

# CORPORATE OR CO-OPERATIVE MINDSET ACTIVITY



## Grade level & Curriculum Connections:

- Suitable for Grades 9-12
- Entrepreneurship: The Venture, (BDI3C) Grade 11, College Preparation
- Entrepreneurship: The Enterprising Person, (BDP3O) Grade 11, Open
- Entrepreneurship: Venture Planning in an Electronic Age, (BDV4C) Grade 12, College Preparation
- Marketing: Goods, Services, Events, (BMI3C) Grade 11, College Preparation
- Marketing: Retail and Service, (BMX3E) Grade 11, Workplace Preparation
- Business Leadership: Becoming a Manager, (BOG4E) Grade 12, Workplace Preparation
- Launching and Leading a Business, Grade 10, Open (BEP2O)
- Building the Entrepreneurial Mindset, Grade 9, Open (BEM1O)

## Materials

A1: [Link to Google Forms Quiz: Corporate or Co-operative Mindset?](#)

A1(i): [Fillable or printable document version: Corporate or Co-operative Mindset Quiz](#) (Shareable Google Doc)

A2: [Scenarios Student Worksheet : Corporate or Co-operative Mindset](#) (Shareable Google Doc)

A3: [Reflection document: Corporate or Co-operative Mindset](#) (Shareable Google Doc)

## Learning Goals

- **Understand Different Business Perspectives:** Students will explore how decisions can be influenced by different priorities, such as maximizing profits (corporate mindset) versus considering the well-being of all stakeholders (co-operative mindset). This will help students see how businesses can operate under varying ethical and operational frameworks.
- **Develop Critical Thinking Skills:** By analyzing and debating these scenarios, students will practice evaluating complex business situations and the potential impacts of different decisions. This exercise will enhance their ability to think critically about real-world business dilemmas.
- **Reflect on Personal Values:** After discussing various approaches, students will have the opportunity to reflect on which values resonate more with their own perspective. This self-reflection is crucial as it helps them understand their personal and professional values and how they align with broader business practices.
- **Improve Communication and Debate Skills:** Engaging in these discussions will help students develop their communication skills, including how to effectively argue their point, listen to others, and adapt their arguments in response to new information.

01

## Lesson Introduction & Instructions

Introduce the activity and review tasks.

Sample teacher script:

- During this lesson, you will start with a quiz to discover if you have a corporate or co-operative mindset. You will answer a series of questions about your values and priorities in business, and find out if you lean towards traditional corporate values or if you align more with the co-operative principles of shared ownership and long-term thinking. This quiz will help you understand your business mindset and how it may influence your approach to decision-making.
- The next activity will have you working in small groups to discuss how you would approach a business decision with either a corporate or co-operative mindset.
- We will then have each group share the results of their discussions with the class.
- Lastly, you will work independently to complete a reflection worksheet which will be handed in.
- By the end of this activity, you should have a deeper understanding of how different business models can influence decision-making and how your own values fit into the broader business landscape.

02

## Part 1

Have students fill out the Corporate or Co-operative Mindset Quiz [A1 or A1(i)] and reflect on their answers. (10 minutes)

03

## Part 2

Divide students into smaller groups of 3-5 people. Each group will be assigned either a co-operative mindset or corporate mindset approach and given a scenario of a business decision that needs to be made (A2). To encourage a variety of perspectives, aim for a 50/50 split between corporate and co-operative, and try to have both approaches represented for each scenario. Students will discuss and determine as a group how their respective mindset would approach the situation. They will record advantages and disadvantages of their approach on the document provided (A2) and formulate responses to questions related to their scenario. ( 20 minutes)

04

## Part 3

Once each group has had a chance to discuss their scenario and record their ideas, it's time to encourage shareback from the groups. This is a chance for students to share the results of their group discussions. Encourage students to reflect on the strengths and weaknesses of each approach and how their own mindset aligns with the different perspectives (teacher prompts included below). This activity can help reinforce the concepts introduced in the quiz and encourage students to think critically about their own business values and priorities. (10 minutes)

05

Part 4

Have students complete the self-reflection worksheet independently. (A3). (20 minutes)

## Sample Scenario #1: Teacher's Guide

### Scenario #1: Expanding into a New Market

Your company is considering expanding into a new market. This expansion could potentially increase company profits significantly. However, entering this market could also lead to significant cultural disruption in the local area and may involve relaxed environmental regulations that could harm the local environment.

**Discussion Points:** The corporate mindset group could discuss the financial benefits and the strategic importance of market expansion. The co-operative mindset group could consider the ethical implications, the impact on local communities, and the environmental consequences.

### Pros and Cons Chart: Anticipated Responses

- Corporate Approach Pros:
  - Potential for significant profit increase
  - Expansion of shareholder value
- Corporate Approach Cons:
  - Potential cultural and environmental disruption
  - Risk of harm to local communities and ecosystems
- Co-operative Approach Pros:
  - Focus on stakeholder well-being
  - Consideration of long-term sustainability
- Co-operative Approach Cons:
  - Potential for slower profit growth
  - Increased difficulty in competing with less ethical competitors

### Class Discussion prompts:

- How did considering the potential cultural and environmental impacts of business decisions change your perspective on corporate responsibility?
- Which approach do you think would be more sustainable for the company in the long run?
- Which approach would you recommend the company take in this scenario and why?
- How does your preferred approach relate to your personal values?
- How can businesses balance profitability with ethical considerations when expanding into new markets?
- Long-term Impacts:
  - How might the decision to expand into this new market affect the company, its stakeholders, and the local community in the long term?
- Short-term Impacts:
  - What immediate effects might the decision have on the company's financial performance and reputation?

## Sample Scenario #2: Teacher's Guide

### Scenario #2: Handling a Budget Shortfall

Due to an unexpected downturn in sales, the company faces a significant budget shortfall. The board must decide whether to lay off a portion of the workforce to cut costs, or to find alternative cost-saving measures that could include cutting executive bonuses and reducing operational expenses.

**Discussion Points:** The corporate mindset group might focus on quick financial recovery, possibly favoring layoffs to preserve profitability and shareholder value. The co-operative mindset group might argue for preserving jobs and spreading the financial impact more evenly among all stakeholders, including top management.

### Pros and Cons Chart: Anticipated Responses

- Corporate Approach Pros:
  - Maximizing Shareholder Value: Focusing on profitability can help maintain shareholder confidence and preserve the company's financial stability.
  - Efficiency: Layoffs can quickly reduce costs and help the company adapt to changing market conditions.
  - Maintaining Competitiveness: Cost-cutting measures can help the company remain competitive in the market.
- Corporate Approach Cons:
  - Employee Morale: Layoffs can lower morale among remaining employees, affecting productivity and company culture.
  - Reputation Damage: Public perception of the company may suffer due to layoffs, potentially leading to negative publicity.
  - Long-Term Consequences: Short-term cost-cutting may harm long-term growth and innovation.
- Co-operative Approach Pros:
  - Maintaining Employee Well-being: Avoiding layoffs can help preserve jobs and support employees during difficult times.
  - Stakeholder Consideration: Demonstrating concern for all stakeholders, including employees, can enhance company reputation.
  - Long-Term Stability: Retaining skilled workers can contribute to the company's long-term success and stability.
- Co-operative approach Cons:
  - Financial Impact: Cost-saving measures, such as reducing executive bonuses, owner's wages or profit sharing, may not be sufficient to address the budget shortfall.
  - Executive and Stakeholder Discontent: Cutting executive bonuses and reducing profit dividends may lead to dissatisfaction among executives and stakeholders.
  - Competitiveness Concerns: Not implementing layoffs may put the company at a competitive disadvantage compared to rivals who choose to cut costs more aggressively.

### Discussion prompts:

- Discuss any ethical dilemmas presented by the scenario. How does each approach address these dilemmas?
- Which approach would you choose in this scenario and why?
- How does your preferred approach relate to your personal values?
- How did this discussion change your view on balancing profit with social responsibility?
- Which mindset's approach do you find more sustainable for businesses in the long run? Why?
- Could elements from both mindsets be combined to form a more effective business strategy? How?
- *Long-term Impacts:*
  - What are the potential long-term consequences of each decision for all stakeholders?
- *Short-term Impacts:*
  - What are the immediate effects of each decision on the company's financial stability and stakeholder relations?

### Sample Scenario #3: Teacher's Guide

#### Scenario #3: Developing a New Product

The company is considering developing a new product that is expected to be highly profitable. However, the product testing involves extensive use of natural resources and could potentially lead to long-term environmental damage. Alternatively, a more sustainable approach could be taken, which would be less harmful but also less profitable.

**Discussion Points:** The corporate mindset group might focus on the profitability and competitive advantage of launching the new product quickly and efficiently. The co-operative mindset group might prioritize sustainable development and the long-term impact on the environment and company reputation.

#### Pros and Cons Chart: Anticipated Responses

- Corporate Approach Pros:
  - Potential for significant profit increase
  - Innovation and market leadership
- Corporate Approach Cons:
  - Potential for long-term environmental damage
  - Negative publicity and reputation damage
- Co-operative Approach Pros:
  - Environmental sustainability and positive brand image
  - Reduced environmental impact and potential for long-term cost savings
- Co-operative Approach Cons:
  - Potential for lower profitability
  - Competitive disadvantage compared to less sustainable rivals

#### Discussion prompts:

- Which approach do you think would be more sustainable for the company in the long run?
- Which approach would you choose in this scenario and why?
- How does your preferred approach relate to your personal values?
- How can businesses balance profitability with environmental sustainability when developing new products?
- How did considering the environmental impact of business decisions change your perspective on corporate responsibility?
- Long-term Impacts:
  - How might each decision impact the environment, the company's reputation, and its long-term profitability?
- Short-term Impacts:
  - What immediate effects might each decision have on the company's financial performance and market position?

### Answer Key: Quiz A1: Corporate or Co-operative Mindset

Please assure students there are no “right or wrong” answers on this quiz. Students will receive answer feedback based on whether they answered each question with a co-operative or corporate mindset. Feedback is provided below in *blue italics* both for teacher reference, and for those students who use the Google Doc version.

“Take this quiz to discover if you have a corporate or co-operative mindset! Answer a series of questions about your values and priorities in business, and find out if you lean towards traditional corporate values or if you align more with the co-operative principles of shared ownership and long-term thinking. This quiz will help you understand your business mindset and how it may influence your approach to decision-making.”

## Answer Key: Quiz A1: Corporate or Co-operative Mindset Cont'd

### 1. Do you feel the main focus of a business should be:

a) Making as much profit as possible, even if it is at the expense of employees, customers or the environment.

*The primary purpose of shareholder-owned businesses, often referred to as for-profit corporations, is to maximize shareholder value. This means they focus on increasing the value of the company and thus the wealth of its shareholders, typically through the pursuit of profits and increasing stock value.*

b) Filling needs and providing benefits for the people who use the business the most.

*Co-operative businesses don't have the same requirement to maximize profit that shareholder corporations do. This means they can prioritize the needs of their customers, staff, owners and the environment.*

### 2. As an employee of a business, what level of engagement are you looking for?

a) I just want to go to work, do my job, earn my wage and go home.

*Many people like having a job where the tasks are assigned to them, there's a clear hierarchy and they have a clearly defined role and expectations.*

b) I would like to be involved in the business and have a say in how the business is run; including when, where and how much I work, the projects I work on and how the profit is distributed.

*It looks like you may have an entrepreneurial mindset, which could mean you might find more satisfaction from your job by having more independence and influence on decision-making.*

### 3. In a corporation, the board of directors plays a crucial role in decision-making. What do you feel the primary focus of the board of directors should be?

a) Making decisions that will increase shareholder value, which often focuses on increasing profits and share prices.

*Shareholder or investor-owned corporations typically focus on making as much profit as possible, even if that means making decisions that are not always in the best interest of the customers, staff or environment.*

b) Ensuring that the business is financially healthy while providing goods and services to their members on a fair and equitable basis.

*Co-operatives exist to serve the needs of the people that use the business. They make decisions based on what is best for the people who are impacted by the business (its customers, staff and owners), and based on what is best for the business itself.*

### 4. How should a business determine which projects it works on?

a) Choosing projects that generate the most amount of profit for shareholders.

*If maximizing profit is the primary purpose of the corporation, then choosing projects based on their profitability makes good business sense.*

b) Choosing projects that the staff and/or customers are interested in and excited about, and/or that help the staff and customers reach their personal or professional goals and that provides benefits to the community.

*Co-operatives are often owned by the staff that work at the business or the customers, so choosing projects that generate revenue while engaging staff and serving the needs of customers makes good business sense.*

## Answer Key: Quiz A1: Corporate or Co-operative Mindset Cont'd

### 5. How would you like to see profit distributed at the business that you work for?

a) I would like the profit to be distributed to the owners based on how much of the business they own, as well as to top executives based on meeting profit targets.

*Corporations distribute profit to shareholders based on how much equity they have in the business (often referred to as dividends). Corporations often give large bonuses to CEO's and other high-level exec's. The average high earning CEO earns 246 times more than the average worker.*

b) I would like the profit to be distributed to the owners of the business based on how much they contribute to the business through work they do or how much they use the business services.

*Co-operatives owned by their customers distribute profit to each customer based on how much they spend at the business each year. Co-operatives owned by their workers or producers distribute profit based on how much each owner contributes to the business each year. The important thing to understand is that profit is distributed based on the wishes of the owners, they decide collectively how profit will be shared.*

### 6. During challenging economic times, which approach would you prefer for your business?

a) Reduce salaries or lay off many low-paid employees while leaving executive bonuses and shareholders dividends untouched.

*There are several reasons why corporations may choose this cost-cutting strategy; reducing labor costs can help improve the company's financial situation in the short-term, executive compensation packages may include bonuses and incentives tied to the companies financial performance leading to a reluctance to cut bonuses and a willingness to impose cost-cutting measures that allow companies to meet short-term goals, and some companies have a corporate culture that prioritizes shareholder value over other considerations like employee well-being, community impact and social responsibility.*

b) Have every owner of the business take an equal pay cut or reduce their share of profits to avoid laying off employees or reducing their wages until the business recovers.

*Co-operatives focus on long-term benefits rather than short-term gains. This means they make financial decisions that consider the impacts on everyone affected by the business. In co-operatives, ownership is shared, so owners might agree to make small sacrifices now to ensure the business thrives in the future.*

#### **Results interpretation:**

*If you selected (a) four or more times, you probably lean more towards a more traditional corporate mindset, where there's a larger focus on profitability.*

*If you selected (b) four or more times, you may have a co-operative mindset and might lean more towards businesses that measure success based on people, planet as well as profit.*

## Teacher Support

Thank you for choosing the *Corporate or Co-operative Mindset* lesson plan, we hope you had a positive experience!

For lesson delivery support email [mchristmann@ontario.coop](mailto:mchristmann@ontario.coop)

To provide feedback, please fill out this 5 minute survey: [Teacher Survey](#)

For more lesson plans and activities, visit [cooperativeminds.ca](http://cooperativeminds.ca)