

LESSONS IN ESTABLISHING AND MAINTAINING A STRONG OWNERSHIP CULTURE IN COOPERATIVES AND ESOPS

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April 2015; updated February 2016**

Acknowledgements: A Kelso Fellowship from Rutgers University and the Foundation for Enterprise Development, for 2012-2013 supported this research. The project also has been supported by part of a USDA Rural Cooperative Development Grant through the Ohio Employee Ownership Center, Kent State University, 2012-2014. The research on the Mondragon cooperatives, their best practices, and their responses to the global economic crisis is being conducted in collaboration with colleagues at Mondragon University and the University of the Basque Country, Spain.

BACKGROUND ON THIS PRESENTATION: WHAT HAVE WE LEARNED PREVIOUSLY

- Studies of *leadership*: from mid-19th century onward
- Studies of *motivation*: for the past 125 years
- *Studies of communication at work*: now for over 80 years
- *Studies of employee participation*: with a history of 70 years
- *The bottom line*: For the most part, we do know what works best and enables people to be happy at work. This is not to downplay opportunities for innovations in the social side of enterprise but to help make common sense, well, more common.

OBJECTIVES OF THIS PRESENTATION

- Focusing on organizational culture: “The social side of enterprise”
- Pulling together some ideas and lessons from a variety of experiences and types of research
- Highlighting some examples
- Filling gaps not covered by existing data bases, manuals, seminars, etc.
- Moving towards more comprehensive and dynamic knowledge sharing: For employee ownership, for cooperatives, for economic alternatives, for industries, and for communities

RESOURCES FOR THIS PRESENTATION

- Collections of insights in academic and professional resources: Looking towards developing manual for employee ownership (as a major collaborative effort to fill in gaps not covered by documents and websites already developed)
- Best Practices Study: 2012-2016 (Cheney and Hernandez)
- The Mondragon Experience: 1992-present (Cheney and collaborators at Mondragon University and the University of the Basque Country)
- Recent U.S. conferences and discussions: Emphasizing the need to pool and share our questions, experiences, knowledge and recommendations

VALUES/PRINCIPLES: GUIDES AND TOUCHSTONES

- Meaningful and practical: Beyond slogans
- Collectively endorsed and reaffirmed
- Adapted for changing times and a workforces
- Lived and practiced from top to bottom and bottom to top
- *Example: Union Cab, Madison, Wisconsin*



Home Services ▼ Rate Estimator Rider Rewards ▼ Order a T

- What is a Coop?
- Chapter 185
- Be the Boss!
- Why Shop Coop?
- History
- ▶ Resources

Home » Coop Resources

What is a Coop?

In 1843, the Rochdale Pioneers set forth a statement they have been amended several times by succeeding a list of values, ethics and a definition.

MANAGEMENT STRUCTURE AND ORGANIZATIONAL GOVERNANCE: EFFECTIVE AND DYNAMIC

- Determining number of necessary organizational levels
- Identifying and constructing essential organs/councils/committees
- Clarifying decision-making structure: “Locating” decisions in the best spots in the organization
- Pursuing inspiring and realistic meanings and practices of democracy and consensus
- Making needed adaptations over time
- *Examples: New Belgium Brewing, Fort Collins, Colorado; Rainbow Grocery, San Francisco, California*



WHAT WE'RE ABOUT



Culture isn't what you say, it's what you do

INSPIRED AND SHARED LEADERSHIP

- *Entrepreneurial*: Fostering a culture of initiative
- *Facilitative/Enabling*: Beginning with the assumption that something can be tried
- *Shared/Collective*: Looking for opportunities to empower individuals and groups through mentoring and openness to initiatives
- *Transformational/Encouraging*: Modeling as well as inviting others to lead with their best selves
- Overcoming “the charisma problem”
- *Example: DPR Construction, San Diego*



PARTICIPATION AND TRANSPARENCY: TO THE EXTENT POSSIBLE AND AT ALL LEVELS

- **Participation** as both direct and representative (according to size)
- . . . Formal and informal
- . . . horizontal and diagonal as well as vertical (for example, with a “matrix”-style organization)
- . . . an integrated team approach
- **Transparency** with honesty, realism, and mechanisms for feedback
- *Examples: Namasté Solar, Boulder, Colorado;
Isthmus Engineering, Madison, Wisconsin*



COMMUNICATION PATTERNS AND STRATEGIES: A COMPREHENSIVE APPROACH

- Linking internal to external communications
- Encouraging upward flow of information and opinion, including bad news
- Making effective uses of multiple media/channels
- Fostering trust in all dealings and relationships
- *Example: Cooperative Home Care Associates, Bronx, New York*



CONFLICT RESOLUTION/MANAGEMENT AS AS INTERWOVEN IN THE CULTURE

- Multiple avenues
- Informal → Formal
- Peer involvement
- Clarity on escalation: Why, when and with whom?
- *Example: Arizmendi Bakeries, Bay Area, California*



TRAINING, TRAINING, AND MORE TRAINING

- Multi-dimensional (technical, financial, participatory, leadership)
- Roles for broad-based and targeted forms
- Ongoing but adaptable materials and modules
- With avenues of input for modification and ownership of training itself
- *Example: Mondragon Cooperative Corporation, Basque Country, Spain*



SUPPLY-CHAIN AND STAKEHOLDER AWARENESS: MULTIPLE AVENUES FOR ENGAGEMENT AND INPUT

- Cultivating key relationships with suppliers and clients
- Embedding the firm in the community
- Setting up short- and long-term partnerships
- Making decisions with levels/spheres of effects in mind
- *Examples: Equal Exchange, West Bridgewater, Massachusetts (and other sites)*



NETWORKING: MULTIPLE CIRCLES

- With similar firms
- Within industry
- With community
- In wider context of economic solidarity: Including across sectors
- Examples: Austin Cooperative Business Association;
Denver Metro Community Wealth Building Network



Community Wealth Building

Metro Denver's Economic Prosperity Network



DISTINCTIVE HR POLICIES FOR EMPLOYEE OWNERSHIP: NEEDING CONCERTED ATTENTION, TESTING AND DEVELOPMENT

- Selection of employees with core values and practices in mind
- Flextime and flexible benefits
- Bringing in necessary outside expertise (sometimes with representation on boards)
- Stitching things together, especially given different spheres of work and in coping with growth
- *Examples: Everyone is calling for the sharing of model HR and employee-owner manuals and associated best practices.*

REFLECTION, SELF-CORRECTION AND RESILIENCE

- Multiple measures of success (including social as well as economic indicators)
- Periodic surveys and discussions, with visible follow up
- Early analyses of and responses to problems
- Proactivity as a general approach
- *Example: South Mountain Company, West Tisbury, Massachusetts*



Thank you!

Questions, Comments and Discussion