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Board Decision-Making Exercise

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The board of directors (https://coopcreator.ca/resource/being-a-board-member-in-a-co-operative-business/) is central to the operations of a co-operative business. The board is elected from the members to oversee the day-to-day operations of the co-operative — managing staff, creating policies and procedures, and making decisions that benefit the co-operative. It is important to have good people in these positions to ensure the well-being of the co-operative. Boards should always be evaluating their progress to improve operations and enhance their ability to make decisions. Using evaluation, planning, and decision-making exercises are great ways of making the board stronger and encouraging new discussions.

This decision-making exercise is designed to help boards better understand that stakeholders bring different viewpoints to the table and the critical role of discussion in making good decisions.

What you'll need

- At least four board members to act as stakeholders
- A facilitator
- Note-taking materials to record the points made by each group

The context

The co-operative's membership consists of approximately 300 ranchers and 75 workers. The ranchers raise cattle that are sold to the co-operative and the workers consist of meat cutters, administration staff, packers, and a marketing and logistics team. The co-operative was created to get ranchers a good, consistent price for their products and add-value therefore retaining more wealth in the region. Workers are not unionized, but are paid a good wage, slightly above the market average for similar positions and ranchers receive slightly better prices than the market average for cattle. Profits are typically distributed in a 30-30-40 split with 40% being re-invested into the co-operative and the remainder shared among the members as a patronage payment.

The co-operative's board has a policy where half of its directors are elected from the producer (rancher) class and half are elected from the worker (staff) class. Debates often emerge between these groups as the needs and concerns of each type of member is very different.

There is a small room in the processing plant that has recently been cleaned out and is not being used. The workers have suggested that this be used as a new staff break room as staff do not have a good place to store food or eat lunch; many eat lunch in the offices, outside, or in the locker rooms. The ranchers think that the co-operative should use the room to expand its services and invest in some new equipment and turn some of the ground beef the facility produces into sausages, a new value-added product. The members have requested that the board decide on the use of the room.

The exercise

As a board weigh the pros and cons of each stakeholders' arguments and decide how the room should be used. Half of the group should represent the workers and half should represent the ranchers; select one person to chair the meeting and act as a facilitator. The board members should put forward arguments from the perspective of the stakeholder class they represent drawing on the information provided.

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