

# Missing Links

*Why they don't teach co-ops at U.S. business schools—  
and how we can create connections*

BY ART SHERWOOD, PH.D.

I am often asked, “Why don’t you teach co-ops in the business schools?” As a true believer in and champion of co-ops, I empathize with this frustration. But knowing in our hearts that co-ops are important is not the same as supporting this with science. As a university business professor, I have to face the facts.

The facts are that there is simply not the basis in research that fully justifies co-ops being at the table and included in textbook teaching within the university business schools, nor has the case been made for why co-ops should be included.

The purpose of this article is to explain these reasons further and to begin a discussion of how to meet the challenge of getting co-ops to the business school table. And it is a call to action.

## Why we stay at the sidelines

I know of no U.S.-based university business programs that currently focus on co-ops, nor have I heard of more than a handful of permanent classes being taught. (For an example of what it might look like, see a Canadian program at the Sobey School of Business, [smu.ca/academic/sobey/mm/welcome.html](http://smu.ca/academic/sobey/mm/welcome.html)).

This tells me that there are some fundamentals missing. Business schools make choices of what to teach beginning with research. Then there are the issues of fit, demand, and legitimacy.

The challenges of research, and of understanding co-ops and research, are real and acute. It is inarguable that universities teach what has been researched, and this becomes core material. Certainly fads of the day leak in, but core material from published, peer-reviewed research is what lasts.

I am heavily involved in the issues related to co-op research and how we might take it to the next level. Recently, my colleague Keith Taylor



ILLUSTRATION BY RUBY THOMPSON

and I ran a bibliographic sprint when we spent a full day identifying academic journals and articles about co-ops. We identified five journals that extensively cover co-ops (none of which is considered a mainline business journal) and about 450 peer-reviewed articles. We are not finished, but I estimate that in the end we may identify perhaps 1,500 articles.

That may seem like a lot, but here is the contrast: I did a search in the Cabell’s journal directory for the areas of accounting, economics and finance, management and marketing. I found 487; 1,269; 1,704; and 630 journal options, respectively (publications, not articles). Only three of the five journals we’ve found covering co-ops even showed up in the search.

Now, there is certainly overlap in that search, but the point should be clear. Research in business is NOT focused on cooperatives. We are at the stage where, if you put five people in the room and asked them what a co-op is, it is likely that you would get five different answers. This is very early stage understanding. **Key question:** How can we get a critical mass of research conducted?

The next issues are those of fit and demand.

Recently, a colleague asked me to help him understand why a department chair was reluctant to include a course on the co-op organizational form. As I read the department chair’s words, it became clear to me the chair was concerned that there was no clear fit for the course in the curriculum. What case can be made for it to fit? Additionally, the department chair was concerned there would be a limited number of students interested. In these days of intense budgetary constraints, the number of butts in the seats matters. **Key question:** What case can be made that anyone would be interested?

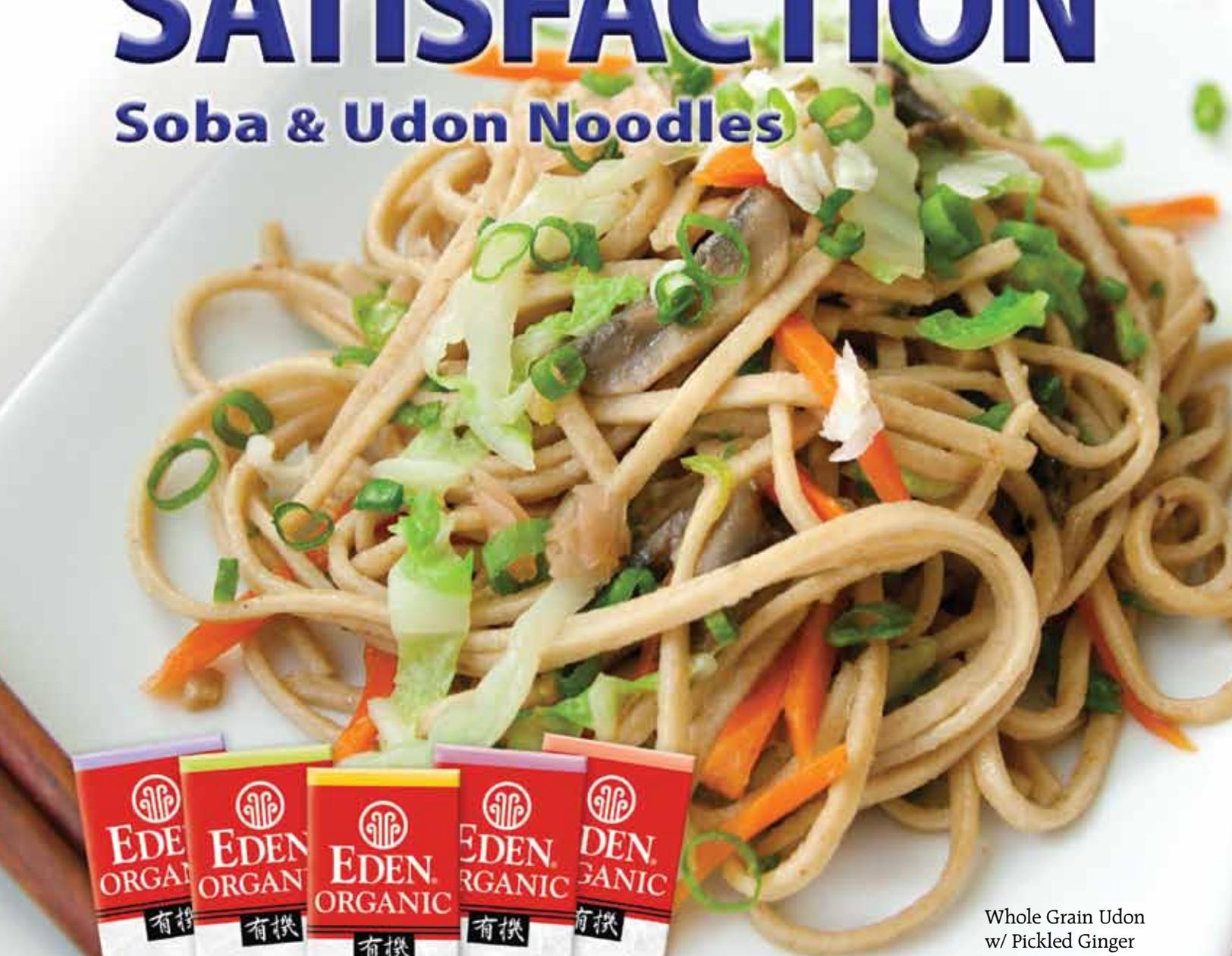
Finally, the issue of legitimacy. This is hard because until we get programs established, it is difficult for people to invest in programs and look legitimate. University administrators are cautious folks and need a basis upon which to invest their significant dollars. **Key question:** Who will be willing to stake their reputations as deans, chairs, and professors on the idea that co-ops should be part of the core curriculum?

## Meeting the challenge

Wow. What to do? Is this an impossible challenge? My answer is *no*. ▶

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◀ The field of entrepreneurship went through a similar challenge. Not long ago, entrepreneurship was not seen as well-researched or a fit, nor a field with demand or legitimacy. But people pressed on, and it has become a field that, if missing from your curriculum, is seen as a gaping hole. The evolving study of not-for-profits is similar. We can do the same for cooperatives. But it takes work...the work of cooperators.

My proposed solutions will take both local and national efforts and resources. If we are to

make this happen, we need to take it upon ourselves to make it so, just as we have always done.

**Local-level strategies**

Many of our cooperatives are in college towns. This is a huge advantage for us since it gives us potential access to those who make the decisions inside the university. In order to do this, we need to look for access points that ultimately address issues of a research base, fit, demand, and legitimacy.

**Research projects and students:** Graduate

students at the Ph.D. level need projects, and they need data. (This is true for masters students outside of business, too—but not for MBAs). Offer your co-ops as solutions to these needs. Being supportive data sources that give access means a lot and can result in student research being conducted. Dissertation work is likely to be the researcher's focus for years. Imagine if we had one Ph.D. student in business per co-op. That could be 200–300 researchers focusing on co-ops for 10+ years! (See additional comments below for high potential areas.)

**Research projects and faculty:** The problems of business are our problems. The issue is that almost all business professors choose to do research in conventional businesses because that is tradition and what they know. Many of the very basic questions that were answered in the 1950s and 1960s for conventional business are unanswered for co-ops. This is a huge opportunity!

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In order to do research, there is a strong need for access to data (people, numbers, etc.), and we need to open our doors and help. The areas that seem like low-hanging fruit to me are organizational behavior, human resources, organizational theory, operations, marketing, business law, and entrepreneurship. Other areas (such as finance, accounting, strategy) tend to focus on existing databases or multiple organizations, but they still have potential.

**Guest speakers:** Offer up yourselves as guest speakers. This has the potential to directly impact students and intrigue professors. Be sure to speak to professors about how they might integrate cooperatives into their class in a larger way or link to their research. And be wary of bashing conventional business—instead, make the case for co-ops (or watch your welcome wear out fast).

**Class projects:** Offer real-life problems in your cooperatives that allow students to come in and do experiential learning. Give them real problems to solve, and challenge them to give you real-life solutions that are in line with the co-op principles. Then connect with their professors for integrating co-ops into their classes and linking to their research.

**Classes and curriculum:** It would be great to have a class itself on co-ops, but we also have multiple opportunities to integrate co-ops into

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existing core classes. Some obvious possible classes are those on:

- corporate social responsibility and ethics (examples: diversified mission, co-op principles);
- small business and entrepreneurship (examples: how to start, use of purchasing co-ops to maintain viability of family businesses, social entrepreneurship);
- organizational theory (example: different organizational ownership structure); and
- management (examples: governance and leadership).

But these could also include:

- human resources (example: worker co-ops);
- finance (example: patronage dividends);
- operations/supply chain management (example: co-op distribution);
- international business (examples all over the globe);
- strategy (examples: resilience in economic downturns, market place differentiation); and
- franchising (example: purchasing co-ops as an alternative).

Having a class on co-ops specifically could occur in an honors course or be worked into a program that has a focus on social responsibility.

### National-level strategies

A national-level effort is the second part of a strategy to get co-ops into the business school. It is not enough simply to work at the local level since some of the work requires a coordinated effort to bring the campaign into focus, to marshal the resources, and to link the academy to practice. And this will take investment of people and dollars.

**Making connections and leading the research conversation:** Researchers need questions to answer and access to data. I believe that a national conversation that incorporates practitioners and academics is necessary to identify the research needs, do the theoretical development work, and identify the sources of data to conduct the science in support of propositions (and ultimately hypotheses) that can be tested using accepted social scientific methodology. The ultimate aim is to have the research published in peer-reviewed journals.

Building the network of interested academics and interested practitioners is key. This very human activity is critical to making connections between those with the actual research problems to be addressed and the data needed and those who have the expertise to do the science and ultimately teach the material at the university. ▶

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◀ **Research sponsorship for production:** Nothing is free. We need a coordinated effort to provide the needed resources to match or fully fund needed research that goes beyond the many reports that have already been done. This means that there is a body of basic research that needs to be funded that will provide the foundation or launching pad for a vast amount of research that ultimately is usable by practitioners. Much of the basic research conducted by conventional business is significantly funded by private enterprise in order to be able to access large dollars available through matching grants with private foundations and the National Science Foundation. We need to invest in order to make this happen. And we need to do it in a way that is accountable in terms of producing research results.

**Research translation:** It is not enough to have the research published in journal articles. This certainly provides the base knowledge needed to make the case that co-ops should be taught in the classroom, but it does not ensure that aim. There must be an effort to “translate” the research into a form that is easily bridged to the classroom and put into practice. This can take the form of research-to-practice articles, books, and creation of teaching materials. Again, this will take investment.

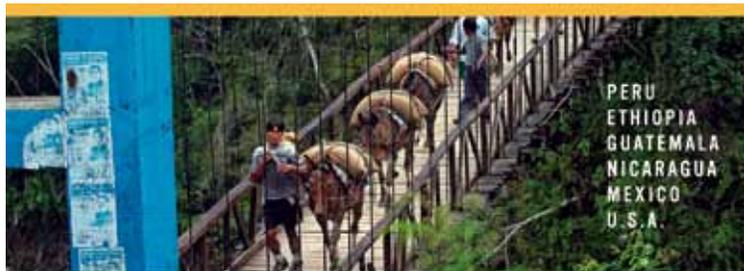
**Model programs:** Efforts need to be made to find multiple universities (but start with one!) that are doing work where the case for fit is clearer as it aligns with current business programming—for example, programs already having a focus on social entrepreneurship, ethics, or not-for-profits. Another option is to find universities that are looking to differentiate themselves in the market place, where a co-op program will be a concentrated draw, thus overcoming the demand challenge—especially if we send them students! Business schools must have a viable business plan, and we need to take the steps to show what a model program could look like, help them establish it, get people enrolled, and then work to spread these programs to other universities. As it spreads, legitimacy will grow. Again, this will take investment.

Keys to making all the local and national strategies happen will be cross-sector coordinated efforts, finding champions in the universities, and through practice and investing the resources needed.

**Ongoing efforts**

There are efforts underway, but they are only a beginning. ACE (Association of Cooperative Educators) has been doing good work for a while, yet the number of business professors involved is small. There are also a handful of ongoing non-business school university centers with

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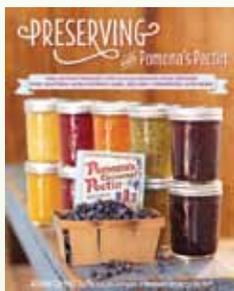
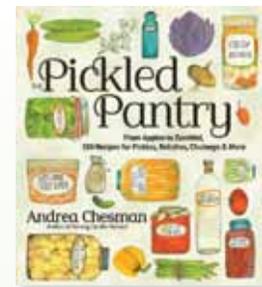
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education, outreach, and research missions, including the University of Wisconsin's Center for Cooperatives, North Dakota State's Quentin Burdick Center for Cooperatives, Cornell's Cooperative Enterprise Program, and Kansas State's Arthur Capper Cooperative Center. Finally, there are independent, sector-specific organizations such as the Filene Research Institute (working on credit unions/consumer finance).

Colleague Keith Taylor and I have formed the Cooperative Research Project (facebook.com/Cooperative.Research.Project) in a focused effort to jumpstart the research work described above, with a focus on connection, production, and translation. But our collective work has only just begun. And there are many people out there doing amazing work in cooperatives.

Just as it was with entrepreneurship and is happening with not-for-profit organizations, it is possible for cooperatives to be at the table. We can do this. We just need to do what we do best...cooperate and take action. ■

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