Reporting on Community: Is there a Co-op Difference?

Measuring the Co-operative Difference
RESEARCH NETWORK

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Co-operatives – Capital Idea(s)! – CASC Conference
Ottawa, June 2 – 4, 2015
Today’s Presentation

- Purpose and significance
- Research design
- Measures Reported With respect to “Community”
- Co-op’s and IOC’s understanding of “Community”
- Next Steps

IOC = Investor Owned Company
Purpose and Significance

- Identify the measures reported on by co-ops and IOCs and whether there is a difference.

- Learn whether there are differences in how co-ops and IOCs understand “community”

- Contribute to the practice of reporting and to understandings of measuring the co-operative difference

IOC = Investor Owned Company
Claims of co-operative difference were promoted in 2012, the international Year of Co-operative (IYC) and continue in the Blueprint

The IYC celebrated a different way of doing business, one focused on human need not human greed, where the members (who own and govern the business) collectively enjoy the benefits instead of all profits going just to shareholders.

Corporation = an association of individuals, created by law or under authority of law, having a continuous existence independent of the existences of its members, and powers and liabilities distinct from those of its members. See also municipal corporation, public corporation. http://dictionary.reference.com/browse/corporation

Gabriela Vargas-Cetina, 2011: co-ops are corporations. “Cooperatives and capitalist businesses, including transnational capitalist corporations, are variations within a range of corporate organizations” p. S128
For companies and organizations, “Sustainability” – the capacity to endure, or be maintained – is based on performance in four key areas:

1. economic, 2. environmental and 3. social impacts caused by its everyday activities.
4. the organization’s values and governance model, -- the link between its strategy and its commitment to a sustainable global economy.

(GRI – a non-profit - www.globalreporting.org)
The research suggests that size does matter. Studied at total of 29 organizations: 16 co-ops and 13 IOCs, fairly evenly distributed between small, medium, and large. However, difficult to find very large food co-ops (in comparison to investor-owned food corporations) and difficult to find small food corporations that produce publicly available reports reporting on sustainability.

Large orgs tend to report more on SR:
-- Isomorphism – they tend to follow one another

KPMG International Cooperative “The KPMG Survey of Corporate Responsibility ‘Companies should no longer ask whether or not they should publish a CR report. We believe that debate is over. the high rates of CR reporting in all regions suggest it is now standard business practice worldwide. The leaders of n100 or G250 companies that still do not publish CR reports should ask themselves whether it benefits them to continue swimming against the tide or whether it puts them at risk.
pg 11 Reporting 2013” retrieved 12 21 2014
Given this ICA principle, our expectation was that co-ops would report in this area and there would be a difference in what & how they reported on impact on community.
ITERATIVE PROCESS:
1. Reviewed literature on “community” -- in particular as it relates to the ICA definition
2. Reviewed a few sustainability reports from leaders in the field (e.g. British Co-operative Group and Sainsburys)
3. As more reports were reviewed, the codebook changed.
4. Though the “ICA Guidance Notes” (http://ica.coop/en/blueprint-themes/identity/guidancenotes) pay special attention to the environment, we are not looking at environmental performance now (will be a separate theme). It is a big and very important area on its own.
Performance Measure Themes in Relation to Community

1. Donations (i.e. cash & in-kind contributions, fundraising, and volunteering)
   - Interesting: 1 co-op ceased to record volunteer hours – “going for quality rather than quantity”
   - One IOC counted # of wellies and watering cans donated; one co-op counted # of Teddy Bears donated

2. Local community development: 102 ways (Co-op support, Supporting local vendors, Local job creation)
   - Interesting: 1 co-op counted # new bee hives on co-op farms
   - 1 co-op counted $ municipal taxes paid
   - 1 corporation counted # of random acts of kindness (Sobeys)
   - 1 co-op counted % reduction in gross profit margin on local products (Hanover)

3. International community development: 57 ways (Fairtrade & other ethical sourcing; training and assessment of suppliers and workers)
   - Interesting: suppliers’ ethical data exchange (program of self assessment and 3rd party assessment (Co-op Group)
   - 1 co-op counted fairtrade premium paid
   - 1 corporation counted % of suppliers in high-risk production that are audited for social compliance

4. Social inclusion: 23 ways (Access to services i.e. locations, home delivery, bussing, buying online; Access to work experience for marginalized individuals)
   - Interesting: 1 corporation counted # of stores delivering online – tone was one of saving costs rather than accessibility
   - 2 co-ops counted # of postal areas served or # of stores in deprived areas (as a way to serve the deprived areas)
   - 1 co-op counted % of employees who have worked 2000 hours, who earned a living wage
   - 1 co-op counted % of patronage dividend rebates donated by members to cover co-op membership fees of low income families

5. Education and awareness: 77 ways (support for schools & teachers; community awareness on issues such as healthy eating, health, violence against women, environment etc.; programs to facilitate education)
   - Interesting: breakfast programs (co-op)
With the exception of Education, co-ops were more likely to report measures for each theme than IOCs.
In all cases the average # of measures reported by co-ops for each theme was greater than the average # reported by IOCS. Reflects more transparency on the part of co-ops. Reflects depth and importance of these measures for Co-ops.
Counted word frequency in reports to contextualize the measures

‘Provide’, ‘partners’ and ‘new’ in the co-op top 10 list does not appear in the IOC list, and ‘stores’, ‘program’ and ‘customer’ do not appear in the co-op top 10 list. Need to look at the ways the words are used, and their emphasis.

Differences: Placement of “Community” (#2 Co-ops; #7 for IOCs
Placement of Training (#3 for Co-ops; #6 for IOCs)
Placement of products (# 4 co-ops; # 10 for IOCs) HOWEVER food is #7 for coops while it is #73 for IOCS. Could it be that it is a difference in word preference – ‘food’ vs ‘products’?

Also: ‘Support’ is #1 for both; ‘Work’ is #5 for both
Content Analysis

 Allows coding of text according to pre-established and emerging themes and characteristics (Duriau et al 2007; Beck et al 2010; Hsiu-Fang and Shannon, 2005)

 Generates both quantitative and qualitative data, and can be analysed using a program such as Nvivo if the number of organizations warrants it (Finfgeld-Connett, 2013; Neuman, 2010)

 • Developed a code book through an iterative process to define community for purposes of this research.
   – Focuses on **people** within a territory that have a relationship with the organization, and / or are potentially impacted by its actions or inactions.
   – Excludes flora, fauna, the ecosystem.
Next Steps

• We believe based on this very preliminary work that there is a difference at least when it comes to community.
• The measures do not stand alone so, we will delve deeper into the qualitative coding to contextualize these measures
• Plans to go beyond community – governance next.
Thank you

Questions?

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Measuring the Cooperative Difference Research Network