

# The Co-op Index 'Walking the Talk'



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# Introduction



- **Co-op Index**
  - a diagnostic tool that has been developed for use by worker co-operatives
- **Goal for session**
  - To illustrate the nature and hopefully the value of the tool within the context of ‘Putting Co-op Values and Principles into Practice’
  - Present one illustrative example which highlights both the challenges and the approach which the Co-op Index takes to help a worker co-op

# Co-op Index Context and Assumptions



- ‘Walking the Talk’ provides the context for the use of the Co-op Index and also informs its goals, approach and outcomes
- Identify the ‘ideal characteristics of a worker co-op’,
  - characteristics which would ensure the co-op will meet the needs and aspirations of the members in a way which gives real expression to the co-op values and principles.

# Total Management Participation



- Developed within the framework of Total Management Participation developed by Ryszard Stocki
- TPM assumes persons grow and develop within environments by participation in shared action, organizations and communities that meet their needs and aspirations

# TPM Elements



- People actively participate in making sense of their environments and that this sense making then guides their choices regarding their actions and involvement in that environment;
- People must be in positions in which they have the capacity (knowledge, ability, commitment) to take responsibility for actions of importance to the co-operatives activities and results;
- People share a vision of the common good toward which they are striving which also has an important component of individual and organizational success.

# Worker Co-ops - Participative Organizations



- A worker co-op which embodies the co-op values and principles, potentially has all the components for producing a participatory organization outlined by TPM
- Members through the co-op's governance have the right and responsibility to determine the goals and the means used by the organization to achieve them.

# External and Internal Conditions



- Of course the choices and decision only occurs within conditions that impinge upon the co-op and so they necessarily occur in dialogue with these conditions
- External - environment, social and economic conditions.
- Internal condition is the capacity, self-understanding, knowledge and commitment of the co-op's members and employees.
- This in many ways is the definitive condition for it is the member's decide the ways the co-operative will respond to the external conditions

# ‘Walking the Talk’



- The challenges co-operatives have in ensuring that they ‘walk the talk’
  - the abstract nature of the values and some of the principles, which provide a frame or ethical guide for behavior, but don’t tell us what is the specific behaviour required in any particular circumstance
  - the democratic nature of co-op governance in which members co-determine the vision, aspirations and directions expected to guide management, others and themselves when in positions of responsibility.



# Values and Content



- To highlight the issue of value or principle versus content I will focus on just one value that of 'equity' and in one context, that of determining wages within a worker co-operative
- It is easy to say we all want a fair wage policy and it not necessarily easy to determine just what a fair policy is
- People of good will and shared values do not always agree upon what they imply or require

# Framing



- The way a person evaluates and frames a value depends upon a broad array of elements and conditions
- These influences are the frames for the members discussion in determining decisions
- We listen, critique, innovate, negotiate and create together

# Compensation



- Determining wages is concrete example of such an action
- A necessary one which the co-op must make as an economic enterprise
- A worker co-op makes this determination through its governance and management processes
- These internal processes may or may be structured to ensure adequate means for 'real' member participation

# Broad Diversity



- **Some compensation options being used**
  - base pay on job based market rates;
  - all hours contributed by any member as of equal economic value and hence have single pay rate;
  - ignore the market and set rates simply based upon what the co-op can afford;
  - while others have a job based rate with a maximum differential between the highest and the lowest paid;

# The Challenge to the Co-op Index



- All co-ops (if not all of their individual members) believe they have implemented a fair policy and thus are manifesting the co-op value of 'equity'.
- So what roles can the Coop Index play in helping them to assess if this determination is truly reflective of the value of equity?

# Role of the Co-op Index



- The Co-op Index has as its core a questionnaire which allows the members and employees to express their perception of various states of affairs and processes within the co-op
- Members and employees rate their level of agreement or disagreement regarding specific statements about the states of affairs or processes within the co-op.
- The questions act as indicators regarding the situation in the co-op and cover a broad range organizational dimensions as well as the co-op values and principles.

# Key Assumption



- The condition of the organization is reflected in the convictions and attitudes of the workers and these may be diagnosed by questionnaires.
- The assumption is based upon one of the three elements of TPM identified above –
  - People actively participate in making sense of their environments and this sense making then guides their choices regarding their actions and involvement in that environment.
- These choices and actions are the ‘reality’ of the co-op as its processes and outcomes are an aggregate of its members and employees actions (actions here in the broadest sense).

# Assessment



- Assessment of the organizational dimensions the Co-op Index indicates whether or not the conditions necessary for member and employee participation are in place,
- Whether the compensation system of the co-op is perceived to be equity by the members and employees of the co-op.
- Both of the assessments provide commentary on the equity of the wage policy;
  - First by determining whether the process used to arrive at the policy reflects the kind of participation one expects within a worker co-operative;
  - Second by assessing the compensation itself as rated by the members and employees.



# Conclusion



- **Co-op Index is not a magic wand**
  - It doesn't give us simple quantified information to which the application of basic logic will supply an obvious solution.
  - It doesn't absolve us of our need and responsibility to make real difficult choices about how we are to give expression to the co-op principles and values
- **It does help us to know where we stand**
  - Whether or not we have put in place the approaches needed to ensure that the members and employees of the co-op have the opportunity and capacity to understand, influence and direct the choices made
  - Whether or not the 'ideal characteristics of a worker co-op' which response to the co-op principles and values are experience by the members and employees of the co-op and if not areas which require transformation