

THE RESIDUAL CONTROL ROLES OF COOPERATIVE BOARDS OF DIRECTORS: A PRELIMINARY COMPARATIVE ANALYSIS

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ABSTRACT

The governance of economic organizations is complex. The theoretical and empirical literature on organizational governance implies that one form of governance mechanism functions the same for all economic organization, regardless of structure. This dissertation examines how the boards of directors, acting as an internal governance mechanism, differ in perception, behavior, and ability across two unique forms of economic organization.

A sample of 115 agricultural cooperative members, who serve on their cooperative board of directors, from 17 unique agricultural cooperatives in the state of Missouri were surveyed. Of the 115 individuals, 33 belonged to new generation patron-investor cooperatives and 82 were members of traditional patron cooperatives. The analysis of this survey data indicates that there are significant differences across organizational structure related to the effort invested by board members toward governing, the level of intellectual and social capital board members possess, and the underlying influences that dictate how governing effort is allocated among various roles.