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
‘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 aspiration 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.
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;
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?
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