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# The Role of Management Behavior in Agricultural Cooperatives: Discussion

*Bruce L. Anderson*

This article is a significant contribution for cooperative managers, directors, and future leaders! Cook's article should be applauded by cooperative practitioners and academics. It deals with a critical subject in a rather applied way that can truly make a difference on cooperative performance. And as he correctly observes, "Empirical results in most areas of cooperative management behavioral hypotheses are limited or non-existent." Hopefully, this is just the beginning of studies on cooperative management behavior.

The article's objectives are to explore the organizational differences of cooperatives, how they affect management behavior, and what makes cooperative management more difficult. Cook makes a major step in fulfilling these objectives, but much is left to be accomplished.

The author tries to give the article structure by using Mintzberg's classification of managerial roles to organize his discussion (Mintzberg 1971). One major criticism is that this classification seems somewhat forced and at times awkward.

Another comment is that, in a couple of places in the article, the author refers to Nourse and Sapiro I and II cooperatives and to New Generation Cooperatives. It would have been helpful to the reader to briefly describe the characteristics of these organizations.

Cook is at his best when he begins to relax academic protocol and to share his presumably personal experiences objectively. This occurs about one fourth of the way through the article, when he starts discussing the primary differences of cooperatives.

The author feels the "most distinguishing and essential property right distribution of ownership and control to patronage rather than investment has considerable influence on a cooperative's structure and performance." He then goes on to neatly lay out and discuss the unique implications this has on cooperative management. Cook concludes that the inherent features of cooperatives "lay the groundwork for a conservative, defensive, operation-oriented corporate culture, one that is almost anti-offensive." But he does realize some cooperatives have been able to overcome this and "have been aggressively innovative and expansion oriented." While

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he does discuss some factors contributing to this change, the real question is: What can cooperatives do to make this change?

The discussion on the sources and causes of conflicts is excellent, especially as it relates to cooperative performance. It suggests cooperatives need to do a better job defining their goals and communicating them to members, and achieving their financial objectives. While I would agree that "conflicts generated by control issues are the most delicate and difficult to address for a cooperative manager. . .and involve considerable risk," problems with governance usually do not stem from member issues but, more likely, board-management relations.

Cook fails to identify major economic factors influencing cooperatives. For example, most agricultural cooperatives operate in mature or even declining markets. At the same time technical progress is increasing economies of scale. These two issues greatly complicate the lives of cooperative managers. Cooperatives seem to find it difficult to deal with over capacity, to successfully execute mergers, and to adopt aggressive marketing strategies.

The discussion on resource allocation differences is good. It weaves pricing issues with equity and redemption considerations. However, the reader is left wondering what can be done to change the situation and improve cooperative performance.

In discussing information role differences, Cook, like many writers, suggests cooperatives often have better information and communication channels than other types of firms. The assumption is that cooperatives should have a comparative advantage in this area. Why is it then that so few cooperatives capitalize on these advantages? The author provides no insight into this dilemma.

Scattered throughout the entire article, and specifically in discussing the interpersonal role differences, Cook implies that a cooperative manager requires a unique set of personal characteristics. In his summary and conclusions Cook lists four such characteristics. They provide a start at assuring there will be a good fit between the manager and the cooperative. But the question is: How can cooperative boards know if these qualities are present in a new manager? This may be a fruitful area for further study.

Cook's article has several implications for cooperative boards and even provides the foundation for considering strategies to improve the economic performance of cooperatives. By outlining the parameters within which cooperative managers operate, he has identified the factors cooperatives must work on improving. The next logical step would be to spell out policies, strategies, and action plans that overcome inherent weaknesses and that exploit their advantages. The other step would be doing a sequel on "The Role of Director Behavior in Agricultural Cooperatives." That is the challenge Cook has provided us.

## Reference

- Mintzberg, Henry. 1971. Managerial work: Analysis from observation. *Management Science*, 18:897-B110.