Nil		
	14	Examination preparation	Entire course	
	15	Examination preparation	Entire course	Examination

Some four weeks (60 hours) of study **must** be completed prior to the first contact block. An indicative timetable for the contact days is presented below.

Day	AM/PM	Topic	Faculty	Activity
1	AM	Introduction; discussion of the theory of enterprise ownership; discuss essay	Lockhart	Class discussion of Hansmann
1	PM	Producer & consumer owned enterprises; governance	Lockhart & Robb	Class discussion of Hansmann; NZ examples
2	AM	Cooperative law; transaction & management costs economics	Hubbard & Gow	Legal entities; Economic frameworks; review Monks & Minow
2	PM	Case studies	Garnevaska & Conforte	Discuss cases
3	AM	Discuss case study; cooperative and mutual governance	Lockhart	Review of best practice governance
3	PM	Performance measurement	Hawkes	Financial and non-financial measures
4	AM	Non-profit & mutual enterprises	Lockhart & Stablein	Non-financial performance
4	PM	Report preparation	Lockhart & Conforte	

Student Time Budget: The total required is 187.5 hours, i.e., the 15 week semester at 12.5 hours per week. The time includes preparation for all types of assessment, formally - timetabled time, and time scheduled by the student as follows:

Reading and reviewing	95 hours
Formative assessment time	39 hours
Formal contact time	35.5 hours
Preparation for examination	15 hours
Examination	3 hours

Timetable:

Lectures: Two contact blocks

Tutorials: Nil

Proposed Feedback and Support for Student Learning:

Formally organised feedback (e.g., comments on essay, case study and report), students may seek assistance less formally, and directly from all faculty. Feedback occurs in a manner that aids the student's learning process, i.e., at contact courses. A turnaround time of 14 days is required for all three formative assessments.

Textbooks: Hansmaan, H. (2000). *The ownership of enterprise*. Cambridge, MA: Belknap Press of Harvard University Press.

Monks, R. A. G., & Minow, N. (2008). *Corporate governance* (4th ed). West Sussex: John Wiley & Sons.

Additional Costs: Nil

Conditions for Aegrotat Pass and Impaired Performance:

If you are prevented by illness, injury or serious crisis from attending an examination (or completing an element of assessment by the due date), or if you consider that your performance has been seriously impaired by such circumstances, you may apply for aegrotat or impaired performance consideration. You must apply on the form available from the Examinations Office, the Student Health Service or the Student Counseling Service.

To qualify for an aegrotat pass on the final examination, you must have attempted at least 40% of the total formal assessment and your performance must be well above the minimum pass standard, so that the examiners can be confident that you would have passed the paper if you had completed the final examination.

Plagiarism: Massey University, College of Sciences, has taken a firm stance on plagiarism and any form of cheating. Plagiarism is the copying or paraphrasing of another person's work, whether published or unpublished, without clearly acknowledging it. It includes copying the work of other students. Plagiarism will be penalised; it is likely to lead to loss of marks for that item of assessment and may lead to an automatic failing grade for the paper and/or exclusion from reenrollment at the University.

Grievance Procedures: A student who claims that he/she has sustained academic disadvantage as a result of the actions of a University staff member should use the University Grievance Procedures. Students, whenever practicable, should in the first instance approach the University staff member concerned. If the grievance is unresolved with the staff member concerned, the student should then contact the College of Sciences office on his/her campus for further information on the procedures, or read the procedures in the University Calendar.

Signed: _____
Paper Coordinator

Date

Signed: _____
Subject Leader

Date

Appendix One:

LECTURE OUTLINE:

*(This is best on a **separate page** and should consist of a lecture by lecture or week by week schedule.)*