Aligning Values and Practice: A Comparative Analysis of Management Practices in

Worker Managed Co-ops Using the Co-operative Index Tool

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Abstract

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Co-operative organizations operate as an economic commons and focus on meeting the needs of their members. Co-operatives operate through an identity of values and principles that center the actions of the organization on the well-being of the members, not the return on investment. The co-operative difference translates into a co-operative advantage in the marketplace through the democratic control of the business by the member-owners that results in a high level of trust in the organization. Management of co-operatives follow three basic formats: a traditional hierarchy similar to most corporate modes of business, a collective model in which all members participate in the key decisions of the organization, and a sociocracy model in which interlinked autonomous teams manage the co-operative by consent. This dissertation considers how the method of managing either facilitates or hinders the expression of the co-operative identity, an internationally agreed-upon definition of the co-operative organizations that includes a set of values and principles. By using the Co-op Index Tool to measure the adherence to co-op values and principles in the organizational systems, climate and outcomes of worker-owned and worker-controlled co-operatives, it is possible to compare different management methods used by co-operatives. The comparative analysis indicates that sociocracy as a method of decision-making best supports adherence to the co-operative identity.

Keywords: co-op index, co-op management, worker-ownership

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Co-operative organizations function as an economic commons. The membership shares the expenses of maintaining the co-operative and any surplus generated by co-operative activity. The membership controls the organization through a democratic process. The co-operative ownership model rests on the democratic principle of one member, one vote. Democratic control leads to a focus on meeting member needs over maximizing return on investment resulting in a resiliency in the co-operative organization that profit-oriented corporations do not necessarily have. The global economic recession of 2008 raised the profile of co-operative businesses due to their success in managing the global economic crisis (Birchall & Ketilson, 2009; Nadeau, 2012; Zelaia, 2011). The subsequent Year of the Co-operative, declared by the United Nations in 2012 (UN, 2012), further amplified the co-op model, which in the United States has been mainly seen as rural agricultural-related businesses or as organic and natural food grocery stores. Co-operatives operate throughout every sector of the economy, with approximately one billion members world-wide (ICA, 2018).

Much of the analysis of the co-operative model examines the ownership of the organization. In the United States and Canada, co-operative members generally control these democratic businesses through an elected board of directors. Directors oversee and adopt policies and hire management to implement those policies. Generally, boards give management a lot of latitude in how to manage the operations of the co-operative. In the worker co-op community (and in some consumer co-ops), management tends to have greater diversity in terms of management methods as members attempt to connect co-op

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values and principles with workplace practice. While efforts exist to create a co-operative management paradigm (Côté, 2005), most co-operatives tend to follow either traditional command and control hierarchical management methods or collectivist structures.

Workers want to participate meaningfully in their work (Freeman and Rogers, 2006). Some evidence suggests that worker co-ops with centralized decision-making leads to stronger growth patterns (Ridley-Duff, 2009) than those with a more collective process. Research has also suggested that bureaucracy and command-and-control methods of management serve to undermine dignity in the workplace that may be described as including job satisfaction, pride, effort, peer training and solidarity while participatory management programs tend to restore dignity to workers (Hodson, 1996). Workplaces with a low expression of dignity will likely see higher turnover (exit). Those organizations that offer workers a voice may be seen as incorporating greater dignity into the workplace. This dissertation considers how different management practices may either hinder or facilitate the operationalization of cooperative values and principles. The focus is on three cooperatives with distinctly different management styles. The methodology used to examine this correlation is the assessment of these practices at the three cooperatives by the Coop Index Tool, and its use in this dissertation indicates that the sociocracy management style is better at operationalizing the co-operative principles and values.

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The Co-operative Model

The modern co-operative movement began in the early days of the Industrial Revolution in England. As the Industrial Revolution swept across Europe, workers in the textile capital of Manchester, England, and the surrounding communities suffered disruption of their way of life and way of earning a living (Birchall, 1994). It should come as no surprise that Manchester claims the birthplace of both the trade union movement and the co-operative movement. The displacement of the guilds and the cottage industries of weavers imposed a heavy price upon the fabric of this northern community. The labour unrest was so great that troops were stationed in Rochdale after violent strikes in the early part of the 1800s and resided there until the mid-1840s (Fairbairn, 1994). Robert Owen, a leader among the ruling class, saw the devastation of unfettered capitalism and it was his work and that of Charles Fourier, a French social philosopher that provided inspiration for economic cooperation often through intentional communities. Along this line, William King, a more pragmatic contemporary of Owen and Fourier, promoted economic co-operation at a smaller scale and with a focus on ethical management of the commons (Smith, 2008; Zeuli & Cropp, 2004). The origins of Rochdale Society of Pioneers reside in the working class and movements for social justice and developed out of the foundational work of both Owen and King. The success of Rochdale provided support for worker-owned co-operatives as a means of addressing the swiftly changing environment of the Industrial Revolution. Both in the United Kingdom and United States, workers sought to own and control the factories where they worked. However, a number of factors limited the success of worker co-operation, including access to transportation, lack of management training, and the rising economic

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power of industrialists (Fairbairn, 1994; Jacques, 1996; Leikin, 2005). By the beginning

of the 20th century the Fabian Socialists focused more on economic co-operation and

dropped much of the social justice and class basis of previous efforts. The Fabians argued

that co-operation should focus on consumerism regardless of economic class (Fairbairn,

1994; Matthews, 1999; Webb & Webb, 1920).

Co-operatives exist within the market economy distinct from the capitalist model

of accessing the marketplace as the co-operative model seeks to meet the needs of the

members rather than maximizing return on investment (Zamagni & Zamagni, 2010). Co-

operatives have an internationally agreed upon definition, values, ethical values, and

principles based upon the initial rules set forth by the founders of the Rochdale Society of

Pioneers and amended several times up to the current statement on the co-operative

identity adopted in 1995 by the International Co-operative Alliance (ICA) (Fairbairn,

1994). The ICA's *Statement on the Co-operative Identity* (see Appendix A) provides a

means of measuring the social and economic impact of co-operatives within the

communities that they serve (Birchall, 2005; Brown et al., 2015). The statement identifies

the values of "self-help, self-responsibility, equality, democracy, equity, and solidarity"

along with the ethical values of "openness, honesty, social responsibility and caring for

others". Finally, the identity statement retains the principles of co-operatives: "open and

voluntary membership; member economic participation; democratic member control;

autonomy and independence; education, information and training; co-operation among

co-operatives; and concern for the community" (ICA, 1995). The co-operative identity

creates "a foundation for this business model based on "fundamental respect for all

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human beings and a belief in their capacity to improve themselves economically and socially through mutual help" (MacPherson, 1996, p. 1).

What is a co-operative? Co-operatives generally operate as member-owned, market-based corporations that seek to meet the needs of the membership. Unlike memberships schemes such as Costco or Sam's Club, wherein "membership" merely provides access to the discounted prices of the store and little else, membership in a co-operative confers ownership upon the user of the co-op's good or services (and in the case of worker co-ops, employment is a service of the co-op). As owners, members also have a right to control the organization and determine how any surplus gets distributed and members in a co-op generally have the power to elect the board of directors, run for the board of directors, and amend the bylaws of the organization.

Economic co-operation competes with capitalism within the market economy. By focusing on member need over the accumulation of wealth, co-operatives can operate at a much lower profit margin as they only need to meet the capital needs of the infrastructure and rely on members to fund the organization. Co-operation and capitalism approach the market economy from fundamentally different perspectives. Co-operation centers the human being while capitalism centers the dollar. It is quite common to see the efforts of economic co-operation as "not set up to destroy anything. It starts where things are not done well, where needs are not supplied, or where profit business is failing. It becomes established only where it is needed" (Warbasse, 1950, p. 25). The organic food movement began in this manner, with buying clubs in the late 1960s becoming small natural food co-operatives in the 1970s and 1980s. Co-operatives, along with the critique

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of industrial agriculture by Rachel Carson and others, largely created the marketplace for organic and natural foods (Gutknecht, 2010). The work to meet the need of the membership for healthy foods grew to the point that it became profitable enough for investor-owned firms such as Whole Foods and Wal-Mart to enter the market. The viewpoint expressed by Warbasse positions co-operatives in the economic environment as a means of avoiding a challenge to capitalism that within a Cold War context that may be seen as anti-American or worse, communist. Warbasse sought to carve a niche for co-operatives that does not threaten the economic or political power of the larger and better-financed capitalist class by assuring that co-ops serve only to fill in the gaps of the economy and that they operate within the same market economy. However, as the example of natural and organic food demonstrate, co-operatives can create robust markets independent of the capitalist marketplace.

Co-operatives, by their identity, are institutions of freedom through the distribution of capital to meet the needs of the members. Instead of rounds of accumulation and concentration of capital, co-operatives use their capital to provide goods and services to the membership. Beginning with the essential freedom of choice, the co-operative economic model operates as a unique paradigm that is different from either capitalism or state-planned economies.

Types of co-operatives. How a member uses the co-op determines its taxonomy (see Figure 1). Four essential types of co-operatives exist: producer, consumer, multi-stakeholder, and worker. Producer co-operatives pool the resources of people who engage in some form of production and act co-operatively with other producers to achieve

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benefits in the market. Consumer co-operatives use the combined market power of collective buying and consumption to access products and competitive pricing. Multi-stakeholder co-operatives combine two more or stakeholder groups of a corporation. Workers, in a worker co-operative, use their labour collectively to produce goods, sell merchandise, or provide a service.

Multi-stakeholder co-operatives divide ownership among different types of users (Lund, 2011). The ownership in a multi-stakeholder co-op results from how a person engages the co-op. In a multi-stakeholder co-op, the voting power of the membership divides along stakeholder designations. For example, at Central Co-op in Seattle, Washington, the workers control one-half of the seats on the board of directors and the consumers control the other half. Workers have membership in Central Co-op based on their status as employees, not their status as consumers (Coop, 2018).

Worker co-operatives combine two essential stakeholder relations into a single person. Any business that engages employees can be a worker co-operative. The combination of "owner" and "employee" also creates unique methods of engaging the traditional separation of governance and management/control (Adolf A. Berle & Means, 1932; M. C. Jensen & Meckling, 1976). For this reason, worker co-ops provide a special case of co-operation that may provide a means to understand the nuances of how governance and management models incorporate the co-operative identity.

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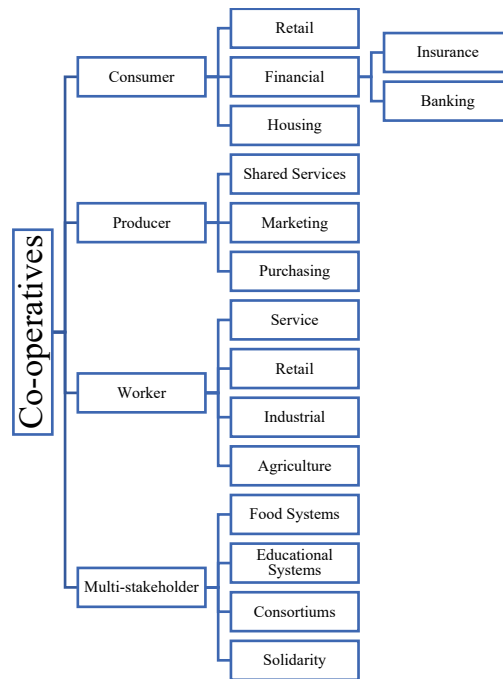
Figure 1. A Brief Taxonomy of Co-Operative Ownership (source:

http://cultivate.coop/wiki/Types_of_Cooperatives)(Birchall & Ketilson, 2009)

Worker co-operatives as a special case. The co-operative movement in the

United States has largely focused on producer co-operatives and, since the 1970s, on

consumer co-operatives. The efforts of co-operation among workers to achieve better

wages, benefits, and working conditions in the US have generally used the labour union

model or Employee Stock Ownership Program (ESOP) (Blasi, Freeman, & Kruse, 2013).

Workers who collectively bargain co-operate with one another to gain better wages and

work rules. Workers who participate in an ESOP hold investment shares in the company

and economically cooperate with each other as shareholders. Historically, advocates for

labour favour collective bargaining over worker control, which has been seen as having

too many conflicts between the needs of the worker and the requirements of a sustainable

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business (Perlman, 1928; Webb & Webb, 1920). Worker ownership made a resurgence in the United States over the last decade despite being largely ignored for almost a century (Ignaczak, 2014).

In the 1860s, near the beginning of the industrial revolution in the United States, initial efforts of organizing labour began with worker co-operatives (Leikin, 2005). After the Civil War, the nature of work underwent a dramatic transformation. The concept of the labourer shifted from workers who maintained control of their labour and the knowledge of their work to employees whose employers engaged in a command and control relationship often referred to, at the time, as "wage slavery" (Jacques, 1996; Leikin, 2005). The capitalist mode of production, as explained by Marx, transitioned from a formal subsumption of labour to a real subsumption of labour as the rise of capitalists created a need for greater control over the labour process (Gupta, 1980). Formal subsumption exists when the capitalist has legal ownership of the means of production and hires the worker but has little or no control over the labour process. A taxi cab company provides a great example in that the taxi cab owner owns the taxi, but the driver largely determines how to do the work. Real subsumption exists as the business owner exerts greater control over the labour process. Drivers of a delivery company, unlike taxi cab drivers, may experience real subsumption as technology allows the company to establish specific delivery routes, monitor the time of each delivery, and even monitor breaks. The constant pursuit of profit under capitalism (Harman, 2009; Harvey, 2010) has accelerated the subordination of labour to capital leading to new forms of

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organization and deskilling, such as Fordism and Scientific Management (Burell & Morgan, 1979).

Within worker-controlled organizations, many paradoxes may exist which may be defined as "democratic organizations institutionalizing their norms in a way that ends up making the organization undemocratic" (Stohl & Cheney, 2001, p. 354). Stohl and Cheney detail four primary areas of paradoxes, around structure, agency, identity, and power. The method by which workers organize themselves may lead to undermining the identity of the organization. The economic value of co-operation through a market economy does not guarantee the elimination of exploitation of workers or alienation of labour. Worker co-operatives must go beyond simply eliminating the "boss" by creating true structures of accountability that allow them to engage competitively with the capitalist in the marketplace without forsaking their identity.

Worker co-operatives offer a method of collective action that bypasses putting workers into direct conflict with their employer; however, this method of collective organization has obstacles in its path. Most significantly, principles of the co-operative identity create a structural inability to provide significant rewards for the risk to the suppliers of capital by limiting the return on investment and in some cases even preventing owners from accessing capital upon dissolution of the co-operative (Fairbairn, 1994). The usual economic critique of worker co-operatives argues that they will focus on high wages to the detriment of the capital needs of the business (Perlman, 1928; Webb & Webb, 1920). However, no empirical data supports Perlman and others' argument (Rothschild & Whitt, 1986). Worker co-operatives overwhelmingly focus on the human

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needs of the membership, such as job stability, healthy working conditions, and other benefits, that reduce the return on investment and creating less attraction for external investors (Abell, 2014; Burdín & Dean, 2009; Olsen, 2013). Other obstacles to worker ownership tend to be more cultural. The industrial nature of education in the United States, in which learning occurs in shifts and the classroom operates in a command and control, task-oriented environment (Rees, 2001), while not as class-oriented as the British system, creates a cultural mindset of being either a "worker" or a "boss." The inability to attract sufficient capital and difficulties in creating an ownership (versus employee) culture under capitalism creates limitations on the organizational structure in which either worker co-operatives stay small in order to contain a membership that is adequately prepared for worker ownership at an intellectual level or worker co-operatives have to spend significant resources of educating workers and essentially retraining them in order to function as a worker-owner (Abell, 2014).

The co-operative movement in English-speaking nations has generally tended to dismiss worker ownership, preferring producer and consumer co-operatives in their place in contrast to latin-language based nations such as Italy, Spain, Argentina, and Venezuela among others (Cannell & McNamara, 2013). As mentioned earlier, the Fabian Socialists, as led by Beatrice and Sidney Webb, argued that consumption serves as the one commonality of humans (Webb & Webb, 1920). The Fabians focused on the central planning abilities of the state to manage the economy while promoting collective bargaining to protect workers (Matthews, 1999). Even the labour movement has historically looked upon worker ownership with a skeptical eye as worker co-operatives

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may present a threat to the prevailing wage or union power within their industry (D. Bell, 2006, p. 4; Lanze, 1992, p. 89).[1] Other critiques see the potential for worker co-operation to engage in self-exploitation that subjects workers to subordination in a capitalist economy while also furthering exploitation by using materials created by other workers (dead labour), whose surplus value was expropriated by the capitalists supplying the co-operative (Ellerman, 2007).

On the positive side, worker co-ops as a form of collective action offer more than simply a larger paycheck to their members. Worker co-operatives develop leadership among the membership and create space for workers to practice political engagement. The development of workers in a democratic workplace contributes to the overall political enfranchisement in the larger community. Co-operatives promote the value of solidarity among workers and between the worker organizations within their movement. This model offers protection to workers from the battles between labour and capital by combining both labour and capital in a single stakeholder. Co-ops generally allow higher wages and benefits as the capital usually siphoned off to shareholders (Burdín & Dean, 2009) along with a flattened wage differential (MacLeod, 1997; Morrison, 1997; Ormaechea, 1993) may be retained by the co-operative. Further, because the workers

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[1] It should be noted that the Lanze study showed differences between the Italian, UK and US labour unions. Skepticism about worker co-operatives among labour unions has been higher in the US, where there have been fewer worker co-operatives and a much different labour union model.

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own the capital, the state may also view worker ownership with a less suspicious eye than it may view labour unions. The classic example is the survival of Mondragón Co-operative under the Falangist regime of Franco.

The Mondragón Co-operative Corporation exists as a network of approximately 261 worker and multi-stakeholder co-operatives in the Basque country of Spain, employing approximately 74,000 people world-wide (Luzarraga, 2018)The co-operatives engage in manufacturing, finance and banking, retail, agricultural production, and research. The network also provides its own educational system (elementary through graduate school) and social security benefits separate from the government (M. Co-op, 2018). As the workers of Mondragón were organizing and controlling their own bank as well as their jobs, the Franco government was preoccupied with the resurgence of the Communist Party in the south and the Anarchist movement in Barcelona. For Franco, the workers of Mondragón were entrepreneurs, and thus less of a threat to his power (Morrison, 1997, p. 51). This collective action by workers offers its membership better material gains than any single worker might be able to achieve on their own along with the social gains of being part of a larger community.

Co-operatives, regardless of the make-up of their membership, tend to operate within the co-operative identity, including but not limited to one-member, one-vote; financial participation; and existing to meet the needs of the membership and not to maximize return on investment. This dissertation considers case studies of three co-operatives. Two co-operatives are worker co-operatives and one is a consumer co-op that manages itself through a staff collective. Worker co-operatives face many of the same

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issues that consumer and producer co-ops face. Throughout this discussion, the distinction between worker co-operatives and other co-operatives may seem muddled. This results from the nature of the co-operative enterprise in which more similarities exist than differences, and the inclusion of a consumer co-op in the case study. From the perspective of the general public, co-ops exist as businesses regardless of the ownership model. The discussion around co-operatives and worker co-operatives may seem confusing; however, worker co-operatives exist as a subset of the overall co-operative business model and face similar issues in addition to those specific to the worker-ownership model.

The co-ops examined in this dissertation, while unique in how they determine membership, manage the organization, and engage with workers and members, also have many similarities. All exist as co-operative corporations committed to the values and principles of co-operation. The founders of each organization utilized the co-op model as a means of fulfilling social justice goals in their community. Each co-operative, in some form, engages the world of fair-trade and whole foods in a marketplace subject to intense competition and disruption. Each co-op grapples with the role of governance and operations to meet the needs of multiple stakeholders. The difference arises in how to operationalize the co-operative identity and create an advantage in the marketplace based on that identity.

The co-operative advantage. A United States national consumer survey reported in 2015 that almost 70 per cent of respondents trusted co-operatives as a business model (Knapp, 2015). These results mirrored the results of a 2003 survey

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(Duffey, 2003) and a 2012 survey on consumer confidence (Cumpston & Graf, 2012). In a less formal survey conducted in 2015, researchers asked people to define a co-operative and less than 40 per cent were able to do so or had a strong opinion about preferring co-operatives over traditional businesses. However, when the co-operative business model was explained, close to 80 per cent of those with little or no knowledge of co-operatives changed their opinion and said that they would prefer shopping at a co-operative (Brodsky, 2015). The high level of intrinsic trust for this business format creates a strong foundation for the co-operative model's success and survival rates of co-operatives bear this out (Olsen, 2013).

Co-operative organizers and researchers refer to this phenomena as the "Co-operative Advantage," which allows co-operatives to benefit from four key aspects of the co-operative identity: 1) the creation and use of social capital, 2) the facilitation of high-trust relationships, 3) the strengthening of society, and 4) the creation of community (Spear, 2000). In the modern era of relationship marketing, which focuses on community and value over individuality and price (R. H. Williams & Drew, 2012), consumers appear to prefer value-driven organizations and see the ownership model as part of the value-added nature of the organization (Andreasen, 2002). The Co-operative Advantage builds upon relationships between stakeholders of an organization. Every organization has several stakeholders, people, or groups that depend in some manner on the organization's success. Of the many groups, four have a very material stake: the owners of the business, the employees of the business, the suppliers of the business, and the consumers of the business. The Co-operative Advantage refers to the nature of ownership of the organization in that the users of an organization's products or services own the business.

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Producer and consumer co-operatives combine ownership with the external stakeholder group (consumer or producer) to attain market advantage. For worker co-operatives, the advantage does not resonate as strongly because worker co-ops combine two internal stakeholder groups. The combination of worker and owner does not necessarily confer a benefit to the consumers in terms of price nor does it grant access to a marketplace (as with producer co-ops). For other stakeholder groups, the worker co-operative may appear to engage with them as any other business might (Lund, 2011).

The worker co-op advantage. Advantages do exist for worker co-operatives. Many of the advantages of ownership for workers involve the ability to control the workplace. Control over the operations potentially allow workers to develop a more worker-friendly environment through higher wages, better benefits, and safer working conditions. Worker co-operatives also create healthier working conditions and a higher level of customer service, which may provide a value-added experience for the consumer and a co-operative advantage. Worker co-operatives specifically engage the co-operative advantage through the following:

- Pay solidarity (the differential between the highest and lowest paid member is low, often under 5:1) (Austin, 2014);
- Willingness to take pay-cuts over layoffs to maintain service standards and employment during recessions (Lindenfeld & Wynn, 1995);
- Use of traditional profit for benefits not normally realized in the industry (health insurance, vacation, safer equipment, higher pay, etc.) (Lewis, 1954; Lindenfeld & Wynn, 1995).

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Worker co-operatives, however, do not automatically gain the competitive advantage referred to in the consumer surveys about co-operatives. In many ways, a worker co-operative, especially if the co-op has a small membership, may look and act like a traditional partnership or limited liability company (LLC). The consumer may not necessarily see any direct benefit from workers owning the store. Worker co-operatives that operate along traditional industry standards (best practices) may not see higher wages or better working conditions. For many of these co-operatives, the managers come from the co-op's workforce and this may lead to isomorphic tendencies that cause the co-operatives to engage more like a traditional corporation or partnership (Burns & Scapens, 2000; Dart, 2004). Isomorphism refers to the tendency of organizations to act and look alike based on social, legal, and economic forces beyond the direct control of the organization (DiMaggio & Powell, 1983).

Operation of the organization within the co-operative identity provides the value that consumers respect and prefer. If a worker co-operative ignores the values and principles of co-operation, focusing only on the norms of their industry, the co-operative advantage will likely not materialize through increased customer loyalty. The aspects unique to worker-owned co-operatives create a stronger social network by operationalizing the co-operative values of solidarity, equality, equity, openness, honesty, and caring for others along with co-operative principles (ICA, 1995). The combination of owner and worker in one person creates an advantage in the marketplace around value, if not price. As consumers have direct contact with worker-owners, the model provides a fertile ground for the co-op to engage in relationship marketing by providing consumers

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access to owners on a regular basis while mitigating some of the issues related to the

principal-agent relationship (M. C. Jensen & Meckling, 1976; Turnbull, 2002). In a

homecare co-operative, for example, the caregiver, an owner, learns first-hand the needs

of the client. In taxicab co-op, the driver, an owner, interacts directly with the passenger.

In a retail outlet, the floor workers and cashiers engage with customers. In all these

examples, the customer has direct access to owners of the co-op and the information

relayed in those encounters feeds directly into the operational decisions of the co-op. This

direct feedback loop allows the co-op to be responsive to consumer needs.

Union Cab of Madison[2] provides an example of a worker co-operative utilizing

the co-operative advantage. In the period from 2001-2013, this 250-member taxi co-

operative experienced significant growth after engaging a campaign that promoted co-

operative values internally and externally. Over the course of 12 years, in a small,

oligopolistic marketplace, Union Cab grew from about 28 per cent of taxicab marketplace

(divided among three taxicab companies) to 40 per cent of the marketplace. This growth

was accomplished though engaging social audits internally and promoting co-op and

values externally (McNamara, 2015b).

Governance versus Management

There is considerable confusion between the concepts of governance and

management in co-operatives and especially so in worker co-operatives. As member-

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[2] The author spent twenty-six years as a worker-owner of Union Cab of Madison

and participated as a director for eight years and a manager for ten years.

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driven organizations, all co-ops seek to meet the needs of their membership. This may, for some members, create confusion between one's right as owner to have a say in the operations of the organization and the organization's attempt to meet competing member needs and covering the costs of operation. In worker co-operatives, confusion between governance and operations becomes magnified as the same people engage in both the daily tasks of the organization and the deliberations of owners. Consumer co-ops that use a staff collective model may also experience greater confusion as many of the workers of the collective tend to also be consumer members of the co-operative.

The co-operative business model tends to follow other shareholder models in terms of governance. The more traditional shareholder model in the United States is the "C" corporation, which exists as a stock corporation with the legal requirement to maximize the return on investment for shareholders. In most of the Canadian provinces and the United States, co-operatives exist as a unique form of corporation. Voting rights in a co-operative, like in C corporations, is a right of ownership. However, in a co-operative corporation, the shareholder only has one vote regardless of the shares held and many co-operatives operate without shares, electing for equity payments or membership fees instead. The shareholders elect a board of directors. The board effectively controls the organization and hires management to operate the business (Barlow, 2016).

Traditionally, a solid line has existed between governance and management. State and provincial laws empower the board of directors with the legal authority to act on behalf of the organization (Baarda, 2002a). This authority includes the legal right to manage the co-operative on behalf of the membership. In addition to the legal authority, the board of a co-operative benefits from the bylaws of the co-operative that further

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delineate the flow of power in the organization from the individual members to the board of directors and ultimately to the board's hiring of the management of the co-operative. Co-operative statutes, however, generally do not require that management be devolved from a board of directors, provided that the board has broad authority to manage the co-operative (within the limits established by the bylaws).[3] The separation of management from governance does not have a legal framework, and the directors and officers of the co-operative maintain the legal responsibility for the actions of hired management.

Although each state and province may vary, the directors of the co-operative generally must be members of the co-operative. These select members, elected to act in the interests of the membership, have an obligation to be responsible for the conduct of the co-operative generally referred to as the Seven Responsibilities:

1. represent the membership (over personal interest);

2. establish policies for the co-operative in accordance with bylaws and mission;

3. hire and supervise management;

4. preserve co-operative assets;

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[3] Each state and province has specific language on how members control the co-operative. In some areas, boards have the power to amend the bylaws and remove directors while other legal districts require membership approval of bylaws and removing elected directors.

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5. preserve the co-operative characteristics of the organization;

6. assess the co-operative's performance;

7. keep members informed on the overall state of the co-operative

   (Baarda, 2002b).

The seven responsibilities provide guidance to the board on the collective actions and decisions made by directors. It is in this sense that the board manages the co-op, although this special form of management has been labelled governance. In addition to the seven responsibilities, co-operative boards, just like any shareholder corporation, also engage in three duties. These duties provide what may be called the "corporate veil," which protects directors, managers, workers, and members from liability. The three duties consist of the following:

1. Duty of Obedience—directors must conform to legal statues and

   the articles and bylaws of the organization;

2. Duty of Care—directors have an obligation to stay informed, make

   decisions with prudence, and act in good faith in the best interests

   of the co-operative;

3. Duty of Loyalty—directors must act in a manner that does not

   engage in a legal conflict of interest or engage in self-dealing

   (Baarda, 2002b).

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Directors have considerable power in the co-operative. Depending on the language of the bylaws, directors can make substantial changes to the way the co-operative engages in its mission. The separation of management from the governance of the board of directors does not relieve directors of any legal responsibilities. The division allows the board, which often meets on a monthly or quarterly basis, to focus on the more strategic aspects of the co-operative.

In corporations that operate on a for-profit basis, directors have a much simpler requirement. The best interests of the shareholders generally equate to profit share value. Management of the corporation, then, may be hired out to a Chief Executive Officer (CEO), and that person may be given relative carte blanche for meeting the shareholder needs. The director of a for-profit corporation is generally supposed to have no interest in operations as long as the financial goals have been met and laws have not been broken. Not-for-Profit organizations (NfPs) have a more complex dynamic because the organizational and tax status may be based on the organization's ability to meet the social aspects of its mission statement (such as providing charity or affordable services) as opposed to meeting a financial goal (a profit or surplus). In addition, the boards of many NfPs have volunteer directors, who bring their expertise to the table but may have little direct knowledge of the specifics of the operational issues required to meet the mission. These boards act as a means of protecting the mission of the organization and ensuring that the executive director acts in accordance with that mission (Barlow, 2016). The division between the board and management occurs from the legal requirement of

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corporations to have oversight and the ability of the overseers to effectively manage the organization, not from an inherent difference between governance and management.

The origin of organizational control by a board of directors' dates to the earliest English settlements in North America. King James I created boards to allow the investors of the colonies in Virginia to maintain a level of control over their investment (Gevurtz, 2004). The board exists specifically to protect the investment of the owners by controlling the framework of the management of the organization. The interests of those working for the organization or other stakeholders have no voice at the apex level of control, the board of directors.

As for co-operatives, the directors may or may not have institutional knowledge depending on the co-operative. For instance, a co-operative of apple orchard owners may have a board of apple producers with specific knowledge of growing apples and limited knowledge of marketing apples. The board may have little to no knowledge of operating the processing plant and distribution network needed to bring their apples to market. A board of a consumer co-op grocery store consists of people who shop at the co-op. These directors may have a wealth of knowledge based on their livelihood and subjective experiences, but they have little idea on how to operate and efficiently run a grocery store. While the workers may not be fully aware of consumer needs or habits, the ability of the consumer to interact with an owner of the organization provides a conduit of consumer information into the organization in a way that may be more difficult in a single proprietorship or in a corporation that has a diffused decision-making process. A worker co-operative populates a board with diverse membership from different facets of

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the organization, from the customer-facing "front line" staff to the marketing department and other "back of the house" operations such as accounts receivable and accounts payable. A worker co-op board has intimate knowledge of how to operate and manage the company that the board oversees (Novkovic & Miner, 2015).

The division of governance and management becomes murkier when employees of a producer or a consumer co-op serve on the board. Employees of the consumer co-operative may be consumer members and, if elected to the board, sit as consumer members. Many consumer co-operatives treat the dual role of a director as both consumer-owner and employee as a conflict of interest by requiring those directors with the dual role of worker and member to approach their board responsibilities with an owner's frame of reference and not an employee's frame of reference.[4] These existential gymnastics minimize the voice of workers serving as directors. Consumer co-ops often limit the number of seats on the board available to members that also work for the co-operative to avoid perceived conflicts between the needs of an employee and a consumer.

In a worker co-op, however, the entire board generally consists of workers in the co-op. In some co-operatives, such as Isthmus Engineering, all of the members serve on the board of directors (Dworkin & Young, 2013). However, most worker co-ops follow two basic decision-making models: parliamentary decision-making with a distinct separation of management and board responsibilities or a consensus decision-making

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[4] Consumer-owners making decisions that affect prices or wages do not engender the same concern.

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process in which all members of the co-operative participate in all decisions (Rothschild & Whitt, 1986). Sociocracy, a relatively new method of decision-making in the co-operative community, which we will explore in greater detail later, operates based on consent (Buck & Villines, 2007{Rau, 2018 #1287)}. The workers consent to the policies that they operate within. Sociocratic decision-making separates issues based on the scope of work. Subgroups of workers (called "circles") make decisions delegated to them by a higher group. The hierarchy of circles represent different hierarchies of thinking (strategic vs. tactical, long-term vs. short-term) rather than a relationship of power within the organization. This blends the concept of governance and management, but in a manner that allows the workers relative autonomy within their area of operation while still being able to provide some voice on the more strategic (or governance-related) matters.

Research Question

This dissertation will consider three co-operatives where the workers control their labour by owning and/or controlling the means of production. Worker control can manifest itself in two forums, namely self-ownership and self-management: 1) the workers collectively own the business through a co-operative or 2) the workers collectively manage a co-operatively owned business in which the consumers own the co-operative but engage the workers as a collective group instead of using hierarchical command and control management. In both cases, the workers have some general control over the quality of work life, compensation, and means of production. In the case of the former, the management style may vary from traditional hierarchy to flattened, more

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democratized hierarchy to collective management. The manner and the method of management effects the co-op's ability to meet non-financial needs consistent with co-operative values and principles and the creation of a workplace based on social equity and human dignity.

The ability of the co-op to express the values and principles of co-operation in terms of the experience of the worker-owners may be measured through the Co-operative Index Tool (CIT). The Co-operative Index Tool, to be discussed further in Chapter 3, measures the organizational systems, climate, and outcomes along with the personal attitudes and actions within the context of the co-operative identity through surveys of the workers of the co-operative and an analysis of co-operative policies. While the CIT has generally been used as an internal document to assist the membership and boards of co-operative with organizational improvement and planning, this study will engage the CIT as a means of an external analysis of the efficacy of management methodology in terms of the management structure's ability to engage the values and principles of co-operation within the context of worker ownership and labour control.

The Statement on the Co-operative Identity and other statements of principles (such as the Mondragón Cooperative Corporation) provide a standard by which to measure, through the Co-op Index Tool, the efficacy of management structure in practicing the values and principles of the co-operative identity through the following two questions:

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1. Does the type of management utilized in a worker co-op or worker-controlled co-op facilitate or hinder the ability of the organization to express the co-operative identity?

2. Does the Co-operative Index Tool provide an adequate means of examining the relative efficacy of the type of management?

Nature of the problem. The power of management in a co-operative can often overwhelm the democratic ideals of a co-operative. The management structure creates a lot of formal power within the organization that is not easy for a democratic model to control or overcome. The ideological foundation of worker control of a worker co-operative may be undermined by the method of management utilized by the co-operative. In the United States, many worker co-ops have adopted a flattened hierarchy model as a response to dissatisfaction with a management model that uses traditional command and control strategies. The co-ops with flattened hierarchy point to a way of thinking about co-operative management that challenges dominant thinking (which focuses on ownership instead of control). Collective models combine the governance and management into one body with the same group of people setting policy and deciding how to implement those policies. However, it is unclear if collective models do a better job than traditional hierarchies at expressing co-operative values and principles. In the last decade, co-op researchers have made efforts to develop tools to measure the expression of values and principles in co-operatives (Brown et al., 2015). One such method, the Co-op Index Tool, examines the ability of worker co-ops to incorporate values and principles into the co-op's operations (Novkovic, Prokopowicz, & Stocki,

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2012). The CIT ultimately asks if co-op management follows co-op values and principles. Does the method of management hinder the expression of the co-operative identity or facilitate that expression? Using the CIT, what are the effects of management on the expression of values and principles? By using the CIT to compare co-operatives to each other, rather than comparing a co-operative to an abstract ideal, it is possible to identify how sociocracy, as a management strategy and decision-making practice, best enables the operationalization of the co-operative identity that in turn builds resiliency to organizational decline.

Gaps in the Literature

The research on the co-operative enterprise generally focuses on ownership and the power of economic co-operation to meet the needs of the users. Areas of research generally consider the economic effects of co-operative and the community impact by the co-operative economic model (Brown et al., 2015; Zeuli & Deller, 2007) or the financial implications of co-operatives (Zevi, Zanetti, Soulage, & Zelaia, 2011). Much of the thinking on the management of co-operatives tends to be borrowed from leadership and team-building concepts developed for traditional corporations such as the servant leader model (Davis, 2004; Kerlin, 2006; Rothschild, 2009). Daniel Côté promotes a New Co-operative Paradigm that extends the co-operative model beyond the co-operative identity to include managerial practices that to build loyalty, create a learning organization, develop meaning and legitimacy, and mobilize the co-ops workers through values (Côté, 2005). However, few of the co-op approaches to the management of the co-operatives discuss the basic structure of decision-making. The discussion of co-operative

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management generally focuses on the level of humaneness in the command structure

without challenging the command structure (Ridley-Duff & Ponton, 2014). In the case of

collective management, much of the literature focuses on the limitations on this model

based on the size of the organization (Esteban & Ray, 2001; Peña & Nöldeke, 2016;

Rothschild & Whitt, 1986). The way in which worker co-operatives and worker-

controlled co-operatives make operational decisions has largely been ignored.

Sociocracy in the workplace promises to allow workers to maintain agency over

their labour by consciously affirming (consenting) to policies and the design of their

work (Romme, Broekgaarden, Huijzer, Reijmer, & Van der Eyden, 2016). At the same

time, sociocracy compartmentalizes an organization such that not every worker needs to

engage on every issue facing the enterprise. However, little empirical research exists on

the overall efficacy of the sociocratic governance model. While popular among

intentional communities, sociocracy has only recently been utilized as a model in

traditional businesses such as a retail establishment, even if that business is a co-operative

(Bockelbrink, 2014). Part of the addition to knowledge of this study will include

considering the ability of a sociocratic management process to engage the co-operative

identity in an effective manner compared to the other governance models in use.

New knowledge. This dissertation compares case studies of three types of

management present in two worker co-operatives and a worker-controlled consumer co-

operative in the United States and Canada that have also used the Co-operative Index

Tool between 2014 and 2016. The comparative study provides several contributions to

the literature on management as follows: 1) an academic analysis of sociocracy as a

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management model, filling a gap in the literature; 2) an argument for a management program rooted in the co-operative identity distinct from the dominant models of management sometimes referred to Theory X (scientific management and bureaucracy) and theory Y (human relations and team management); and 3) the utility of the CIT as a means of external and comparative analysis of co-operatives as opposed to its intended purpose as an internal stakeholder measurement.

Management Case Studies

The co-ops under study include a traditional hierarchy (a top-down management structure), a collectively managed co-operative, and a sociocratic co-operative (a blend of hierarchal and collective models).

Traditional hierarchy. For this study, the term "traditional hierarchy" will be used to refer to that form of hierarchy that developed to manage traditional corporations. This model, sometimes referred to as bureaucracy, has dominated the western style of corporation (Kiechel, 2012; Wright, 1993). This mode of management developed in the United States as the economy underwent its first industrial revolution in the 1860s. As factories began to replace the cottage industries, the relationship between the employer and the worker underwent significant change. In his historiography of the American worker, *Manufacturing the Employee*, Roy Jacques (1996) examines the transition of workers into employees. As the US industrial revolution progressed in the late 19th century, the notion of work changed. Prior to that, workers did not, in the antebellum United States, generally work as "employees" but as craftsman joining together in work teams. As industrialization increased after the Civil War, employees replaced this method

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of work by establishing factories and other central locations for production. The development of employees created the need for a structure to command and control the workers under employment by an organization. The capitalist appropriation of surplus value—the difference between the value created by a worker and the amount remunerated to the worker for that act (Harvey, 2010)—created a need to manage the workers in order to maximize return on the capitalists investment and the rate of said return (Harman, 2009). Bureaucracy then works to maximize investment for the shareholders by removing the power from workers and concentrating it into a manager who acts in the interests of the shareholders (Jacques, 1996).

The general resistance of workers to this new regime through craft unions and industrial unions, along with informal resistance behaviour such as soldiering (in which workers collaborate to slow down production), contributed to the development of scientific management, which sought to deskill labour while also creating a hierarchy of authority and chain of command (Bendix, 1974; Wren, 2005). The key components of modern-day hierarchy originate from the work of Frederick Taylor and the concept of the Protestant work ethic expounded upon by Max Weber (2003). While variations to these themes developed through the work of Fayol and others (such as quality circles and team management to name a few) (Burell & Morgan, 1979), the essential command and control process of hierarchical power through management of workers became the central construct of economic organizations—whether capitalist, not-for-profit, governmental, or co-operative in nature.

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Hierarchical management exists in worker co-operatives as the workers organize to meet the needs of the market and structure work in an efficient manner. However, this model does not always lend itself to engagement with the co-operative identity. Traditional hierarchies use a form of scientific management fashioned after either the materialist model (Theory X) or the humanist model (Theory Y) or some combination of both (MacGregor, 1960). Hierarchy based on decision-making authority (or power) within an organization effectively organizes the workers to serve the capital needs of the organization (Ferguson, 1984), subverting the principle of the supremacy of labour and subordination of capital.

Co-operatives can soften the impact of hierarchy through creating greater transparency of decision-making, providing a space for rank-and-file voices, and embracing the principle of education, information, and training. However, the command and control structure will, through its bureaucratic underpinnings, limit the full participation of members and workers, creating separate classes of workers within the organization and, thereby an entropy in which the worker will continually "sink to the level of general and undifferentiated labor power" and concentrating the knowledge "in the hands of management" (Braverman, 1974, p. 121).

The use of bureaucratic hierarchy within enterprises has led to the ability to harness capital and labour to an amazing degree. The success of hierarchal models to deskill labour, and continually improve processes for greater efficiency and surplus value, has caused other non-profit-oriented sectors of the economy (not-for-profit charities, government agencies, and even co-operatives) to see this model as a "best

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practice." The use of traditional hierarchy within the worker co-operative and labour-managed enterprises creates systemic conflicts with the values and principles of labour control. Some US co-operatives choose a different model that flattens out the organization in the form of a collective.

Collectives. Collectivist management flourished in worker co-operatives during the 1970s, especially on the west coast of the United States, leading to an interest in considering challenges to the hegemony of bureaucracy (Curl, 2009; Rothschild & Whitt, 1986). In addition to worker co-operatives, some consumer co-operatives, seeking to incorporate the ideals of the founders, also engaged staff collectives in lieu of a traditional hierarchy[5]. Collectives focus on the values of the members of the organization or, in terms of Weber's taxonomy of authority, a value-rational authority (Rothschild-Whitt, 1979). This study will consider, among other things, the case of a staff collective managing a consumer co-operative. The board creates policy in consultation with the

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[5] An inventory of management styles in consumer co-operatives in the United States does not exist; however, Mariposa Cooperative in Philadelphia, People's Food Co-op in Portland, Yelm Food Co-op in Yelm (WA), Olympia, Food Co-op in Olympia (WA), and Rainbow Food Co-op in San Francisco (CA) all use some aspect of collective management. In addition, the not-for-profit radio stations, WORT-FM in Madison (WI), KBOO in Portland (OR), and Co-op Radio in Vancouver (BC) use a staff collective to manage the radio station with volunteer on-air deejays.

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staff collective, and the staff collective decides how to implement policy. The collective elects a staff representative to liaison with the board of directors.

Collectives do not operate with a formal hierarchy (Cultivate.coop, 2012; Rothschild-Whitt, 1979). Each member of the collective has an equal voice in primary decisions of the group. The collective may defer to a sub-committee, but any delineation of power from the main body must be decided by the main body prior to the authority being passed. Collectives traditionally operate on a consensus basis in which any member may block a decision if they believe it runs contrary to the overall aims and goals of the organization. Collective decision-making seems to mesh with the values and principles of worker co-operation. Each member's voice has power and decisions require agreement of all members, but it is the collective voice that speaks (Rothschild-Whitt, 1979). Collective decision-making clearly elevates labour's voice over capital, provides for democratic management, and embraces human dignity through participation (Rothschild, 2000; Ryszard Stocki & Hough, 2016). Collectivism also embraces feminist ideals and thus challenges institutionalized forms of control because this governance and management model provides space for all voices, which challenges patriarchal ideals inherent in scientific management (Martin, 1990).

Collectives, however, require complete transparency and a zealous commitment to education, information, and training by all involved. The lack of structure in collectives can undermine the very values and principles that collectives appear to embrace. Jo Freeman's classic essay, *The Tyranny of Structurelessness* (1972), argues that social hierarchies exist even if not named. Informal hierarchies have more power

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because members of the collective cannot challenge the unwritten rules directly (Ridley-Duff, 2010). The informal structure tends to benefit the dominant social group within the organization, which can often replicate the social oppression in society based on gender and race (Hoffman, 2005). Leadership within collectives operates through the soft forms of power, influence, and manipulation (Leach, 2005), and resistance behaviour can undermine the mission of the organization or the ability to make required decisions to meet market demands (Vannucci & Singer, 2010).

Hierarchy and collectivism operate at opposite ends in the continuum of management. These methods offer dramatically different approaches to achieving efficiencies in the marketplace and competitive advantages. Each have means of engaging co-operative principles but also have deficiencies that undermine the co-operative identity and can limit the co-operative advantage. The third form of governance considered in this study, sociocracy, shows signs of promise to navigate the space between the Scylla of control and the Charybdis of diffused authority.

Sociocracy. The concept of sociocracy originated with August Comte as part of his larger efforts in the creation of sociology as a field of study (Buck & Villines, 2007; Fleming, 1946). Lester Frank Ward (1893) presents arguments for an ideal society that Kees Boeke (1945) further refines. Sociocracy utilizes a metaphor of the organization as organism (Gareth Morgan, 2006), seeking to unite the various parts into a whole through synergy and consent, not coercion, and through creating natural harmonies (Price, 1974). The sociocratic method of management effectively establishes a series of experiments: the group selects a course of action, reviews the course of action for efficacy, and adjusts

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the course of action based on the review. The roots of sociocracy rest in Comte's belief in

a meritocracy of qualified individuals making decisions based on the results of real

experiments conducted by the organization (Buck & Villines, 2007).

In general, sociocracy creates a form of collective hierarchy and some have even

considered it a form of social permaculture (Rios, 2011). It manages organizations

through a hierarchy of work and not power, by using consent as opposed to consensus

and facilitation that equalizes voices within an organization. There are seven aspects of

sociocracy (Christian, 2016):

1. circles and double links

2. clear aims for each circle

3. feedback loops in each proposal

4. proposal forming

5. consent decision making

6. election of people to roles

7. feedback loops for meeting and role improvement

Often referred to as the Sociocracy Circle Method (SCM), the process operates

through a series of circles (work teams). Each circle has specific aims related to the

overall aim or mission of the organization, and links to other circles within the

organization (Christian, 2013). For example, a produce circle in a grocery store would

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focus its work on the produce department, but also send representatives to an operations

circle that coordinates inter-department activities. Coordination of activities by the

Operations Circle would create policies that affect multiple departments (for instance,

hours of operation). Circles link through a dual hierarchy (see Figure 2): group leaders

appointed by a higher circle coordinate the circle activities and report back to the higher

circle. Staff of the circle also elect a representative to join the Group Leader and

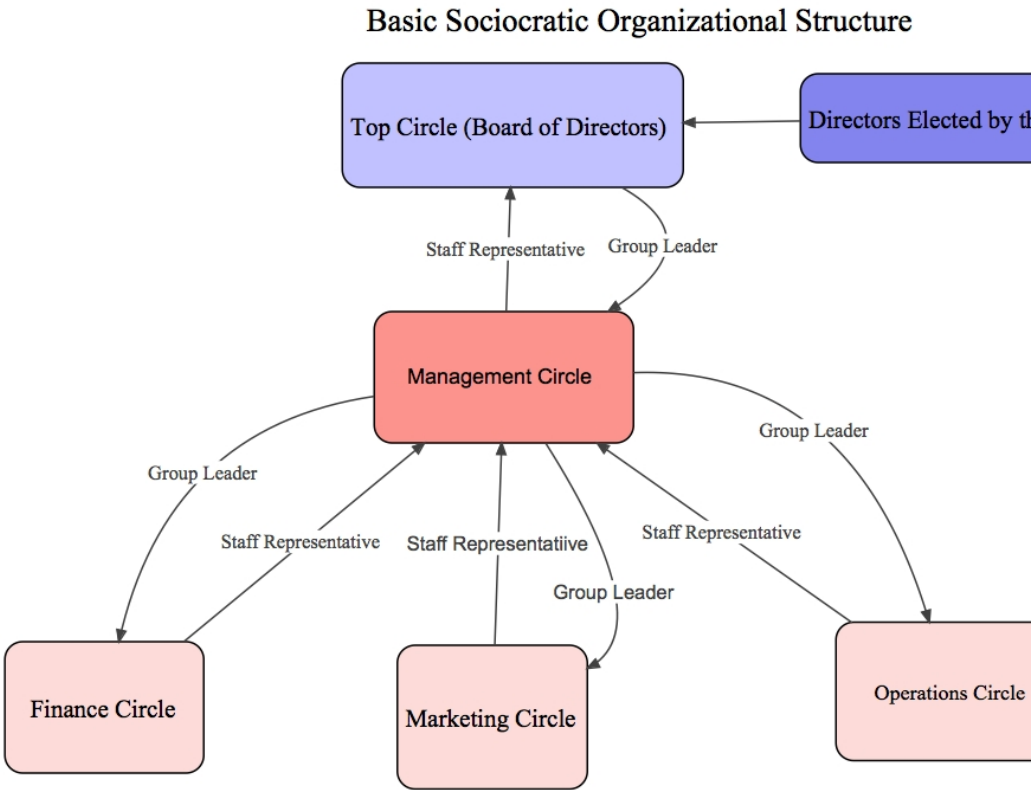participate in the higher circle (Romme, 1996).

Figure 2. Basic Outline of Sociocratic Structure (Buck & Villines, 2007)

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Decision-making focuses on participation and consent (Christian, 2014). Rather than the leader presenting a solution for other members of the group to edit or reject, the circle explores the situation with each member of the circle providing input. The facilitator, elected through consent of the circle, attempts to synthesize a proposal, and asks for the group to consent to adopting the proposal. If members do not consent, the proposal may be reworked or dropped.

As opposed to consensus, which asks for agreement, consent only asks if the proposal is "good enough for now" or "safe enough to try" (T. J. Rau & Koch-Gonzalez, 2018, p. 4). The decisions agreed to through using sociocracy come with a review date, at which point the circle will review the overall efficacy of the decision and adjust as necessary. Members blocking a decision need to explain how their opposition relates to the aim of the circle and the members of the circle must make a good faith effort to ameliorate those concerns (Buck & Villines, 2007; Christian, 2014; Romme et al., 2016).

To illustrate how different methods of management may hinder or assist the co-operative in the organization's expression of the co-op identity, this dissertation compares three case studies of co-operatives. The case studies will focus on reports generated from the respective co-op's participation in the Co-op Index Tool (CIT). The CIT examines the ability of a co-op to operationalize co-op values and principles specific to worker co-operatives and labour-managed, but consumer-owned, co-operatives. This chapter examines the co-operative model, nuances of governance and management in a worker co-op context, and the research question. Chapter 2 examines theoretical underpinnings of this dissertation. Chapter 3 focuses on the use of case study methods and the

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methodology of the Co-op Index Tool. Chapter 4 will examine the results of the CIT with a worker co-op using a traditional hierarchal management structure and using parliamentary procedures (majority rule) for decision-making. Chapter 5 examines a consumer co-op operated through a staff collective using consensus decision-making process. Chapter 6 examines a worker co-operative using sociocracy for governance and operations and Chapter 7 compares the case studies and discuss management's role in assisting the expression of the co-operative identity. A final chapter (Chapter 8) will offer a summary and general conclusion.

While worker co-operatives act as an economic commons with social missions equal or superior to financial returns on investment, they operate within a much larger market economy. This larger market economy generally operates on the principle of maximizing return on investment for shareholders and the system of management has been designed primarily for that purpose.   The co-operative difference offers promise that capital will have a subordinate role to the human needs of the membership. By analyzing cooperatives with the CIT, it is possible to identify management and decision-making practices that best align, and promote the operationalization of the co-operative identity, and it is those management and decision-making practices associated with sociocracy that best help achieve this goal.

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Chapter 2: Managing the Co-operative

The co-operative economic model presents a means of creating voice in the market economy for consumers, workers, and producers (Fairbairn, 1994). The role of the human being in a co-operative economy takes precedent over the role of capital, providing democratic control through equalized voice (one member, one vote) and limited return on equity with a clear set of values and principles that champion solidarity, openness, and honesty (MacPherson, 1996). The co-operative values and principles codify the matter and manner of co-operatives and build resiliency into organizations. Survival rates of worker co-operatives exceed that of conventional firms through the first year, fifth year, and even tenth year of operations (Olsen, 2013). This dissertation examines how co-operative values and principles interact within two specific models of collective action—a worker owned co-operative and a consumer co-operative managed collectively by workers.

The concepts of voice and loyalty, envisioned by A.O. Hirschman (1970), operate in the commons of the workplace in which the economic enterprise acts as a form of commons through and ownership structure based on the co-operative identity or the workers control the means of production through a collectivist model of decision-making. Worker co-operatives engage voice and loyalty to manage their economic commons within a larger community that privileges capital over individuals. The tension between capitalist and co-operative market economies plays out in how co-operatives manage themselves and compete against investor-owned enterprises in the marketplace.

Chapter 2: Managing the Co-operative

Garrett Hardin's *Tragedy of the Commons* (Hardin, 1968) presents a dystopic view of collective ownership, but led to a decades-long conversation about management of commonly held property. His argument essentially misstated "the commons" as an unmanaged and open access system of natural resources (Dagan & Heller, 2001; Feeny, Berkes, McCary, & Acheson, 1990; Hardin, 1998). While some examples of Hardin's commons exist (the atmosphere and oceans most notably), commonly held property through co-operative ownership or other collectively managed processes tends to counter Hardin's perceived tragedy through careful management that avoids free-riders and establishes techniques to protect members and maintain a resilient economy (Pompe & Rockwood, 1993). Hardin's imagination for a solution was limited to either private ownership or government ownership, ignoring options of collective management (Feeny et al., 1990; Ostrom, 2008). The greater value to Hardin's work was the debate that it created – a decades-long discussion of what constitutes the commons and how it can be managed – that continues to this day.

Communities and people have a long history of successfully managing the commons without either private ownership or government oversight, and neither of those two organizational models present inherently successful models of success (Ostrom, 1998 #1105). Co-operatives, like Ostrom's work, center around the ability of people to successfully manage common property; Mancur Olson's (1971) *Logic of Collective Action* also argued that collective organizations are doomed to failure. The neoclassical economic-based arguments of both Hardin and Olson privilege self-interest over the common good and echo Maslow's hierarchy of needs (Maslow, 1943), which argues that

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humans will act in their own self-interest and only engage in community or selfless acts once primal needs have been met; however, empirical evidence presents a much more complicated picture of human motivation (Wahba & Bridwell, 1976). Human beings have needs that go beyond the material, and recent research suggests that emotional needs play a strong role in human behaviour (Moser et al., 2015; Rockstuhl, Seiler, Ang, Dyne, & Annen, 2011; Tschan, Rochat, & Zapf, 2005; M. Williams, 2007).

Ostrom's model of collective action focuses on management, not control, of the commons. As such, the connection to co-operative principles provides a means to understand how management in a co-operative may also assist in expression the co-operative identity.

Table 1: Ostrom's Model and Co-operative Principles

Ostrom Model	Co-op Principle	Co-op Value
Presence of Clear Boundary Rules	Voluntary and Open Membership	Equality
Benefits Allocated Proportional to Required Inputs	Member Economic Participation	Equity
Members Participation in Making and Modifying Rules	Democratic Member Control	Democracy
Selection of Monitors Accountable to Group	Autonomy and Independence	Openness, Honesty
Progressive Discipline of Members	Education, Information, and Training	Self-responsibility
Due Process and Conflict Mediation	Concern for Community	Caring for Others
Capability to Develop More Effective Management	Education, Information, and Training	Self-help
Hierarchy of Work for Larger Systems	Co-operation Among Co-operatives	Solidarity

Note. Compiled from International Cooperative Alliance (1995) and Elinor Ostrom (2000, pp. 149-153)

Chapter 2: Managing the Co-operative

Within the concept of the second design feature (connected to member economic participation), Ostrom focuses on the idea of sustainability. Managers of the commons need to engage in a long-term view to attain sustainability. A long-term strategy and conceptualization of the organization not only prevents the tragedy of the commons, but it also expresses co-operative values of concern for community and the notion of a "liberal commons" utilizes sustainability as a key index of management success (Feeny et al., 1990, p. 5).

The role of voice and loyalty plays an important part in commons beyond the economic man of Hirschman's "thought experiment" on exit, voice, and loyalty. Dagan and Heller (2001) present an argument that works off the commons design of Ostrom and Hirschman's work. Dagan and Heller argue that "if commons property can succeed only by giving up the right to exit, a liberal commons is indeed an oxymoron" (2001, p. 566). The role of exit in an organization serves an ultimate "willing punisher" (Ostrom & Ahn, 2001) in that individuals, regardless of loyalty, have the ability to "vote with their feet" by leaving an organization. In the United States, all workers engage the labour market as "at-will" employment, which means that they have the freedom to quit any job without notice. In this environment, exit may also be seen as a type of voice (Farrell, 1983; Hoffman, 2006).

Hirschman's seminal work *Exit, Voice, and Loyalty* initiated a discussion about the causes of organizational decline through stakeholder engagement with the organization. Hirschman (1970) builds his arguments on the concepts of economic self-interest to understand when people will choose exit over voice. He argues that people will choose voice either out of loyalty to the organization or due to high barriers to exit.

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Examples, at the time of Hirschman's publication, included protests to the United States military action in Vietnam. Many used "voice" to change US foreign policy, and some chose to exit by leaving the country rather than submitting to the military draft. In the workplace, workers may choose to leave for other jobs or attempt to make their current workplace better either through engaging management or unionizing.

Hirschman initially understates the complexity of voice in an organization. Depending on the nature of hierarchy, size of the organization, and social dynamics within the organization, voice can vary and most choices engage more than a binary option of having voice or not having voice (Barry, 1974). Organizational decline can also occur independent of voice as generational and cultural changes cause the organization to deviate from its mission or a change in the environment that alters the perception of success in the organization (Ryszard Stocki & Hough, 2016). In later work, Hirschman sees the role of education and information as essential to voice, stating that a "criterion for discriminating between exit-prone and voice-prone situations can be defined as ignorance and uncertainty" (Hirschman, 1980). The line between exit and voice seems much more fluid. While the ability to engage voice and the quality of that voice opportunity leads to higher engagement and problem solving (Spencer, 1986), the lack of it may not lead to exit but to resistance behaviours such as shirking or soldiering, absenteeism, and general neglect (Farrell, 1983; Rusbult, Farrell, Rogers, & Maiinous, 1988). Workers either engage passively through neglect or loyalty or actively exit or voice (Rusbult et al., 1988).

Worker co-operatives and labour-managed co-operatives (LMCs) have a high degree of voice. The nature of ownership and control in the organization changes the

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dynamic between voice and exit. In a worker-controlled environment, loyalty may play a

more fundamental role. Barry (1974) argues that loyalty acts more of an "error term" than

as a function in that loyalty can only be recognized by its effects and, under Hirschman's

argument, has no predictive quality. However, in research on worker-owned co-ops and

labour-managed co-ops, loyalty has been shown to act as a moderator between exit and

voice as members of these organizations often "have ideological attachments to their

workplace" (Hoffman, 2006). Further, given the amount of equity and capital inputs

required by the individual worker, the barriers to exit may be prohibitively high

(Ellerman, 1986). Loyalty, in a worker-owned co-operative may also lose its status as

moderator and engage more as a mediator of both voice and exit by virtue of people's

commitment to the values of the organization (Hoffman, 2006) and the commitment of

the organization to human development, avoiding exit-oriented strategies of traditional

corporations in regards to labour (Ellerman, 2005).

      A key component of LMCs involves participation in management and

governance. While participation has generally been seen as a way to increase productivity

mainly through economic terms such as profit-sharing (Blasi et al., 2013), active

participation in governance as well as operations separates worker co-operatives from

other forms of employee ownership in that employees have ownership status and the

voice of ownership that comes with it. However, isomorphic tendencies within the

business community and specific industries can lead to traditional management structures

taking root in worker co-ops and LMCs.

      Since the adoption of the ICA's *Statement on the Co-operative Identity* in 1995

there have been efforts to engage participatory management in co-operatives (Ryzard

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Stocki, Prokopowicz, & Żmuda, 2010) – either as a form or voice or as an pathway to

loyalty through increased voice (Côté, 2005). Participation in worker co-ops goes beyond

management efforts to increase productivity; it is related directly to the purpose of

becoming a worker-owner (Ben-Ner, 1988; Ryszard Stocki, Prokopowicz, & Novkovic,

2012). Worker participation in governance as well as operations provides a powerful

form of voice that, as Hoffman (2006) argues, engages an ideological fervour in which

workers identify as leaders within their industry and as part of a larger labour movement.

Participation, however, directly relates to governance model, including the managerial

and decision-making platforms used by the co-operative.

Traditional hierarchal models based on a delegation of most decisions to a

manager with oversight by an elected board may limit the sense of participation in co-

operatives to simply voting for directors and by-laws amendments. While voting on a

shareholder basis provides significant power, the worker may still feel powerless in day-

to-day operations and rely upon managers to create pathways for voice in the

organization. Models such as Policy Governance create specific rules of engagement

between the board of directors and management that fundamentally separate the roles of

each (IPGA, 2017). [6] At the other end of the spectrum, collectivized workplaces offer

direct input into decision-making at the strategic and operational levels.

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[6] Policy Governance, created by John Carver, provides a template for boards to

make decisions and maintain focus on the primary duties of the directors while avoiding

extraneous or managerial issues (IPGA, 2017).

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Consensus decision-making ensures buy-in by all members of the collective (Hartnett, 2007). However, collectives also require a lot of effort by everyone in the co-operative and even though no official hierarchies exist, the environment can foster informal hierarchies that can be damaging to the overall co-operative and subtly limit participation (J. Freeman, 1996; Vannucci & Singer, 2010).

Between the two polarities of hierarchal and collective management structure lies Sociocracy. This system of dynamic governance creates a hierarchy of work, not power by developing a top-down and a bottom-up double linked system of governance circles (Buck & Villines, 2007). It uses a consent model rather than consensus or majority rule. The primary difference between consent and consensus has been described as "in consensus, everyone agrees, while in consent, nobody objects" In addition, it uses a positivist feedback mechanism by placing review dates on policy decisions so that members decided if a policy is "good enough for now." These different methods of management were discussed in greater detail in the previous chapter; for this discussion about the management of the commons and logic of worker co-operative, the means of engagement speaks to the primary focus of this study: the method of management affects the ability of a worker's co-operative to engage the co-operative identity.

Labour Process Theory

When the labour process involves worker co-operatives, something unique happens. In a capitalistic firm, "the labor process begins with a contract or agreement

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governing the conditions of the sale of labor power by the worker and its purchase by the employer" (Braverman, 1974, p. 52). Of course, the "sale" of labour power occurs without the actual transfer normally associated with property. Workers still physically control their capacity to labour, even if they no longer have legal right to it exercise it at their own discretion in the workplace (Braverman, 1974, p. 54; Ellerman, 2015; Offe, 1985, p. 180).

However, in a worker co-operative, workers do not lose their entire control or voice. They reach agreement with their fellow workers about the distribution of the surplus value created by their collective labour.[7] The agreement by workers among themselves creates a different role for management than "control" of the worker (Braverman, 1974, p. 68). Worker co-op management may still engage in Tayloristic efficiencies (Braverman, 1974, p. 90), presenting another crucial role for mobilization theory and education. Without a membership educated in the principles of worker ownership and the co-operative identity, the elevation of a professional class of management may easily resort to traditional capitalist-friendly, scientific management

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[7] In some co-operatives, the workers clearly sell the product of their labour, not their labour. Wages and hours are used as a means of measuring inputs to create a fair distribution of the surplus value. It is quite possible for worker co-operatives to abolish the wage system; however, this would require significant changes in federal and state labor laws.

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strategies that causes the workers to effectively lose control over the process of transforming their labour power into labour.

A mobilized, educated membership will create the control methods for managing their labour power through a democratic process in which the humanity of the workers may play as important a role as the efficiency of the organization. The role of engaging the humanity of the workers turns the concept of efficiency from a profit-motive to a sustainability motive: sustainability of the organization and the human labourer. By controlling the means of production collectively, members escape selling their labour to the capitalist class and even collectivize their own past labour, thus retaining equity of the co-operative and realizing the "value-creating and value-enhancing power" of the "dead labour" for themselves (Karl Marx quoted in Ellerman, 2007; Harman, 2009, p. 32).

The accountability structure within worker co-operatives presents a major weakness. Worker co-operatives do not exist in a vacuum, and the ability to expropriate their surplus value may not necessarily remove oppression especially in terms of class justice (Kristjanson-Gural, 2011). Although they engage the market economy, worker co-operatives represent only a fraction of the overall marketplace. The dominance of investor-controlled firms creates an environment in which even the workers of a co-

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operative may be subject to self-dealing,[8] freeloading, and other anti-co-operative behaviour learned from previous employers or from solidarity action with other workers in resistance to those employers. Likewise, as workers seek to compete in the marketplace, and without many role models, co-operatives may replicate the capital-centric hierarchies of their competitors, which may create poor principal-agent dynamics as workers effectively lose their voice in their own organization (Boje & Rosile, 2001). To overcome typical marketplace issues of competition, worker co-operatives must engage in more than simply creating an equitable distribution of wealth. They must also engage in transformation of the worker into a mature human being capable of rational action in their collective self-interest.

Collective economic action in the post-feudal era was initiated, in essence, by capitalists seeking to expand profit by using the living labour of their workers to transform the product of former labourers (dead labour) into surplus value that returned to the owner of the business (Offe & Wiesenthal, 1985). The capitalist, in essence, collectivizes individual workers to produce a product. In this exploitation of living labour, the worker retains physical control of their body and its functions yet yields legal control leading to the alienation of labour from the worker spurring collective action to

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[8] Self-dealing, in this contexts, relates to a worker acting in their own self-interest. For example, a cab driver may run fares without running the meter or "off book" to gain greater personal income or a home care provider may switch a client to private pay from the agency.

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achieve a better return for their labour (Braverman, 1974). Through this process in the

United States, the concept of the itinerant worker became something else as organizations

were constructed to maximize not just profit, but, in the American version of capitalism,

a maximization of growth as well (Harman, 2009; Jacques, 1996). The trade-off for

workers has been argued through the narrative of the American Dream; however, any

attempt by workers to gain a better deal on the exchange of their labour has generally

been regarded as a usurpation of the rights of capital.

Labour process theory lends itself to being used as an analytical tool examining

the alienation of work and examining the relationships of power within an organization

(Fleetwood, 2005; Parker & Thomas, 2011). In the case of worker co-operatives, the role

of alienation plays a different role in the narrative in that, as collective owners, the

workers retain all surplus value of the labour process. This should generally alleviate the

concept of alienation; however, this may not be a quantifiable measure as worker co-

operatives still exist within a market economy dominated by the capitalist economic

model and the downward pressure on wages and benefits (Harman, 2009) creates a

systemic alienation in the marketplace. The effect of on-line ordering on retail outlets,

and organizations such as Uber on local taxi co-ops present two examples of this

dynamic.

Principal-Agent Dilemma

The Principal-Agent Dilemma examines incomplete information between

principals and agents to make decisions on their behalf (Eisenhardt, 1989a). In a worker-

owned enterprise, the ability to act collectively becomes more difficult as the size of the

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organization grows. As the company grows larger, it will find that division of labour must occur to maintain the stability of the organization and to manage demand and growth (Braverman, 1974). The creation of a management agent may create a contradiction within the co-operative as the managerial cadre will eventually gain a higher level of knowledge about the business than most members. With the knowledge of the operations, the managers' voice may gain a higher privilege within the organization. The control of this knowledge can lead to an "agency problem" if the goals of the management and membership diverge (Eisenhardt, 1989a, p. 61; Richards, Klein, & Walburger, 2012).

However, the principles of co-operatives point to the solution to the principal-agent dilemma: Education, Information and Training. The Education principle of co-operative organizations encourages the co-operative value of openness and transparency through every aspect of the organization (MacPherson, 1996). The ethical values of the co-operative organizations encourage openness and transparency through every aspect of the organization. Unlike other forms of organization (including other forms of co-operation), the dual nature of "owner" and "worker" creates a basis for managing the principal-agent conflict in that the agents act as principals and the principals act as agents such that creating clear lines of accountability becomes a necessity (Matthews, 1999, p.

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12). Of course, the workers, as owners, always hold the potential to usurp the power of the management cadre, a potential workers lack in an investor-owned firm.[9]

Perhaps the greatest difficulty for the development of management of worker co-operatives arises from the workers themselves. Workers in capitalist society do not receive training to be "owners" or even managers unless they choose to transition from being a worker to becoming a manager or owner. Many companies treat workers as simply a "resource" or "expense" – something to either use up or minimize in the pursuit of profit (Moore, 2018). This treatment may lead workers to see "worker ownership" as not "having a boss" or in being free from the command and control of the traditional investor-based workplace (Vannucci & Singer, 2010). As a collective workplace, the individual workers will be accountable to more than a single supervisor. Instead they will be accountable to the entire membership. It may be difficult for workers to adjust to the collective management. Worker co-operatives have a unique set of problems within the construct of personnel management. After the initial euphoria of co-op development has dissipated, the co-operative will hire people who know the industry but may not have co-operative experience. Workers who join the co-operative after the start-up period may bring traditional labor-management animosities with them and have a high level of distrust towards the leadership of the co-operative (Whyte & Whyte, 1988). Worker co-

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[9] The usurpation activity within a worker co-operative arises by modeling the command and control structure of the capitalist enterprise that seeks efficiency by the worker over sustainability of the worker.

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operatives need to bring the new people in by creating a new paradigm of management, such as the model developed by Daniel Côté (2000) that embraces the worker and diffuses traditional labor-management antagonism. Co-operatives need "to establish a performance culture where everyone has a responsibility to improve their own performance and at the same time enhance their subordinate's, co-workers' and fellow team members' performance" (Davis, 2004). Collective control and the means of accountability require that worker co-operatives spend resources on orientation, education, and communication within their co-operative. The role of the co-operative, then, must be to assist workers along a maturity curve from a "you're not the boss of me" stage to an enlightened understanding of the co-operative economic model and their role as an owner and worker; but this requires increase collective action may require a paradigm shift and significant peer support (McNamara, 2009b).

Isomorphism

Co-operatives, as with any organization, operate within a larger economic ecosystem. Isomorphism acts as a force within the economic ecosystem by increasing homogeneity in organizations within an established industry through "powerful forces that lead them to become more similar to one another" (DiMaggio & Powell, 1983). DiMaggio and Powell argue that competition and institutional accommodation form the primary forces of organizational accommodation working off of Kanter's concept (Kanter, 1972) of institutional isomorphism. DiMaggio and Powell go on to identity three forms of institutional isomorphism: coercive, mimetic, and normative (1983, p. 150). The conditions within the industry create a set of environmental constraints that forces organizations to operate and manage in a similar fashion (Dacin, 1997). The role of

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isomorphism within the marketplace can undermine the co-operative advantage as co-operators feel compelled to adopt the best practices of their industry or may be forced to adopt practices that may be alien to their values due to government oversight.

The different methods of operating used by worker co-operatives and labour-managed co-ops may provide a layer of immunity to organizational decline, but isomorphism plays a role within the co-operative as well. LMCs (regardless of ownership) fit within Kanter's (1968) utopian community model. The social force of conforming to an organizational identity may create barriers to change within the organization unless forced to do so by outside forces. It inhibits the ability to be a learning organization.

A strong commitment to co-op values and principles, however, can create an institutional norm within the organization that provides a bulwark against isomorphism due to industry norms or even competitive framework (Dacin, 1997) that may be focused on maximizing return on investment as opposed to meeting member needs. By measuring the ability of a co-operative to operationalize the co-op values and principles, the members, management, and staff may be able to adjust their strategies and policies that keep the co-op advantage engaged in the market place and prevent the overall decline of the organization.

Conclusion

The roles of voice and loyalty in worker co-operatives and labour-managed co-ops provide a powerful means of managing the commons that creates sustainability and resiliency. It does so by engaging in human dignity as an organizational model that

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embraces co-operative values and principles. A key challenge for worker co-operatives in the US and Canada rests in the ability of the management style to resist isomorphic forces within their industry and societal culture Dart 2004. US and Canadian workers do not have a living history of resistance and have largely relied on labour unions to express the collective voice of workers. As labour union structures have been weakened and workers turn towards worker ownership and control, workers will need to find methods of evaluating their processes to prevent a reification of hierarchal power that undermines the central identity of economic co-operation and strips them of any competitive advantage in the marketplace.

The potential danger for worker co-operatives to undermine their identity through adopting non-co-operative management tactics provides the impetus of this study. Through the Co-operative Index Tool (CIT), the chosen management style can be assessed for its efficacy in operationalizing the values and principles of worker co-operatives. By considering different management and governance models through the CIT, workers focus on the key co-op principle of Education, Information and Training. The knowledge provided through the CIT can assist worker owners in gauging their structure and facilitating changes to it to enhance their competitive advantage and meeting their overall mission.

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Chapter 3: Methodology -- Comparative Case Studies

This dissertation seeks to illuminate the effect of management on the expression of co-operative values and principles in worker co-operatives and labour-controlled co-operatives (LMCs). The co-operative identity, human dignity, and worker control provide a set of themes that make the case study method particularly useful (Zikmund, Babin, Carr, & Griffin, 2010). As co-operatives exist as human-centric organizations, the ability to cover contextual conditions of the individual co-ops plays on the strength of a comparative case study method as opposed to an experiment (Yin, 2003). The use of the Co-operative Index Tool (CIT) across the three case studies provides an ability to examine patterns within LMCs with regards to co-operative management. Further, the lack of literature with regard to sociocracy as a management methodology provides an opportunity to further develop the theory of a co-operative management paradigm (Eisenhardt, 1989b).

Comparing case studies allows the examination of the way in which different management paradigms engage workers through the co-operative index measurements of systems, climates, attitude, and outcomes of the organization. Through an analysis of co-operative management within the context of co-op principles, one may also understand other benefits that workers receive while also countering the traditional argument that worker co-operatives will be inefficient as workers tend to raise wages to their highest levels (Vanek, 1970). The case studies consider how each co-operative, through its governance/management model, creates an environment that encourages workers to express themselves through participation or through exiting the organization. The role of

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loyalty will also be discussed in terms of how it may influence the decision to exit or use voice (Hirschman, 1970).

The case studies will be compared in Chapter 6 in terms of the theoretical underpinnings related to the business model of labour process theory, isomorphism (external market, legal, and social norms that force organizations to conform regardless of purpose), and the principal-agent dilemma. This comparison will help develop a basis for correlation of the role of management in expression of the worker co-operative identity. Labour Process Theory argues that worker control should be part of the process of emancipation of workers from the exploitation of the capitalist system by turning capital into a tool used by labour for its own benefit and breaking up capital's monopoly (Braverman, 1974). However, isomorphic forces, social and economic structures that influence the way an organization operates, can recreate the same system of exploitation of workers (Novkovic, Stocki, & Hough, 2009), even in a worker-owned facility, resulting in a dichotomy of Theory X and Theory Y (MacGregor, 1960). The CIT facilitates an antidote to isomorphism (Novkovic et al., 2012). The CIT also presents a vehicle to prevent self-exploitation or the means by which workers adopt the practices of managerialism, which values market conditions over the welfare of the workers (Ozarow & Croucher, 2014). It does so by expressing the opinions and voice of the workers in terms of the ability of the co-operative to engage the values and principles of co-operation.

Philosophical Assumptions

The analysis of the case studies utilities anonymous survey responses by the workers and worker-owners of the subject co-operatives. The responses provide a

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detailed documentation of the lived experience of the workers that falls within the construct of empiricism (Prasad, 2005). The use of intersubjectivity further places this dissertation within the field of neo-empiricism as it relies on the researcher's third-person point of view that "privileges the consciousness of the management researcher by retaining the idea that there is a world out there to be discovered" (P. Johnson, Buehring, Cassell, & Symon, 2006). In the following case studies, the role of the researcher largely sits outside as a passive or neutral observer using the documents created by co-operative development projects. However, through interpretation of the data collected through the CIT along with an analysis of the environment that each co-operative operates within, it is possible to understand how the co-operative's management process enables it to align with the values and principles of worker co-operation.

The CIT exists as an archive of the co-operative at a point in time. To engage in simultaneous analysis of three areas: context, recognition of similarities and differences, and social theory (Hodder, 1998). The first area involves the communities of the co-operative that provide context to the organizational culture. The second requires a comparison of each co-operative to another within the framework of the co-operative identity, and the third analysis considers the co-operative management in terms of the underlying theories of this dissertation (described in greater detail later). Through analyzing the record created by the CIT, one is able to analyze the relative effectiveness of the co-operative management model.

The CIT focuses on more than the co-op values and principles. Many of the questions seek to understand the relationship between workers within the co-operative. This model avails itself of the epistemological concept of intersubjectivity that may often

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be seen as understanding social behavior through the variety of perspectives by the studied population (Gillespie & Cornish, 2009).

This dissertation seeks to illuminate how management practices in worker-owned and worker-controlled co-operative align the lived experience of workers with the co-operative identity. Through a neo-empiricist framework, it is possible to discover the relationship between management practice and the expression of values and principles on the shop floor.

Comparative Case Study

The three management models represented through the case studies include traditional top-down hierarchy, collective management, and sociocracy. As mentioned in the first chapter, co-operatives using traditional hierarchy tend to employ traditional divisions between the concept of "governance" and "operations" (board versus management). The functions of governance and operations have a more fluid relationship in collective and sociocratic organizations.

Each of the co-ops completed the Co-op Index survey within the last six years, resulting in a Co-op Index Report (CIR) for the organization. Each case study will analyze the CIR, based on the Co-op Index Tool survey along with supplemental data of the co-operative. The case studies examine the collective responses of workers to the CIT in three different management structures utilizing the CIR to understand how the workers engage the governance and management model of their co-operative in terms of the voice and loyalty that they exhibit through their answers. The case study will examine the Operational Maturity Index (OMI), Organizational Trust Index (OTI), Co-operative Values Index (CVI), and Co-operative Principles Index (CPI) and the respective

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dimensions of those indices in terms of their relation to the themes of exit and voice suggested by Hirschman (1970).

Case studies generally fall into the interpretive paradigmatic arena (Burell & Morgan, 1979; Fitzgerald & Dopson, 2009) with a focus on avoiding preconceived standards allowing the members of the organization to inform the researcher. The "case" being examined in this dissertation results from the Co-op Index. The CIT provides a diagnosis of worker co-operatives by establishing the ideal co-operative and then measuring existing co-operatives to that ideal. The CIT presents a positivist approach towards analyzing the efficacy of management models. By using the medical language of "diagnosis" and "maturity" in its analysis, the CIT betrays a presumption of truth about the ideal conceptualization of worker co-operatives. The CIT also relies heavily on interpretive data. The CIT process involves a facilitator (a co-operative technical assistance provider trained in the use of the CIT) working with a committee of the membership of the target co-operative. The committee working with the facilitator examines the survey results to reach conclusions based on the lived experience and knowledge of the workplace. The role of the facilitator is in recording and helping to triangulate the survey results, with approved policy language, and leadership views to create an overall narrative of the co-operatives engagement with the co-operative identity.

Co-operative Index Tool as Source Document

The CIT was created by a research team comprised of academics, co-op developers, and worker co-operative practitioners at Saint Mary's University as part of a Community-University Research Alliance (CURA) grant aimed at understanding how the co-operative values and principles affect the operation of co-operatives. The CIT provides a multi-model analysis of co-operatives using quantitative data collected

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through a 172-item survey along with qualitative data through an analysis of policy statements comparing adopted policy to perceived practice. A trained facilitator external to the co-operative assists with the collection and analysis of data by working with either a committee of the co-operative membership or board of directors. If determined by the committee and/or facilitator, interviews with members of the co-operative provide added depth to the results of the survey results. The committee selects the interview participants based on the pool of respondents agreeing to further participate and demographic data to help ensure representivity. The data can be separated through several demographic factors (including gender, length of service, and leadership vs. rank-and-file) to gain an understanding of the overall engagement of the membership with the values and principles of the co-operative identity and how this identity influences the systems, climate, attitudes, and outcomes. The CIT thus creates a method of measuring the co-operative's ability to express the values and principles connected to the co-operative movement and human dignity in the workplace (Ryszard Stocki & Hough, 2016). The Co-op Index Tool (CIT) also provides a means to analyze the model of worker ownership through co-operation (Novkovic et al., 2012).

The Co-op Index Tool is a diagnostic tool for worker co-operatives to measure their efficacy at expressing the values, ethics, and principles of the co-operative identity. The CIT is based on the Open Index created by Ryszard Stocki in his research on Total Participation Management (McNamara, 2009a). The co-op index bases its analysis on three underlying assumptions (Hough & McNamara, 2011):

1. The condition of the organization is reflected in the convictions and attitudes of the workers and these may be diagnosed captured by confidential questionnaires.

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2. People want to understand and feel secure within their environment, that they are free regardless of what they are told to do or what they seem to do.

3. Everyone has the capacity to become a better person, as well as to participate in creating an effective values-driven co-operative (Hough & McNamara, 2011).

The second point, the agency (or free will) of workers and the drive of workers to understand the work environment while feeling secure in it, develops out of a history of organizational psychology and research (R. B. Freeman & Rogers, 2006; Root & Young, 2011). As Root and Young mention, Frederick Taylor recognized the willingness of workers to conceal the time and effort required for their tasks. Workers maintain agency to act and can undermine organizational efforts through resistance behaviour including relative benign actions of soldiering and absenteeism to more aggressive acts of theft, vandalism, or sabotage (Lawrence & Robinson, 2007). Workers do not lose their identity upon punching in for work. The agency of the individual worker remains whether they engage that workplace as an employee or as an owner.

The tool involves an analysis of survey results (often comparing either rank-and-file membership with leadership or management with non-management staff), an comparison to the co-operative's policy manual, and optional interviews with a subset of the membership to provide further information. The report generated provides an overall analysis of the organization's efficacy in operationalizing the co-operative identity and organizational maturity while also providing specific information on where the co-operative has found success and where it can improve.

The CIT survey measures the operationalization of worker co-operatives against the international values, ethics, and principles established by the International Co-operative Alliance and the principles specific to worker co-operatives being engaged by

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the largest worker co-operative in the world, the Mondragón Co-operative. The CIT aims

to quantify the ability of co-operatives to engage in "openness, honesty, and caring for

others" among other ideals (ICA, 1995). The values and principles of co-operation may

often elude a quantitative analysis as does trust, but through careful work with

practitioners and researchers a valuable tool has been developed that allows worker-

owned co-operatives to push through their own rhetoric and examine how the co-

operative performs on the social mission for the organization. The CIT allows worker co-

operatives and worker-controlled co-operatives to assess their organizational commitment

to the co-operative identity and values of worker ownership. The specifics of the tool

include adding four indices (values, principles, organizational maturity and trust) to the

operational dimensions of the organization (Novkovic et al., 2009).

The Co-op Index provides a detailed analysis of a worker co-operative or

democratic workplace through various levels of analysis, from an overview of

organizational dimensions to specific aspects within the workplace. It combines the

opinions of workers through surveys with an analysis of written policy and, if elected,

interviews of personnel.

Why measure co-op values and principles. To achieve the benefits of worker

co-operation and democratic governance, the organization must internalize or

operationalize the values and principles. A failure to engage the co-operative identity

may lead to a form of collective capitalism, which simply seeks profit and higher wages

for the worker-owners of the co-operative without offering anything of value to the

community. The failure to embrace co-operative values and principles undermines the

advantage of cooperation and relationship with the consumers, leading to potential

collapse when market conditions change. To quote the spiritual founder of Mondragón,

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Don José María Arizmendiarrieta: "To practice solidarity once in a while or simply to one's discretion is not enough to transform it into an authentic force and human value; it is a broken lever" (2000, p. 136).

To engage the co-operative identity and the co-operative advantage, co-operatives must have a means of understanding if and how they engage the established co-operative values and principles. To do that requires using different techniques to access the quantitative and qualitative aspects of the co-operative identity. Researchers at Saint Mary's University in Nova Scotia studying the co-operative economic model developed a method specific to the co-operative model with an initial focus on the worker co-operative for the purpose of measuring the ability of a co-operative to engage or "operationalize" the principles and values of co-operation.

Structure of the Co-op Index Tool

The Co-op Index has four indices: An Organizational Maturity Index (OMI), an Organizational Trust Index (OTI), a Co-operative Values Index (CVI), and a Co-operative Principles Index (CPI). The OMI measures 30 dimensions determined to comprise an ideal worker co-operative:

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Table 2 – OMI dimensions

Organizational Systems	Organizational Climate
• Communication Systems • Transparency • Feedback Systems • Development of Co-op Members • Remuneration • Innovations • Personnel Policies • Processes and Strategies	• Mutual Respect • Leader Competence • Trust in Leadership • Trust in Co-workers • Participatory Management Style • Relation with Co-workers • Fun
Organizational Attitudes	**Organizational Outcomes**
• Participatory Knowledge • Ownership • Process • Improvement • Responsibility	• Identification • Satisfaction • Self-realization • Independence • Viability • Products and Services • Co-operation with other Co-operatives • Concern for the Community and the Environment

Note. http://coopindex.coop/about) retrieved on June 7, 2017.

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Structures that organizations use to facilitate operations comprise the Organizational Systems. The health of a system can either aid in the success and development of an organization or hinder it. Co-operatives, through their values and principles, have methods of engaging systems that may not exist in investor-owned enterprises (such as transparent feedback mechanisms). CVI and CPI each provide a similar maturity index of the co-operative values and principles:

Table 3 – CVI and CPI of the Co-op Index

Co-operative Values	Co-operative Principles
• Self-help	• Voluntary and Open Membership
• Self-responsibility	• Democratic Member Control
• Equality	• Member Economic Participation
• Equity	• Autonomy and Independence
• Democracy	• Education, Information and Training
• Solidarity	
• Openness	• Co-operation with co-operatives
• Transparency	• Concern for Community
• Concern for Others	• Participatory Management
• Social Responsibility	• Subordination of Capital
	• Payment Solidarity
	• Labour Control
	• Social Transformation

Note. http://coopindex.coop/about retrieved on May 8, 2018.

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The list of principles above goes beyond the ICA's Statement on Co-operative Identity. The list presented in Table 3 includes principles from the Mondragón Co-operative. The four worker co-op principles (participatory management, subordination of capital, labour control and social transformation) provide specific principles for worker co-operation and align with the World Declaration on Worker Co-operatives (CICOPA, 2005; Ormaechea, 1993).

An external consultant facilitates the CIT, working with either the board of directors or a committee. The facilitator seeks to achieve a 100 per cent return rate as the results are stronger when all workers voluntarily participate. The facilitator then compares the results of the survey with the approved policies of the co-operative and, as deemed necessary, interviews some members. Segregating the responses and analysis of established policy allows for a triangulation of the data between rank-and-file, leaders, and approved policies. As an example, this researcher has, in the past, used the co-op index performed on a bike co-operative. The co-op had a mix of employees and worker-owners. The scoring on "remuneration" demonstrated a difference of opinion between the non-members and members with regard to the scales "compensation is fairly calculated in the co-operative" and "our co-operative cares about keeping wage differences small between workers" (see Appendix B). The non-members disagreed with the statements while the members agreed. According to the wage policy of the co-op, the difference in pay between members and non-members amounted to 25 cents per hour. The policy suggests only a minimal wage gap between members and non-members. Upon further discussion with the membership as part of the CIT process, it was concluded that the co-op did a poor job of providing information to all workers about the wage structure and

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did not spend much time on educating non-members on the benefits of joining the co-operative (McNamara, 2010)

The committee or board receives the preliminary results and helps provide the analysis of the co-operative's operationalization of the values and principles based on their experience within the co-operative. It allows the facilitator to then draft the Co-op Index Report (CIR) and reflect on the survey results. The board or committee works with the facilitator to draft recommendations and presents the findings to the membership of the co-operative. The comparison of workers' beliefs with co-op policy provides the power of the CIT as policies may have been in line with the co-operative identity, but they may also have been ignored or education about the policies may have been poor.

The CIT uses a Likert-type scale for responding to the questions. Respondents read each question and then answer using one of seven options: "Strongly Agree", "Mostly Agree", "Agree", "Neither Agree nor Disagree", "Disagree", "Mostly Disagree", "Strongly Disagree". The CIT provides two methods of analyzing the data. The report refers to these two methods as a "narrow" and a "broad" analysis. The difference between "narrow" and "broad" relates to the definition of a positive response. The CIT measures only the "positive" response rate to each measure. The CIT defines "positive" responses as the general agreement of the worker to the statement provided within the context of their co-operative. The narrow analysis uses a "top-box" scoring method that only considers the answer "Mostly Agree" and "Strongly Agree" as positive. The broad analysis defines a positive response if the respondent checks "Strongly Agree," "Mostly Agree," or "Agree." The CIT contains 172 scales to measure the dimensions, values, and principles of worker co-operatives (see Appendix B). The response to the survey can be separated along 11 demographic lines, including gender, membership status, age,

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educational level, leadership status, work site (if multiple locations), work unit, and other

qualities that the committee and facilitator deem appropriate to provide a deeper analysis.

Origins of the Co-op Index

A research team convened researchers at Saint Mary's University's Sobey School

of Business to develop the Co-op Index Tool. The 8-member team consisted of

academics, co-operative developers, and co-operative practitioners. The team responded

to calls in 2005 to "operationalize" the 1995 Statement on the Co-operative Identity

(Birchall, 2005) to fully utilize the "Co-operative Advantage" (Spear, 2000). The

research team convened in the spring of 2008 working with Ryszard Stocki who had

created the Open Index to operationalize his theories on total participation management,

which connect the ability of workers to participate in the firm's decision-making

processing with a higher level of worker satisfaction, well-being, and success of the firm

in meeting its mission (Pyrkosz & Żmuda, 2009; Ryszard Stocki & Bielecki, 2008).

Researchers began the process with the understanding that co-operatives cannot utilize

the co-operative advantage without incorporating those values and principles into their

operations. In order to assess if and how those values and principles become

operationalized required some form of measurement. After imagining the "ideal" worker

co-operative, the team identified the relationship of the co-op values and principles with

practices in the co-op workplace and created survey questions to explore the workers'

engagement with the values and principles of worker co-operation. Developers tested the

survey throughout 2008 and released the CIT for widespread use in 2009.

The CIT research team considered worker co-operatives a natural first cohort to

examine how a measurement structure could be developed. As mentioned in Chapter 1,

worker-owned co-operatives combine two of the principal stakeholder groups (owners

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and employees) into one group. By collectively owning the means of production, workers do not engage in classical exploitation or alienation (Harman, 2009; Harvey, 2010). As owners of capital, workers have the ability to access the market without usurping rights (Parkin, 1979) as labour unions might be seen to do. Worker co-operatives can hone the authority and power of capital through their labour (Offe & Wiesenthal, 1985). Worker co-operatives theoretically already engage a high-level of participation.

Other means of measuring values in the workplace. The CIT measures more than a "triple-bottom line" in the traditional sense of "Corporate Social Responsibility" models, which tend to measure the success of CSR through the financial success of the organization's efforts to meet the social considerations of consumers in the market place by acting as a "good corporate citizen" (McWilliams & Siegel, 2000). Some measurement models create a set of principles aimed at understanding participating in the workplace (WorldBlu) or creating a healthier workplace (SA8000), but they generally ignore the role of ownership and focus on creating a self-interest on the part of management and shareholders to provide voice to workers in the organization (McNamara, 2008). "Caring for Others" and "Social Responsibility," key principles of co-operation that Corporate Social Responsibility efforts have borrowed, do not serve co-ops as marketing platforms but function for a key purpose – for supporting local communities where the members live (Brown et al., 2015). In the case of WorldBlu, the primary driver for being a good corporate citizen remains increased growth and profitability (Fenton, 2015). Further, the language of democracy is limited to CEO-approved participation and not direct democracy as in the co-operative model.

The larger co-operative community also has a number of assessment tools; however, the assessments tend to focus on the seven principles of the co-operative

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identity and, with some exceptions, limit the survey to the leadership of the co-operative.

In recent years, due to the development of the CIT and a larger research CURA aimed at

"measuring the co-operative advantage," a number of other models have been developed

to gauge the community effect of co-operative financial institutions and environmental

sustainability (Brown et al., 2015). The CIT remains a very useful tool for worker co-

operatives and worker-controlled workspaces. It has promise to expand to other sectors,

such as housing, producer, and even consumer co-operatives, especially as more co-

operatives embrace the staff of the co-operative as key stakeholders.

Validity and reliability of the co-op index. Members of the research committee

field-tested the CIT among eight co-operatives (five in Canada and three in the United

States). A total of 335 co-op workers and worker-owners completed the survey. From the

completed survey results of those CIRs, members of the team analyzed the aggregated

results and determined coefficient alpha, a tool used for determining the validity of a

measurement (Cortina, 1993) for twelve components (Ryszard Stocki & Hough, 2016):

Table 4 – Validity of Co-op Index by Component

CI Component	Coefficient α	CI Component	Coefficient α
Human Dignity	0.89	Solidarity within our Co-operative	0.70
Solidarity with Other Co-operatives	0.82	Security	0.59
Social Responsibility for the Community	0.80	Self-responsibility	0.73
Development	0.79	Caring for Others within our Co-op	0.64
Fairness	0.82	Foundations of Democracy	0.63
Social Responsibility for the World	0.75	Caring for Others in the World	0.68

Note. From analysis by Ryszard Stocki and Peter Hough (2016)

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The importance of human dignity (Ryszard Stocki & Hough, 2016) in worker-owned and worker-managed businesses reflects the lessons of modern workplaces presented by Freeman and Rogers (2006). Workers in the US prize participation and voice as key components of a meaningful work. Participation forms a key part of human dignity, and the lack of both contributes to decline within the organization (Hirschman, 1970). The analysis of Stocki and Hough appears to build upon Hirschman's legacy and further expands ideas of work and participation to that of co-operatives, which, unlike their capitalist counterparts, have a prescribed commitment to creating a dignified workplace.

Strategy

The case studies will compare similar elements based on the scoring of each co-op's CIR. Working from the model of the forces of exit and voice in organizational decline (Hirschman, 1970), this researcher will consider the specific organizational dimensions, co-operative values, and co-operative principles measured by CIT that relate to the expression of worker voice or the encouragement to exit. These two concepts ("exit" and "voice") relate to each other in that the level that workers have voice in an organization reduces the push to leave the organization. Workers want meaningful engagement at work, and participation that values their agency reduces the desire to exit (R. B. Freeman & Rogers, 2006).

Voice expression may be examined through dimensions, values, and principles that focus on communication, trust, democracy, and participation (Table 5). The ability of workers to utilize their voice in an organization utilizes certain properties of the organizational systems and climate of the co-operative along with specific values and principles of the co-operative identity. By examining the responses to these scores within

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the co-op index report, one may be able to ascertain how the co-op workers use their

voice.

Table 5 – Voice Expression Markers in Co-op Index Tool

Operational Dimensions	Co-operative Values	Co-operative Principles
• Communications Systems • Transparency • Feedback Systems • Development of Co-op Members • Mutual Respect • Trust in Leadership • Participatory Management Style	• Self-Help • Self-Responsibility • Openness • Honesty • Democracy	• Democratic Member Control • Member Economic Participation • Autonomy and Independence • Participatory Management • Labour Control

Note. Adapted from the Co-op Index Tool Scales (Appendix B) and writings on Exit, Voice, and Loyalty (Hirschman, 1970)

The Exit threshold may be raised or lowered through a number of dimensions,

values, and principles (see Table 6) that relate to how well the organization manages

economic concerns, a sense of belonging, trust, and respect.

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Table 6 – Exit Threshold Markers in the Co-op Index Tool

Operational Dimensions	Co-operative Values	Co-operative Principles
• Remuneration • Development of co-op members • Leader competence • Mutual respect • Trust in leadership • Relations with co-workers • Trust Among Co-workers • Fun	• Equality • Equity • Solidarity	• Voluntary, Open Membership • Education, Information and Training • Concern for Community • Payment Solidarity

Note. Adapted from the Co-op Index Tool Scales (Appendix B) and writings on Exit, Voice, and Loyalty (Hirschman, 1970)

Loyalty operates within the push and pull of exit and voice. The nature of loyalty functions more as a moderator of both voice and loyalty (Barry, 1974). Rather than focusing on specific measurements for loyalty, this study will consider how loyalty may enhance or diminish the effects of voice and exit.

Rational for the strategy. Management in worker co-operatives tends to develop from members within the organization who understand the enterprise and have a commitment to co-operative principles. As a result of a tradition of promoting from within, co-op managers may not necessarily have management degrees or experience outside of their co-op. Co-op managers often look to their industry for best practices leading to the danger of isomorphism and eroding of the co-operative identity. Through use of the CIT, co-operatives can help reinforce their co-operative identity and, with it, the co-operative advantage.

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The co-op difference in prioritizing the needs of the members over the rate of return on investment may expresses itself in a number of ways: for a consumer co-operative it is access to specific types of goods (organic foods, fair trade imports, etc.), for a producer co-operative it is economies of scale to access the market for their produce, for a housing co-operative it is affordable housing for low-income or fixed income people, and for workers it is safe and humane working conditions and living wages. Co-operatives operate as a market economic entity separate from the capitalist model (Zamagni & Zamagni, 2010), and therefore the pressure to grow and increase the rate of growth does not exist as it does in a shareholder-driven capitalist organization (Harman, 2009).

Worker co-operatives exist in a market economy and must navigate the marketplace like a capitalist organization despite the adherence to the values and principles of co-operation and worker ownership. Worker co-operatives also do not have an immunity to organizational decline, and may succumb to any number of causes of organizational decline if the organization does not have a means to recognize or effectively respond to changes in the market or other causes of decline (Weitzel & Jonsson, 1989). With the exception of sudden changes to the marketplace (such as the arrival of Uber in the taxi industry) or an environmental disaster, worker co-operatives, through the co-operative identity and principles specific to worker co-operation, have the foundation to withstand a number of shocks. The co-op identity provides intrinsic support for co-operatives, but it requires maintenance and attention for those values to be engaged (Novkovic et al., 2012). By measuring the co-operative's commitment to the values and principles of worker ownership and control, the co-operative membership centers the principle of Education, Information, and Training. The act of measuring the engagement

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of values and principles with operational practice also helps to expose potential short-comings, allowing for adjustments forestalling decline.

Sampling Method

This dissertation examines three worker-controlled workplaces that have completed the Co-op Index Tool and reported the results to the members of their respective organization. The case studies consist of the responses from the members of the co-operative, notes from the administrator and author of the CIR, and policy, plans, and public statements of the co-operative.

Through this method of comparative case study, the role of management in a co-operative to either hinder or facilitate the co-op's expression of co-operative values and principles will be illuminated. This comparative study provides several contributions to the literature on management: 1) it provides an academic analysis of sociocracy as a management and fills a gap in the literature, 2) it creates an argument for a management program rooted in the co-operative identity distinct from the dominant models of management sometimes referred to Theory X (scientific management and bureaucracy) and theory Y (human relations and team management), and 3) it examines the utility of the CIT as a means of external and comparative analysis of co-operatives as opposed to its intended purpose as an internal stakeholder measurement.

Strengths

A key assumption of this study is that "people want to understand and feel secure within their environment, that they are free regardless of what they are told to do or what they seem to do" (Hough & McNamara, 2011). The individual workers of the co-operatives under study, like any worker, do not simply shut off their brain or identity once they enter the workplace. These human beings constantly seek to understand their

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environment and bring with them problem-solving skills and relationship skills that have

been developed over a lifetime (Moser et al., 2015). Understanding the free will of

workers, and how they engage with the values and principles of co-operation, comprises

a key aspect of the CIT. The collected Co-op Index reports provide a window into the

workings of the co-operative organizations included in the study as well as a means of

gauging the efficacy of the management structure. By using the narrow analysis, the

reports indicate a higher level of agreement among the workers. The higher threshold for

determining a "positive response" is indicative of a greater level of "buy-in" by the

worker to the methods of management. This higher threshold of agreement helps to

expose weaknesses in the model of management that may not appear with a lower

threshold including "somewhat agree."

Limitations

Limitations exist in any methodology as the method of research affects the type of

knowledge that can be obtained (McGrath, 1981). The limitations of a case study in this

project result from common complications with any data collection. Social desirability

plays a significant role in response bias (Krumpal, 2011), as respondents may alter

responses to fit the individual sense of identity as a member of the co-op. As owners of

the co-op, respondents may bias their answers towards a more positive response (an act

that could also be interpreted as loyalty). Likewise, as people tell their story, they have

already built a narrative around it as an engagement in sense-making to understand their

life (for example, how people with law degrees embrace cab driving as their chosen

profession). The presence of a collectively constructed narrative requires some level of

deconstruction. In doing so, however, the unfiltered story may be lost and supplanted by

the researcher's/writer's biases. The researcher/writer must also be careful to remain true

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to the integrity of the research by acknowledging their role in the research and avoiding

creating narrative excising voices that do not fit.

A key limitation in the design of this study results from its limitation to co-

operatives and its failure to include other types of organizations as a "control" group. The

language of the survey would be difficult to administer to organizations established with

a traditional stockholder model. Other organizations that operate under the capitalist

economic model also engage in participatory management through enlightened CEOs and

boards (Fenton, 2015). The possibility exists that adherence to values may not necessarily

depend on the legal status of being a co-operative as much as it might rely on the

commitment of management to emphasize values related to human dignity.

Ethical Considerations

Modern research has become more focused on ethical behaviour of the researcher.

Over the last couple of decades, a general consensus has emerged that research in

management should abide by four basic principles (E. Bell & Wray-Bliss, 2009; Bryman,

Bell, Mills, & Yue, 2011; Fontana & Frey, 2003):

1. Informed Consent

2. No Deception

3. Right to Privacy

4. Protection from Harm

The four principles of ethical participation form the basis for developing trust

with the individuals being interviewed and the participating organizations. While this

study uses archival research for the primary data and publicly available narratives for its

secondary data, privacy, concerns still remain. The co-ops agreed to participate in the

process of measurement with the expectation of anonymity, while also agreeing to allow

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the results to be used in further study. Due to this agreement between the co-ops and the researchers, this study will anonymize the participating co-operatives. The anonymization of the data is a means to protect the co-operatives and the members of participating co-operatives from harmful consequences.

The interviews accessed were conducted by the facilitator of the Co-op Index Tool and not as part of the research of this dissertation. Coffee Co-op is the only one of the case studies that used interviews, and they were made accessible by the co-op developer who used the Co-op Index Tool with Coffee Co-op. Other ethical considerations exist that do not rise to the level of requiring approval in advance from an ethics board. The data under examination, for example, arises from archival research of finished development projects. Other ethical considerations include the role of the researcher in interpreting the data and representing the subject (E. Bell & Wray-Bliss, 2009, pp. 88-90), and, for two of the co-operatives, the data results from the author's employment as a co-operative developer and serving as the principal author of the Co-op Index Report for those two co-operatives. Neither of the co-ops that used this researcher's services as a co-op developer chose to conduct interviews; however, this researcher did work with the committee and assisted them with developing the report. In addition, the writer participated on the Co-op Index research and development team as both a practitioner of worker co-operatives (through membership in Union Cab of Madison Co-operative) and as a graduate student at Saint Mary's University.

Conclusion

This chapter presents a model for a comparative case study that utilizes the Co-op Index Report as a secondary source to better understand the relative efficacy of management models of worker co-operatives and worker-managed co-operatives in terms

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of the ability of each model to engage with the principles of co-operation and worker control. The Co-operative Index Tool provides a means of examining human dignity and respect in the workplace that understands the need and desire for participation as a human condition of respect. The three models of managerial control (hierarchy, collectivism, and sociocracy) provide different means of decision-making that can enable or frustrate workers' sense of purpose.

The first research questions for this dissertation asks: does the type of management utilized in a worker co-op or worker-controlled co-op facilitate or hinder the ability of the organization to express the co-operative identity? This methodology will provide the necessary data to answer this question through the revelation of worker's attitudes regarding their lived experience as workers in the co-operative. By comparing the attitudes of the workers with co-op principles, co-operative actions, the theoretical concepts of exit, voice, and loyalty, and the social context within which the CIT was utilized, one can determine how well management practice aligns with co-operative values and principles.

The second research question for this dissertation asks: does the Co-operative Index Tool provide an adequate means of examining the relative efficacy of the type of management? A comparative analysis of the case studies allows for examination of how each co-op compares in terms of the lived experience of the workers. By adding to the comparison, how each co-op provides support for voice and develops an organization centered on human dignity, the CIT can reveal differences and similarities between the different styles and practices of management.

The comparative case study will consider the Co-op Index Report for each co-op as the main aspect of the case while also considering any policies or public presentation

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of the co-operatives. The comparative case studies centered on the Co-op Index reports

create the means to compare and contrast the different co-operative management and

governance models, providing new information as to the benefits of each model. In

addition to the comparison of the case studies, the dissertation also provides new

knowledge about sociocracy, a little-studied form of management. Using CIT may also

assist co-ops in the development of a stronger value-based management. Finally, while

feminist analysis of traditional hierarchy (Ferguson, 1984) and collective structure (J.

Freeman, 1972) exist, the efficacy of sociocracy in creating an anti-oppressive

environment has not been documented. As a managerial process, it has largely been

relegated to intentional communities and only recently has found expression in market-

based enterprises.

    This dissertation seeks to offer an argument for supporting a co-operative

management paradigm inherent in the co-operative identity that mobilizes the values and

principles of co-operation leading to a human-centric learning community (Côté, 2005;

McNamara, 2014). This dissertation seeks to understand how the management of a

worker co-operative or worker-controlled co-operative assists the membership in the

expression of the co-operative identity and, with it, a co-operative competitive advantage.

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Chapter 4: Case Study – Coffee Co-operative and Hierarchy

This case study of Coffee Co-op examines the inherent qualities of traditional hierarchy and how that model assists the co-op in engaging the values and principles of worker economic co-operation. Coffee Co-operative, a worker co-operative, operates using a traditional hierarchy in which the board hires a general manager and empowers that manager to oversee the business or operational decisions of the co-op. The board avoids operational issues and the general manager usually has broad authority to manage the co-operative (Wadsworth & Duffey, 2014). The Coffee Co-op utilized the Co-op Index Tool at a turbulent time in the co-op's history. Shortly prior to the CIT implementation in late 2013, the board of directors was in the process of realigning management structure to create a slightly more flattened hierarchy. In the prior format, the board simply hired a "chief executive officer" and delegated most decisions to the CEO. In the new format, the board hires the general manager and established methods for ensuring employee input prior to the GM making decisions to further enhance the voice of workers in the management decisions of the organization. Shortly after the issuing of the Co-op Index Report, management fired some workers who were not members of the co-op and who were seeking to unionize one of the cafés. Within the last year, the co-op sold most of its cafés and simplified its operations to wholesale coffee roasting and distribution and importing fair trade products.

The experience of the Coffee Co-op illustrates several lessons with relation to hierarchy in a worker co-op and the ability of the Co-op Index Tool to provide an analysis of the ability of the management format to operationalize the Co-operative Identity. Hierarchy may limit the amount of information flowing through the

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organization. A worker co-op that does not provide workers with meaningful voice in the organization or a realistic pathway to ownership may weaken the ability of the co-op to achieve its mission. The value of the CIT may be muted when using its broad analysis feature, which counts "somewhat agree" as a positive score, which can effectively hide potential conflicts within the organization. While the co-operative is worker-owned, the ability to fully express the values and principles of co-operation may be limited by its structure.

A review of how hierarchy works in a co-operative will provide some context for the Coffee Co-op case study. The connection between the individual worker and the organization plays a significant role in the well-being of the worker as it may be the worker's only source of livelihood. Full-time workers may spend a significant part of their lives with their co-workers and creating a community tighter than either a consumer or producer co-operative, where the members may only interact at the annual general meeting. The interplay of co-operative values and principles with the governance and operation of the organization may be more dramatic, especially if the operations do not conform with the stated values of the co-operative as seen in the labour dispute at Coffee Co-op.

Hierarchy operates in varied ways in worker owned co-operatives. At Mondragón, for example, the membership elects a "Governing Council," which then selects the general manager and subordinate mangers for four-year terms along with watchdog committees independent of management and the Governing Council (Morrison, 1997; Whyte & Whyte, 1988). Many worker co-operatives in North America tend to organize in a representative democratic model that replicates the governmental structures that people have become familiar within their communities. This model also engages some

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sort of check and balance of power between what is effectively the executive branch (management) and the legislative branch (board of directors).

The legislative/executive branch analogy of representative government aligns nicely with Hirschman's work on exit and voice (1970), which discusses the political protests of the 1960s around civil rights and the anti-Vietnam War movement. The members of a co-operative join their organization as a community of people with a common interest – sometimes referred to in the United States as the "User Principles":

1. User-Owner principle: those who own (finance) the co-op use the co-op's services.

2. User-Control principle: those who use the co-op control the co-op

3. User-Benefits Principle: co-op's sole purpose is to provide benefit to the users based on their usage (Baarda, 2002c)

In the United Kingdom, co-operatives may be generally referred to as "societies," reflecting the first co-op – the Rochdale Society of Pioneers and the Co-operative Warehouse Society. Rochdale came into existence prior to a legal status of co-operative organization in the United Kingdom. Many co-ops in the UK continue to use the term today. The term "society" corresponds to "mutual" in the United States, which has generally been used for co-operative insurance companies since Ben Franklin's first insurance co-op in the 1750s (Thompson, 2002). A co-operative society uses an aspect of the word society's definition, meaning "a voluntary association of individuals for common ends; an organized group working together or periodically meeting because of common interests, beliefs, or profession" (Anonymous, 2017b). The first principle of co-operation is "open and voluntary membership"; however, the voluntary nature of co-operatives may be more constrained in a worker co-operative because the co-op provides

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more than a sense of place (as tends to be the case with a consumer co-operative). Worker co-operatives also provide a means to meet basic needs such as food, shelter, and clothing for the worker and their dependents. Comparatively, worker co-operators face a much higher threshold of exiting the organization than member-owners of consumer co-ops who can simply choose a different store to meet their consumer needs. The high threshold of exiting one's role as a worker-owner creates a different dynamic for the worker-owners of a co-op and makes the society more reflective of an actual democratic community.

The mirroring of governmental and corporate hierarchy in the worker co-op model seems to be both a traditional engagement of democratic norms while also being at odds with the principles of worker co-operation, which include participatory management, payment solidarity, and labour control (Ormaechea, 1993). At Mondragón, a women-led strike in 1974 involving close to 400 workers at the Ulgor plant exposed the contradictions between hierarchy's limitations on democratic governance and the principles of worker co-operation. These contradictions played out in traditional resistance behaviour or an attempted sit-down strike and walk-out (Whyte & Whyte, 1988). Mondragón limited the overall size of each co-op after the strike to help maintain a sense of ownership among the workers and strengthen the social councils (Morrison, 1997). The larger co-ops (over 3,000 workers) had lost the identity of co-operation. The Ulgor strike informs contemporary arguments around hierarchy to create more watchdog structures in alliance with the larger labour movement (Witherell, Cooper, & Peck, 2012).

Kasmir (1999) argues that the Ulgor strike exposed inherent shortcomings in the hierarchal model. Patriarchy played a role in the causes of the women-led strike and the response to it. Women had only recently been employed and offered membership in the

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factories (this was after the death of both Arizmendiarrieta and the Spanish dictator Franco) as Spain emerged from several decades of Falangist control. The top-down governance model comprises a bastion of patriarchy (Ferguson, 1984). Hierarchy and masculine fragility engage each other to create blind spots in organizations and perpetuate oppressive structures (Knights & Tullberg, 2011) through gendering work (Glenn Morgan & Knights, 1991) and even creating organizational blind spots leading to catastrophic outcomes (Maier, 1997). The women leaders of the Ulgor strike were ostracized from the community and, through Mondragón's efforts, could not find employment anywhere in the Basque Country of Spain. As Kasmir (1996) discusses, only the intervention of the Basque separatist organization, Euskadi Ta Askatasuna (ETA), compelled Mondragón to relent in its persecution of the strike leaders. A more traditional analysis argues that the since of the co-operatives eroded the co-operative identity leading to workers seeing themselves as employees not owners (Whyte & Whyte, 1988).

Do the values of worker ownership and labour control find expression through traditional hierarchy or does the presence of hierarchy mute the expression of those co-operative values? Can workers truly engage in participatory management when most power devolves from them to a single manager with autocratic control of the organization? This chapter's case study uses the Co-operative Index Tool (CIT) to seek answers to these questions by examining how the hierarchical model in a worker-owned co-operative affects the ability of workers to use their voice, reduce the urge to exit, and the role of loyalty in the expression of voice and urge to exit.

About the Co-operative

Coffee Co-op is a coffee importer and roaster in Canada. In addition to producing coffee, at the time that the co-op utilized the CIT, the co-operative also operated several

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cafés throughout the region. The name of the organization has been changed in this dissertation to Coffee Co-op to provide a level of anonymity to the organization and its members. The references have been edited to change the name of the organization, and appropriate URLs for articles have been withheld.

Coffee Co-op focuses on providing a fair price to the coffee farmers while supporting organic practices that show concern for the environment. As the co-op grew and investment was needed to finance the coffee bean purchases, the Coffee Co-op formed a separate investment co-op because the provincial co-op statute did not support multi-stakeholder ownership of co-operatives. These two connected organizations worked together to achieve the overall mission of the founders (Withheld, 2010). The founders of the co-op previously worked with community development organizations and moved towards the fair-trade movement. The organizers of Coffee Co-op arrived in Chiapas, Mexico, just as the Chiapas uprising began in the mid-1990s, learning about the uprising first-hand further influenced their mission-oriented efforts to enhance fair exchange for commodities (Doe & Doe, 2014).

The values of the co-operative posted to Coffee Co-Op's website spell out a unique position for a business model:

> By promoting a system of trade that focuses on: fair prices, fair practices, equity and inclusion, environmental stewardship, democratic control, and the building of communities and individual capacity; we go beyond commodity markets detached from the human element of agricultural products, allowing economies to become more than machines of exploitation and aid, to relationship-based systems where producers have some control over their own destinies [*sic*]. (C. Co-op, 2017a)

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In addition to this value statement, Coffee Co-op also expands upon the co-operative values with its own set of distinct values:

Authenticity—We do not go through the blood, sweat, and tears of building a democratic workplace and supply chain just to have a job. We want to be the "real deal" in everything we say and do.

Co-operation—The world needs true and participatory democracy in business, just as we do in politics. Direct trade between co-operatives means a commerce system of products from the people, for the people. We don't always know where our path will lead us, but we want to walk together and with others who are part of the struggle to create a better world.

Community—We do not believe in any form of discrimination. We want to create a place to learn, grow, respect, and share diverse opinions or ideas with mutual trust and acceptance. This strengthens us to stand together against intolerance, exclusion, and self-interest at the expense of others.

Instinct—Instinct is about knowing what the right thing is to do, given our purpose. It's about creating, honouring and living a pervasive culture that keeps us accountable to our values.

Justice—We are a radically-oriented business, challenging conventional bottom-line business practices. We are part of local and international movements towards global justice. We provide a fundamental alternative by doing business differently and partnering with small, indigenous producers who dare to organize in their historic struggle for economic justice, dignity, and self-determination (Anonymous, 2013a).

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The co-operative has headquarters in a rural community with cafés spread throughout more urban areas of the province. While starting with a single purchase of coffee from Chiapas, Mexico, the co-op now offers 21 different roasts from several countries, 35 teas, 4 types of chocolate, and cane sugar. All products follow the sourcing requirement of being organic and purchased through fair trade practices. (C. Co-op, 2017b)

Not all workers at Coffee Co-op are members. To become a member, a worker must work for Coffee Co-op at least full-time[10] for two years, receive excellent reviews, be recommended by management, be approved for membership by the board of directors and purchase two shares (in 2009, the value was C$1,000 per share) (C. Co-op, 2009). The transitory nature of the café service industry impedes the ability of café workers to join the co-operative. However, more problematic to the principle of open membership, a worker's supervisor and manager have discretionary power to block the membership pathway regardless of the worker's ability to meet the responsibilities of ownership.[11] The co-op has two classes of workers: owners and employees.

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[10] Coffee Co-op considers thirty hours per week to constitute a full-time schedule.

[11] Although little empirical data exists, as a co-op member, co-op developer, and leader of a national co-op trade organization, it has been my experience that most worker co-ops only require workers to pass a probationary period and either pay a member fee or purchase a share of stock. Some co-ops do have more stringent criteria, but it is not common.

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Shortly after the completion of the Co-op Index Report, workers in one urban café owned and operated by the co-op unionized and sought to collectively bargain with Coffee Co-op (Doe & Doe, 2014).[12] The unionization drive became public just after the release of the Co-op Index Report, and this case study considers the state of the co-operative that existed just prior to the unionization drive. The baristas engaging in the labour dispute did not have membership status. The two leaders of the effort were fired from the café. The senior management of the co-op claimed no knowledge of the labour organizing efforts and supported the firing decision made by the café's manager. The labour dispute will be discussed in greater detail later in this chapter; however, it should be noted that several years later, in 2017, Coffee Co-op sold all its cafés to a competing owner in the region.

The co-op members have been active in the co-operative community. One of the founders participated in the formation of the Co-op Index, and Coffee Co-op provided an initial test site. In 2006, the co-operative created a development and education co-operative with the vision of connecting consumers in the North to the producers in the South (Anonymous, 2010).

Organizational Structure

This case study considers the organizational structure in existence at the end of 2012 when the Coffee Co-op undertook the Co-op Index Tool diagnosis. Just prior to this effort (late 2011), Coffee Co-op underwent a re-organization that introduced management

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[12] The names of the authors have been changed to protect the anonymity of the co-operative.

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teams into the traditional hierarchy while replacing the CEO with a general manager. The

fundamental change from CEO to a GM plus management teams essentially created a

formal mechanism for the management of the co-operative to engage in discussion. The

move has been touted as creating a more flexible and flattened hierarchy. The change,

however, did not effectively "flatten" the hierarchy" because the responsibility for

decision-making still rested with the general manager as stipulated in the worker

handbook:

Day-to-Day decisions

1. The Board sets the constraints for the General Manager and has veto.

2. The General Manager is the accountable decision owner.

3. Team Leads will be responsible for implementation with their teams.

4. Those affected by the decision are consulted (where appropriate we will
    strive for informal consensus.)

5. Through the Espresso everyone will be informed of key decisions
    throughout the process (Coffee, 2012).

The language of the handbook seeks greater communication through an in-house

newsletter (the Espresso) and the creation of a team structure with a goal of consensus.

The caveat for consensus, however, requires that consensus will be an "informal" process

and only used when "appropriate." The general manager remains the "decision owner"

(Anonymous, 2009). The GM is a member of the co-operative, but this language speaks

more to the concept of hierarchy in that the GM reports to the board of Directors. As the

one member/worker accountable to the board, the GM takes the responsibility of

"owning" all staff decisions. This suggests that the GM retains the power to ignore the

informal consensus when they deem appropriate. Determining the appropriateness may

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have much to do with how confident the GM is regarding "owning" the decision or defending it to the board of directors.

"Doe and Doe" (2014) argue that the contradictions between the values and principles of Coffee Co-op and the reality of work for the non-members were inevitable due to the larger capitalist economy that Coffee Co-op exists within. Michael Lebowitz, who served as an economic adviser to Hugo Chavez, the president of Venezuela from 2004-2010, argues that co-operatives share the "self-interest of the capitalist firm" and do not focus on human development (Lebowitz, 2014). Lebowitz suggests that co-ops can transform. By activating the value solidarity and principle of "co-operation among co-operatives", Lebowitz acknowledges that co-operatives, as part of the social economy, are not capitalist organizations; however, he sees the power of isomorphism brought about by capitalist dominance in the economy that may pressure co-operatives to adopt methods contrary to the organizational social mission.

Lebowitz and Doe, and Doe raise a question for the overall discussion about the relative efficacy of management and governance of worker co-operatives in a globalized capitalist economy. The ability of worker owners to truly be, as Moses Coady (1939) would argue, "masters of their own destiny" might find limitations in any global system. The limitations of attempting to build economic justice in a globalized commodity system do not necessarily arise through a capitalist economic system. Even a planned economy or globalized co-operative system would ultimately need to balance the needs of different people, different communities, and different societies. As the famous quote from Charles De Gaulle (n.d.) sums it up: "How can anyone govern a nation that has two hundred and forty-six kinds of cheese?" Growth for the sake of growth operates from a capitalist paradigm that values only the ever-expanding generation of capital and the ever-

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expanding rate of acquisition of capital (Harman, 2009). The co-operative model fundamentally and consciously chooses a different path. The principles of limited economic return and subordination of capital create a different paradigm. While the mantra of "no margin, no mission" may appear to privilege capitalist thinking, the difference lies in how the owners and managers of a co-operative combine the role of surplus and management of growth.

The membership of the co-operative, not the spirit of capitalism, imposed the governance and management model of Coffee Co-op. The decision to copy the management structure established by for-profit, capitalist-oriented organizations may reflect a shortcoming in the co-operative community that has largely allowed its structure to be determined by the "best practices" of a different economic model; this dynamic, however, can be remedied through other principles of the co-operative experience, most notably education.
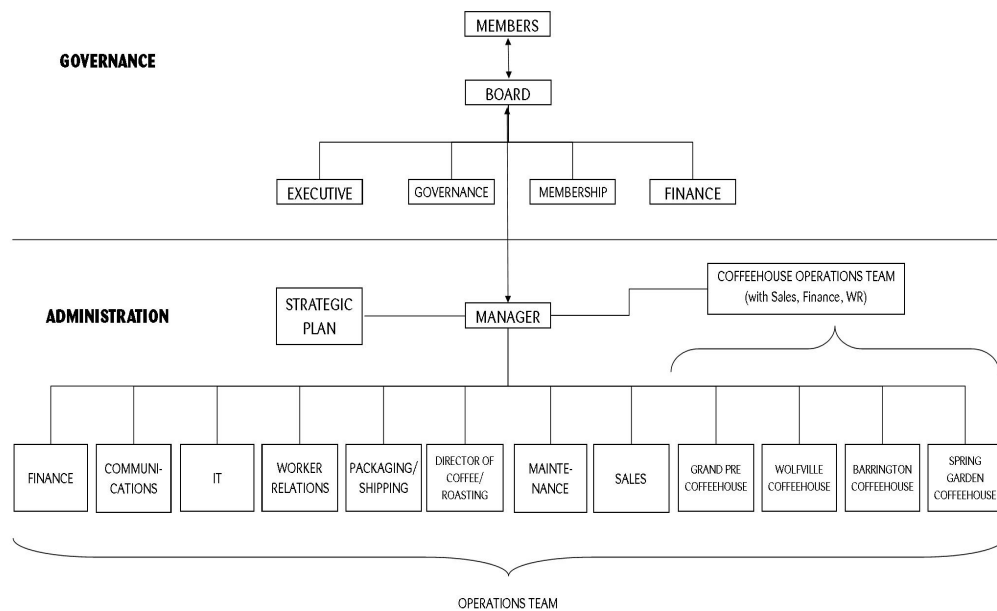

Figure 3. Organizational Structure of Coffee Co-op (Anonymous, 2013a).

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The structure of Coffee Co-op in 2012 follows a traditional corporate model. The board, elected by the membership, "exercises all power of the co-operative" (2010). The board delegates managerial control of Coffee Co-op to the general manager. Worker-owners and employees occupy positions throughout the hierarchy. Worker-owners effectively express their voices as owners at the annual general meeting, and that voice largely consists of electing directors to the board, which oversee management and the strategic plan of the co-operative. Employees participate in management teams that allow them space to voice their ideas about the implementation of policy. Teams also participate in the hiring process, but the final decision remains with the general manager (Coffee, 2012).

While the Co-op Index Report under consideration in this case study reflects the co-operative in 2012, since then the co-op has seen one of its work sites unionize. This added another dynamic to the organization even if the union had a short life. Unionized worker co-operatives may seem oxymoronic because the workers own the means of production and subordinate capital to labour (A. Jensen, 2006). A growing movement exists to create unionized co-operatives spurred, in part, through the partnership of the US Steelworkers and Mondragón (Witherell, 2013a) and the need for US-based labour unions to find new methods of organization in the face of three decades of neoliberal onslaught (Klein, 2007). The neoliberal economic movement sought to undo the Keynesian economic model developed after World War II and by rolling back the ability of workers and the state to organize (Cran & Yergin, 2002). The effort to limit the collective voice of workers in the United States and Canada only intensified after the 2010 elections of anti-union governors (Schneider & Sikich, 2012; Stein & Marley, 2011) in the US and the Harper government in Canada (News, 2011). The pursuit of "free

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market" for these neoliberal political movements meant rolling back protections for public and private sectors workers.

In the situation of Coffee Co-op, a labour union formed through the traditional means of workplace disputes with management (Report, 2013b). The union-coop model developing in the United States operates on the value of labour solidarity enshrined in both the worker co-operative ethos and the labour organization mission (Witherell, 2013b). Likely, this dynamic occurred due to the reality that not all workers at Coffee Co-op have ownership or a realistic pathway to ownership. A workplace with different classification of workers creates a dynamic in which a subset of the workers both own and control the capital. The other workers exist as employees, not worker owners. This distinction becomes important given that Coffee Co-op has multiple work sites that may not have worker-owners engaged in the workplace. Throughout this thesis, the word employee is used sparingly. It is a word of capitalist organizations developed with the industrial revolution, marked by the deskilling of work and the usurpation of the autonomy of the worker (Ellerman, 2007; Jacques, 1996). The term "employee" essentially dehumanizes the individual to which it is applied. As the labour movement in the United States transitioned from an agricultural and chattel slave based system to an industrial system, the labour organizers clearly saw this connection labelling the nature of "employment" as "wage slavery" (Leikin, 2005). Legally, it has historically been defined by a "master-slave" relationship (McNamara, 2009b), and its use reinforces the economic oppression of capital over labour. The worker-owners of Coffee Co-op are the employers of other workers at the co-operative. Structurally, the expression of voice for the employees differs from the expression of voice for the owners.

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The Co-op Index Report

This case study examines the results from the 2012 Co-op Index report prepared for Coffee Co-op. This was Coffee Co-op's second use of the tool since the its creation. This analysis will only consider the latter due to the timeliness of the first report and the use of the first report as part of a test for the CIT. Sixty workers and worker-owners participated in the survey. This represents a 79% response rate, although the distribution of participation between members and non-members was not recorded in the report (Hough, 2012). In addition, the survey occurred prior to unionization of one café location. Peter Hough of the Canadian Worker Co-operative Federation (CWCF), and part of the CIT research team, facilitated both tools and drafted both reports.

This analysis considers the "narrow" report in lieu of the "broad report." The primary difference in the data results from dropping "agree" responses from the calculation of "positive responses" that contribute to the scores and index. Comparing the indices from the narrow and broad reports show a more detailed response for the CIT.

Table 7 – Coffee Co-op Index Score Comparison

Co-op Index	Broad Analysis	Narrow Analysis
Organizational Maturity	87.52%	66.5%
Co-operative Values	86.36%	69.45%
Co-operative Principles	86.73%	68.51%

Note. Coffee Co-op Co-operative Index Report (Hough, 2012)

The "narrow analysis" response provides a clearer examination of the co-operative that overcomes the tendency of respondents to merely be "ok" with a statement. When respondents provide answers that indicate either a "strong" or "majority"

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agreement, they demonstrate a higher level of agreement. Using the "narrow analysis",

the co-op gains better information on how it expresses the values and principles of co-

operation.

      Organizational Dimensions. The 30 dimensions of the Organizational Maturity

Index (OMI) suggest a relatively mature and healthy co-operative (see Figure 2). The

dimensions represent four groups (Organizational Systems-coloured red, Organizational

Climate-coloured blue, Personal Actions and Attitudes-coloured yellow, and Outcomes-

coloured green). Weaknesses, however, do exist. The low score on ownership meets the

expectations of a co-op with a combined workforce of worker-owners and employees.

Perhaps the most troublesome result among the systems stems from "transparency,"

which may inhibit the ability workers (members and non-members) to engage their voice

in a meaningful way because they may not have the needed information to provide
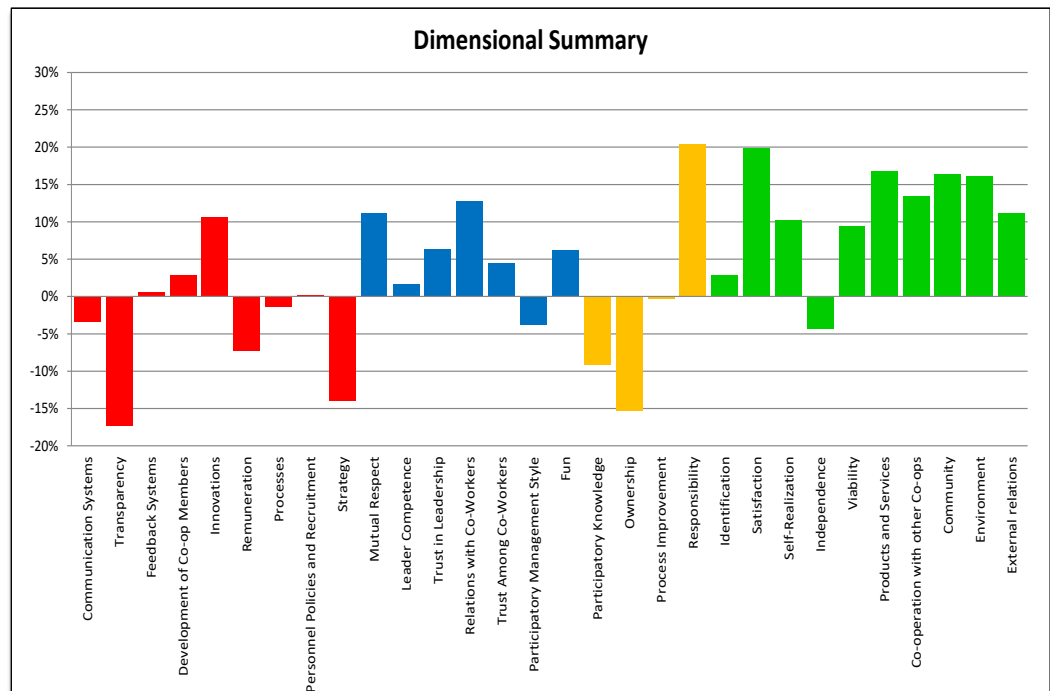
opinions or participate.

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Figure 4. Organizational Dimensions for Coffee Co-op (source: Hough, 2013)

Co-operative values index. The values summary for Coffee Co-op (see Figure 3) reflects the engagement of co-op values in the co-operative. Representative governance through the elections of directors limits the expression of democracy to voting at the annual general meeting. The traditional hierarchy model also may explain lower scoring in the values of openness, equity, and self-help.
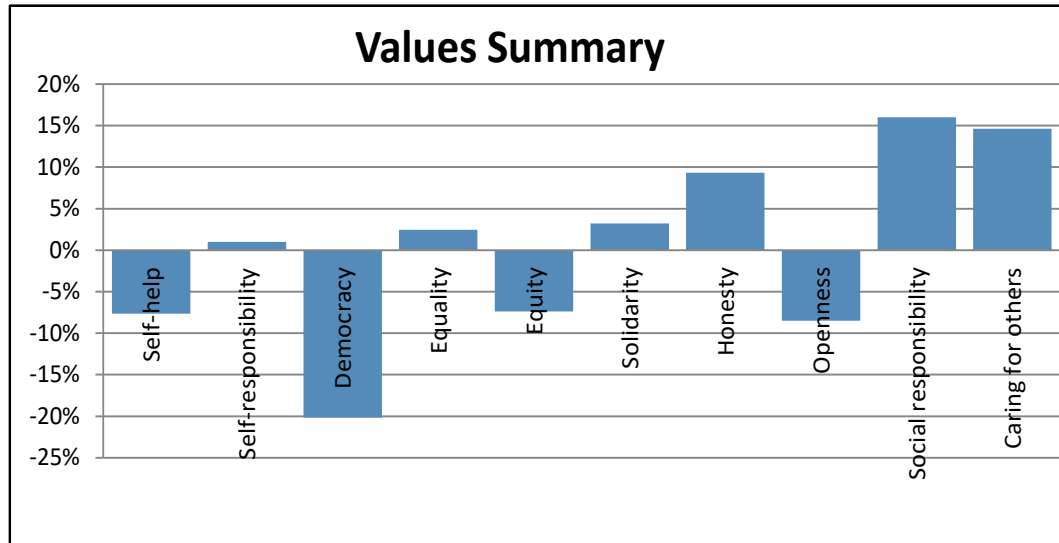
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Values Summary

Figure 5. Coffee Co-op Values Summary (Hough, 2012)

Co-operative principles index. The summary of co-operative principle

expression in Coffee Co-op (see Figure 4) echoes the values summary with lower scoring

on values connected to democracy and equity (participatory management), which further

suggest the limits of traditional hierarchy (autonomy and independence, labour control,

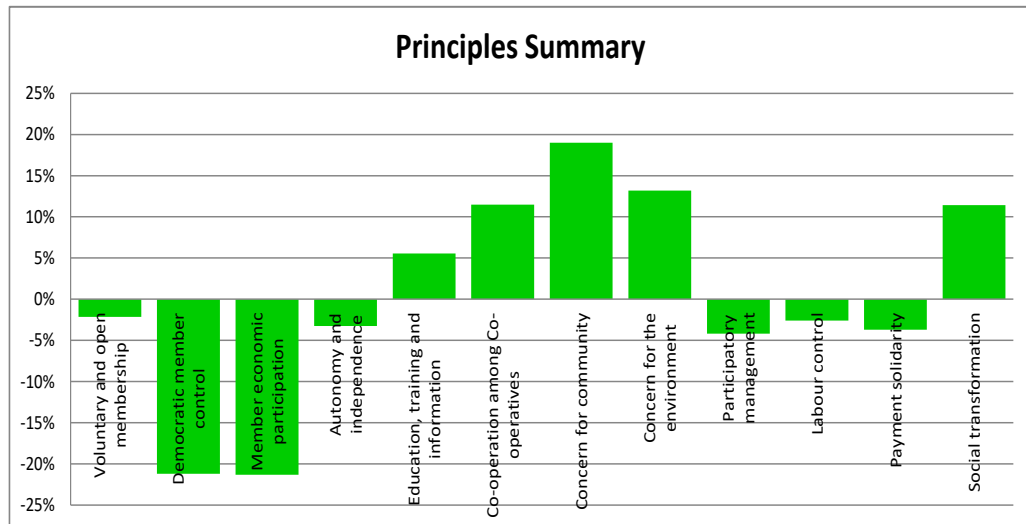etc.) in engaging the co-operative principles related to worker ownership.

Figure 6. Principles for Coffee Co-op (source: Hough, 2012)

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Dynamics of Voice Expression and Exit Threshold

CIT measures related to Hirschman's concepts (1970) voice and exit as discussed in Chapter 3 provide a means to understand how well the organization engages the values and principles of worker control and, in this case, worker ownership. Ownership and control create an expectation of being able to express one's voice with a relatively high threshold for exiting, or leaving, the organization. As this case study is based on past use of the CIT, data on turnover rates does not exist for this time period. We can consider Hirschman's argument, however, that workers have a choice to either express their voice or exit the organization. Loyalty plays a mixed role in this binary decision that tends to be understood in the aftermath of specific events rather than the present (Barry, 1974). For example, the workers who organized a union at the café could be seen as loyal to the ideals of the company and chose to use their voice rather than exit. Other workers loyal to the company may also mute their voice without exiting (Hough, 2013c).

Voice expression. The scores for the operational dimensions, co-operative values, and co-operative principles that engage voice in the co-operative generally report lower than the respective indices (Figure 5). While some measures such as "Mutual Respect" and "Trust in Leadership" outperform the OMI, the other indicators post low numbers with the dimension of 'Transparency,' the value of 'democracy,' and the principles of 'Democratic Member Control' and 'Member Economic Participation' show "top-box" scores under the threshold of 50 per cent. The people at Coffee Co-op who "agree" or "strongly agree" with the scales related to these dimensions represent a minority of the organization.

The poorly performing dimensions can provide a deeper understanding of how the organizational structure limits the engagement of co-operative values and principles.

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Table 8 – Voice Expression Scores for Coffee Co-op

Voice Expression	
Operational Dimensions (66.5)	**Co-operative Values (69.45)**
• Communications Systems -3.0	• Self-Help -7.5
• Transparency -17.0	• Self-Responsibility +0.5
• Feedback Systems +0.5	• Openness -8.5
• Development of Co-op Members +3.0	• Honesty +9.5
• Mutual Respect +11.0	• Democracy -20.0
• Trust in Leadership -+6.0	**Co-operative Principles (68.51)**
• Participatory Management Style -4.0	• Democratic Member Control -21.0
	• Member Economic Participation -21.0
	• Autonomy and Independence -3.0
	• Participatory Management -4.5
	• Labour Control -2.5

Note. Coffee Co-op Co-operative Index Report (Hough, 2012)

As part of this CIT process, the administrator of the tool interviewed staff of the co-op. The participants included management, worker-owners, and employees. A recurring theme in those interviews focus on lack of information and limited engagement of the workforce (members, 2013) in almost every aspect of the co-operative outside of the interviewee's specific job site. However, the lowest scores for this dimension of transparency occurred among those workers who self-identified their job profile as "retail" and job location as "Valley Cafés" with a drop of 34 and about 36 percentage points respectively (Hough, 2013a). As a rule, the staff of Coffee Co-op, in 2012, did not

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view the organization as transparent. Transparency has a significant role in the expression

of voice. If workers do not have access to information to form opinions, or only have

access to inaccurate or outdated information, they cannot effectively communicate. Even

if they do engage their voice, a power imbalance exists between those members with

access and those without access. It affects the efficacy of the other voice-related

dimensions. The relatively strong trust in leadership and mutual respect help to mitigate

the effects of transparency in this situation; however, this benefit of good will only last

until something goes wrong, which, in 2013, did happen with the filing of an unfair

labour practice complaint against the co-operative shortly after the completion of this Co-

op Index Report (Anonymous, 2013b). The labour dispute centered around efforts to

organize a labour union at the most urban of the cafés. The two principal leaders of the

effort were fired, although management claimed it was for other purposes that engaging

in organizing a union (Report, 2013b). The workers were eventually rehired after the

union and the Coffee Co-op entered into a collective bargaining agreement (Report,
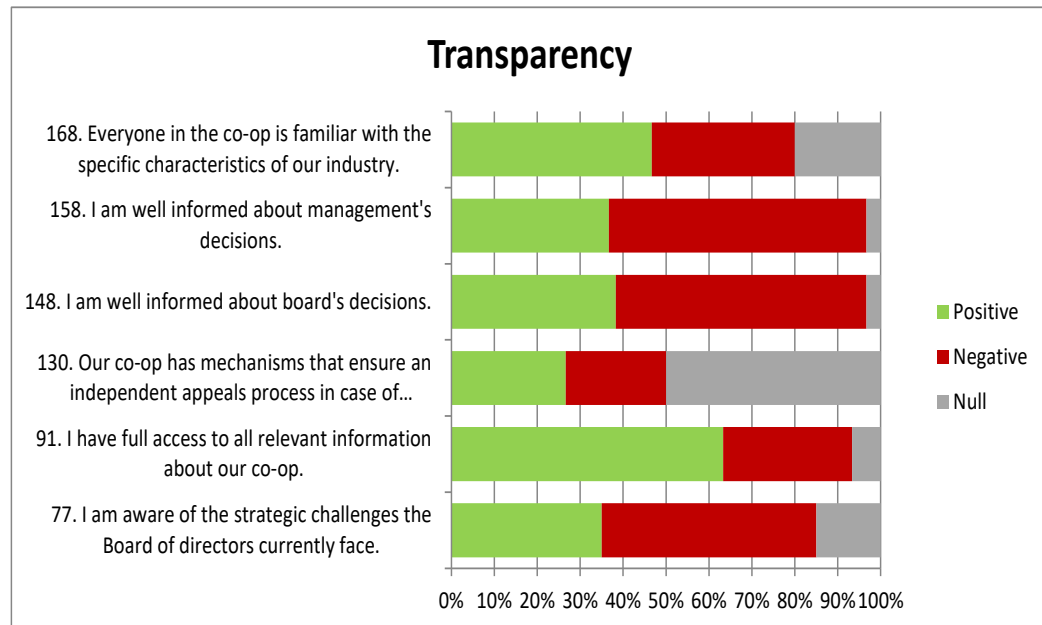
2013a).

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Figure 7. Scales for Transparency (Source: Hough 2013)

This example raises an interesting aspect of management in general. For the most part, almost any type of management in a worker co-operative can succeed if the overall environment remains relatively healthy. When the sales and revenues of the co-operative go smoothly, the relative prosperity of the workers may mitigate the effect of work-life stress. However, as the spiritual founder of Mondragón, Don José María Arizmendiarrieta noted: "The present, as wonderful as it may be, holds the seeds to its destruction if it loses its connection to the future." (2000 #427).[13]

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[13] This is my paraphrasing. The translation of his original saying in Spanish reads less eloquently as "The present, as wonderful as it may be, has the imprint of its expiration to the same extent that it loses its linkage from the future."

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Democracy operates as a fundamental aspect of the co-operative model. The Statement on the Co-operative Identity (ICA, 1995) mentions "democracy" three times: in the definition of co-operatives, as a value of co-operative, and as a principle of co-operatives. No other concept has such a core presence in the co-operative identity. As such, the measurement of democracy serves a special role in the concept of voice in that for most co-operatives, the democratic governance structure acts as the fundamental form of voice for the member-owners. In a worker-owned and/or worker-controlled organization voice may find other expressions, but the formal methods of making decisions ultimately rely upon a democratic structure.

The scales of measuring the value of democracy at Coffee Co-op expose a major weakness in this hierarchically aligned co-operative (Figure 7). As the scales exhibit, the participants in the Co-op Index survey feel that they have no effective voice on economic matters such as compensation or financial surpluses (scales 24 and 57). While more agreement exists about being engaged with strategic planning (scale 128), that engagement does not translate into impact (scale 79). As with the operational dimensions, the workers at the cafés and in retail positions disagree with these scales more sharply (Hough, 2013d).
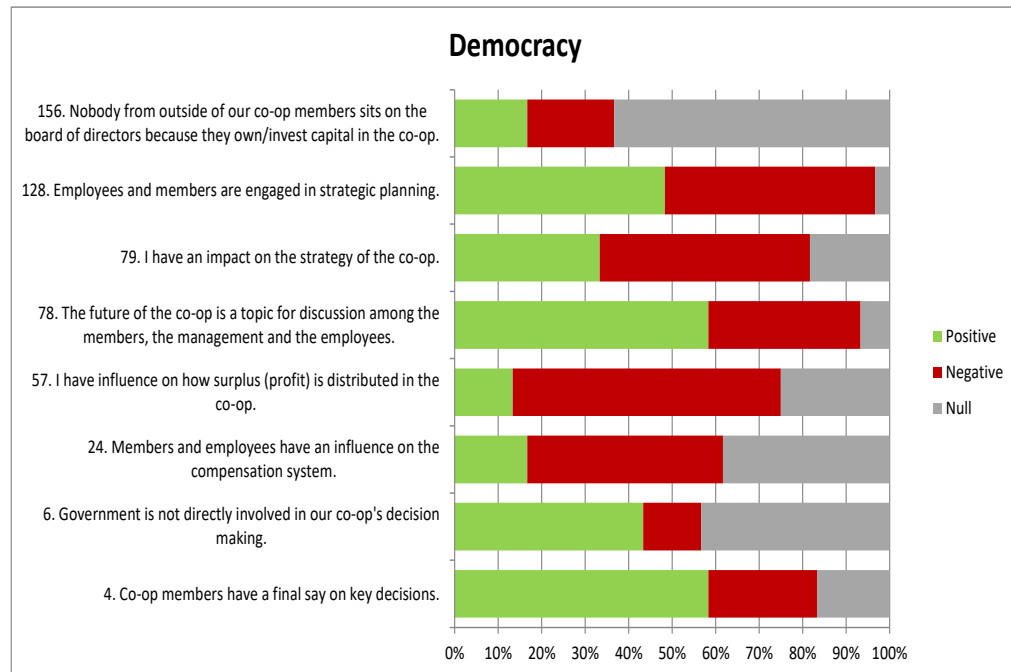
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Figure 8. Scales for Democracy (Source: Hough 2013)

The principle of Democratic Member Control (Figure 8) repeats some of the same

scales from the values measurement but adds further information in another key feature

of voice. In addition to transparency, the ability of members of the organization to

understand the information they receive also contributes to the expression of voice (scales

#50 and #146). If the organization does not take steps to assure that members understand

the information, transparency may not particularly matter.

The CIR recommended the following adjustment to engaging members:

       Consider developing an ongoing training program for members on more

advanced topics. For example, the workshop for new members on finances is an

excellent basic introduction. Second and third workshops exploring key financial

drivers, an analysis of the different profit centres, capitalization issues and

investment decision analysis, and developing entrepreneurial opportunities would

empower the members with a greater understanding of the financial issues and increase their capacity to contribute in a thoughtful way to the challenges and options facing the co-op. Some of these courses could become a requirement for becoming eligible for the board of directors or alternately be required within the first six months of a director's term if they haven't completed them. (Hough, 2012)
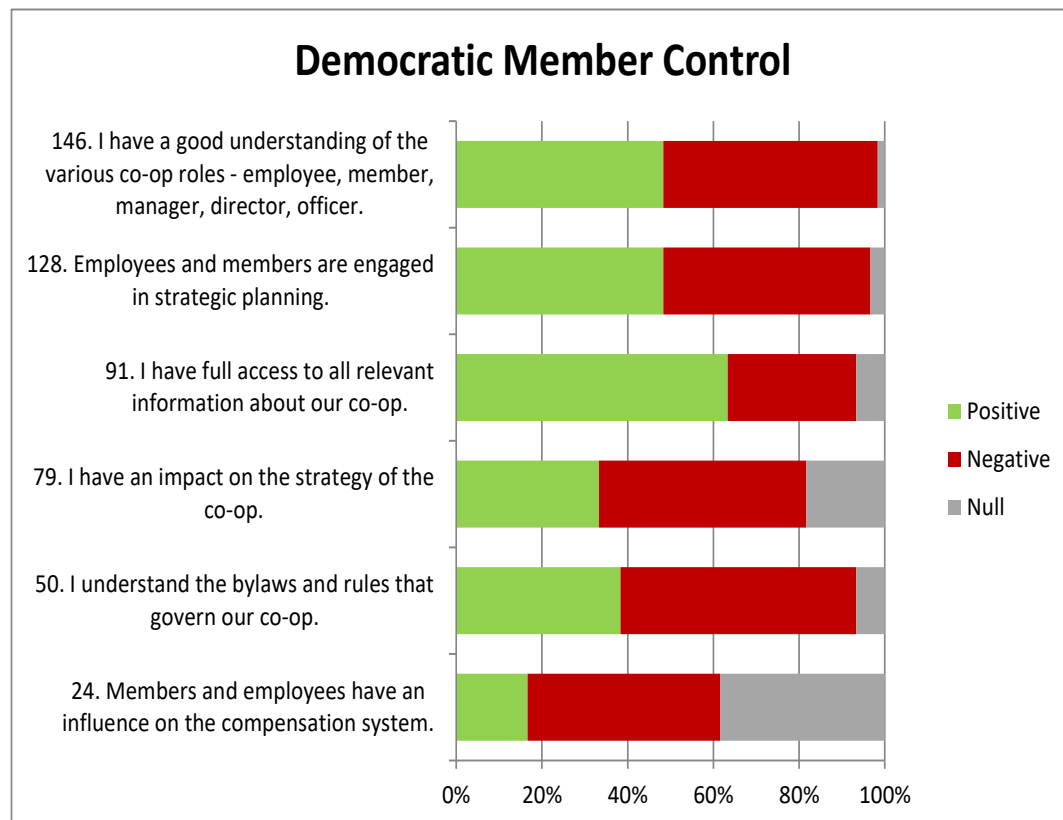

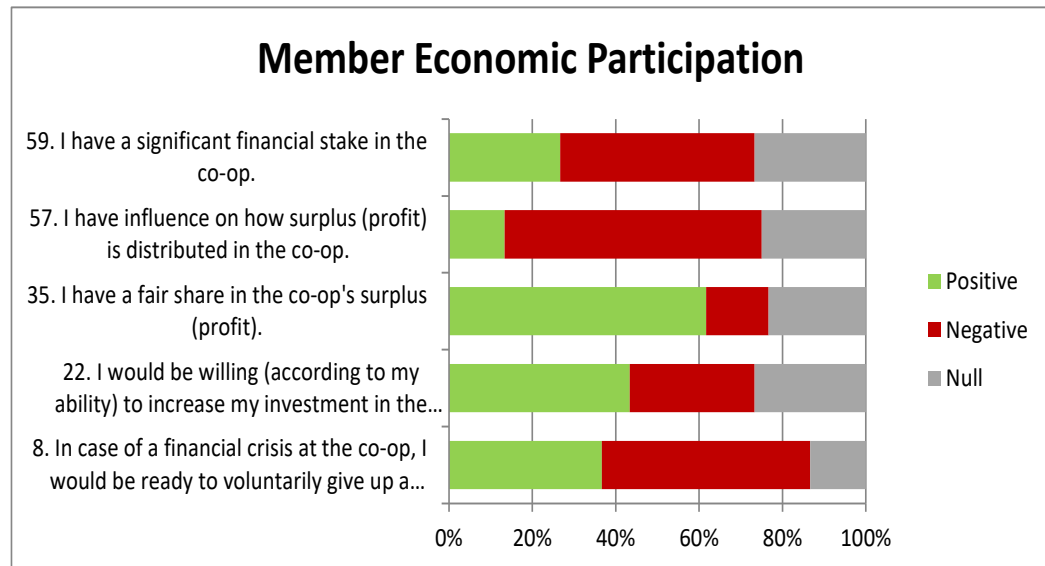*Figure 9.* Scales for Democratic Member Control (Source: Hough 2013a)

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Figure 10. Scales for Member Economic Participation (Source: Hough 2013a)

Exit threshold. Reasons for leaving organizations may be quite varied and the

result of events and conditions that have little to do with the organization itself. The

overall economy, individual and family health, new opportunities to continue self-

fulfillment and development can all play a role in a person's decision to move on from an

organization. Aspects of exit related to the workplace, however, may be tied to

organizational systems and organizational climate in any organization in a co-operative,

which subscribes to the values and principles of worker ownership, the failure to operate

within those principles may also lead to disillusionment and defections by the workers of

the organization.

The Co-op Index has several dimensions that relate to exit. The higher the score,

the higher the threshold for a person to make the decision, absent of extraneous issues, to

leave the co-op. Figure 10 identifies these scores for Coffee Co-op and how they

compared against the appropriate index. For the most part, unlike the Voice Expression

dimensions, the scores remained close enough to the indices to maintain a strong

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agreement within those areas that relates to a higher threshold for exiting. The

dimensions with greater variance: "Relations with Co-workers," "Mutual Respect," and

"Concern for Community" found a very high level of top box score agreement (over

seventy-five percent).

Table 9 – Exit Threshold Scores for Coffee Co-op

Exit Threshold	
Operational Dimensions (66.5)	Co-operative Values (69.45)
• Remuneration -7.0	• Equality +2.5
• Development of co-op members +3.0	• Equity -7.5
	• Solidarity +4.0
• Leader competence +2.0	Co-operative Principles (68.51)
• Mutual respect +11.0	• Voluntary, Open Membership -2.0
• Trust in leadership +6.0	• Education, Information and
• Relations with co-workers +13.0	Training +5.5
• Trust in co-workers +4.0	• Concern for Community +19.0
• Fun -+6.0	• Payment Solidarity -4.0

Note. Coffee Co-op Co-operative Index Report (Hough, 2013a)

Of note, the scale "Our co-op is concerned about the well-being of the community

where it operates" (Figure 11), receives broad agreement. The responses from those

working in the community with the Valley Cafés marked the highest agreement with

almost 97 per cent either agreeing or strongly agreeing with this statement (Hough,

2013b).

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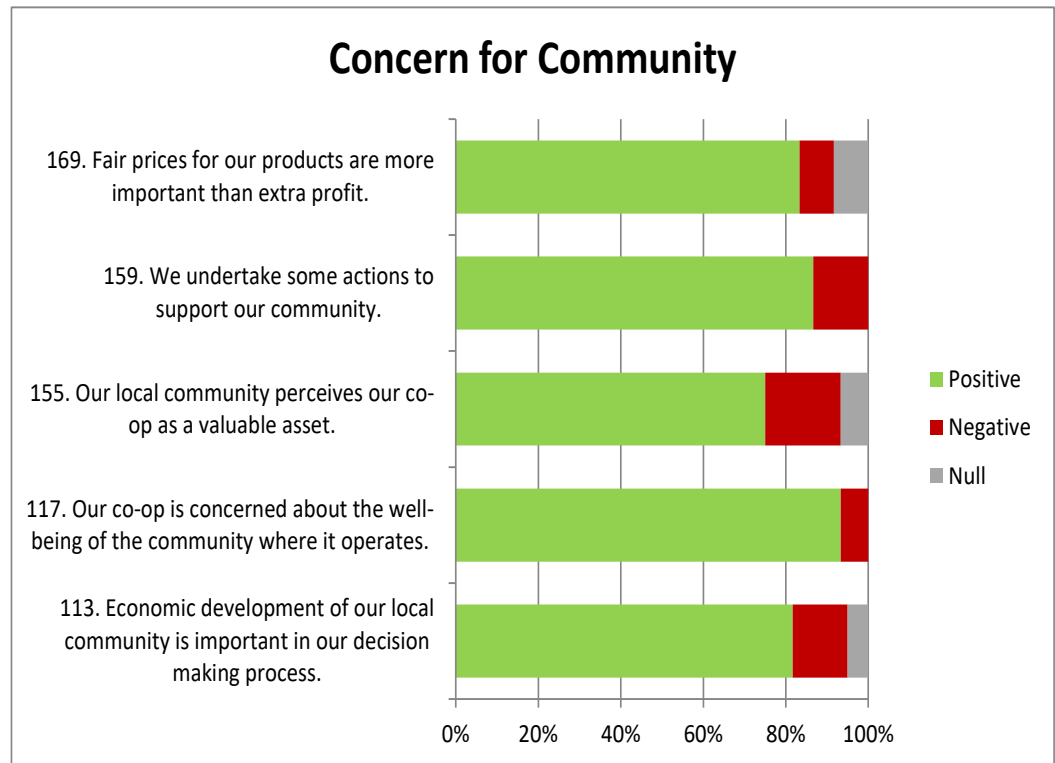
Figure 11. Scales for Concern for Community (Source: Hough, 2013a)

These dimensions create an identity within the members of the organization that connects the good deeds of the organization with their own persona. At Coffee Co-op, some of the scoring on principles helps overcome the limits on voice expression. For example, the score for the co-operative principle, "education, information, and training" (Figure 12) displays a strong agreement around the staff perception of increasing their knowledge, skills, and abilities (scale 81). The overall scoring for the various scales of this dimension present a very different picture from the report on "Transparency," These scales present an aspect of a supportive learning environment with mentoring of junior members of the staff by more senior members.

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Education, Training and Information

104. The co-op provides opportunities for professional development.	
81. My skills, knowledge and abilities have increased through my work in the past year.	
69. Ongoing training is a part of my fundamental responsibilities at work.	
67. Experienced employees assist in the professional development of their junior colleagues.	
55. The co-op supports employees in their development.	
51. I am satisfied with my professional development in the co-op.	

Legend: ■ Positive ■ Negative ■ Null
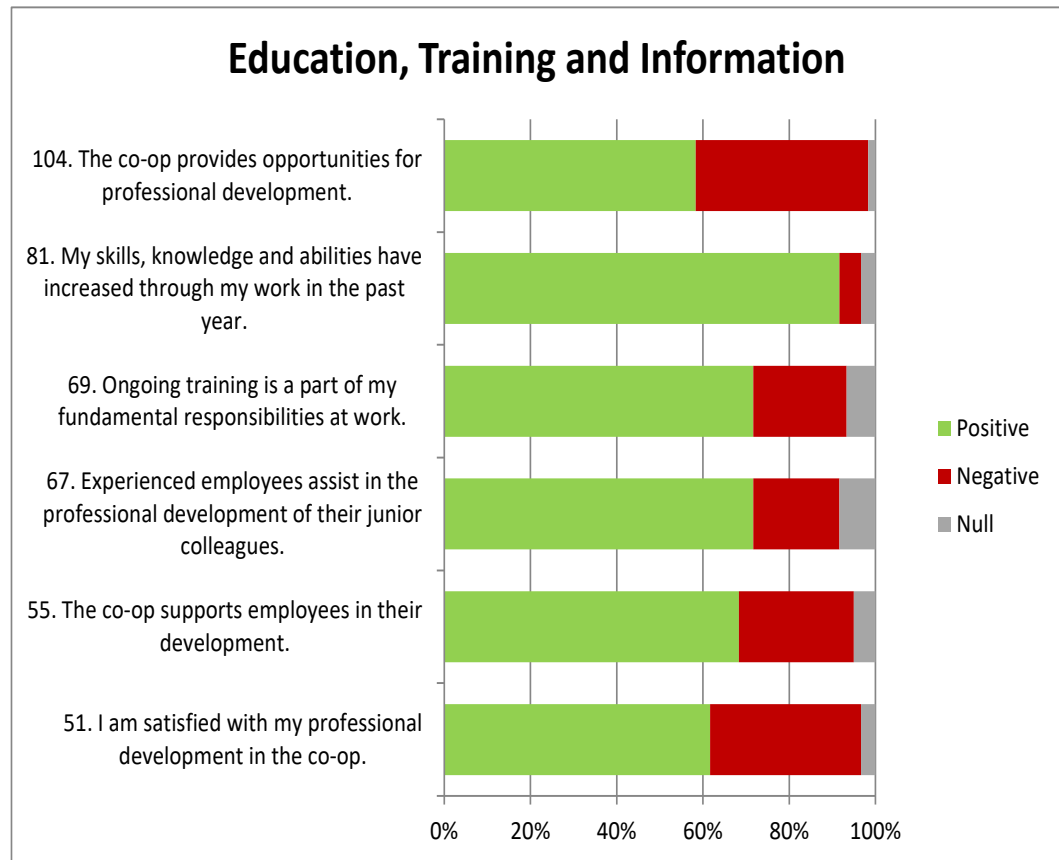
X-axis: 0%, 20%, 40%, 60%, 80%, 100%

Figure 12. Scales for Education, Information, and Training (Source, Hough, 2013a)

Strong relations with co-workers and a general trust in management can go a long way in overcoming the stifling of voice within an organization. While the co-operative may not always fully engage the values and principles of worker control, it does well enough to create a place that generally meets the needs of the workers.

Loyalty Effects, Attitudes, and Outcomes

Researchers have found loyalty and its relations to exit and voice quite complicated as Barry (1974) noted in his review of Hirschman's original text. Loyalty may benefit organizations through patience and voice; however, patience may not be a positive response in that it tolerates ineffective strategies (Leck & Saunders, 1992). At Coffee Co-op, a high level of trust exists as shown by the Organizational Trust Index, the

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dimension of Trust in Leadership, and another dimension – Trust Among Co-workers (Figure 13). The staff of Coffee Co-op demonstrate a strong agreement that the members of the organizations (co-op members and employees) act ethically (scale #132) and individuals generally trust the people in the organization (scale #37).
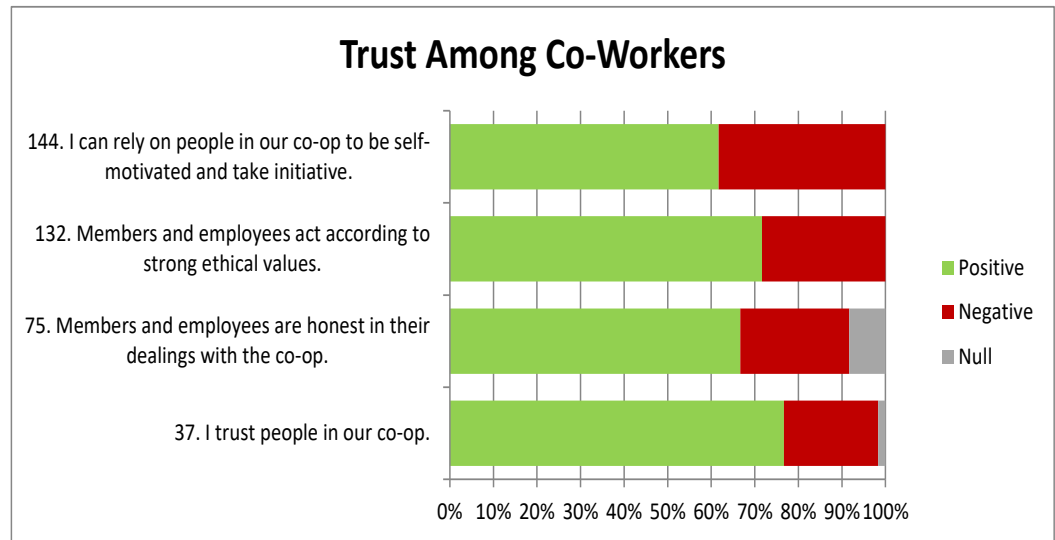

Trust Among Co-Workers

Figure 13. Scale for trust Among Co-workers (Source: Hough, 2013a)

Trust, in this model, provides a means of understanding the role that loyalty plays in either stifling the negatives that may lead to exiting or enhancing the ability to use one's voice within the organization. It may also, of course, cause people to be more patient while changes develop.

Discussion

The Coffee Co-op operates from a base of social justice and concern for community. The organization initially began at the heart of the Chiapas uprising in Oaxaca, Mexico, during the 1990s (Doe & Doe, 2014). The commitment to the co-operative movement remains strong with the founders and the members of the co-operative. The ability of the values and principles of worker ownership and control to

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permeate the workplace do generally well, but many contradictions exist between the traditional hierarchy of the co-operative and the principles of worker ownership. Most notably, democracy remains narrowly defined as voting for members of the board of directors and controlling the overall governance mechanism of the bylaws. While Coffee Co-op switched from a more autocratic system (the CEO era) to a more nuanced hierarchy with team management (the GM era), the formal managerial power of the organization continues to reside with the general manager, one of the two remaining founders of the co-operative. The pathway to ownership depends, in part, upon the scheduling practices of supervisors. Members must work thirty hours a week or more for two years before they can apply for membership. This provides the supervisors, in charge of scheduling, and the general manager with the power to pick and choose the employees that continue on the ownership pathway. Workers could conceivably work for their lifetime without ever achieving the threshold to apply. Even if workers do meet the threshold, they still need a vote of confidence from the supervisor and then approval from the board of directors. Doe and Doe (2014) conclude Coffee Co-op may not be a "worker co-op" as much as it is a "manager co-op." Doe and Doe may overstate the case in that the majority of members of the Coffee Co-op work on the floor and do not have management status; however, the pathway to ownership does not seem entirely open and voluntary.

Workers at Coffee Co-op do have access to expressing their voice through the management teams. Even if the decisions ultimately reside with management, systems have been set up such that workers have the opportunity to express opinions and participate in decisions. Limitations on this expression exist through a sense of opaqueness and access to information. Hierarchy limits the flow of information

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undermining transparency and, with it, the values of openness and honesty. The board of

Coffee Co-op addressed problems with transparency, openness, and honesty by

reorganizing from a strict CEO-management style to a team management approach. As

the general manager expressed, the method of hierarchy used ran at cross purposes to the

values of co-operation and the values of Coffee Co-op (Doe & Doe, 2014). Team

management, though, should not be confused with flattened hierarchy. In general, team

management creates narrow areas that the teams can make decisions. They are based on

quality circles developed in the US in the 1970s (Lawler & Mohrman, 1985). They

provide the illusion of control of the workplace while the decisions that control the

workplace remain in the realm of management. At Coffee Co-op, the teams provide

recommendations to the general manager, not decisions to be implemented. Participation

with such a hierarchy, even in a benign environment such as Coffee Co-op, may provide

its workers with a sense of voice and can mitigate the exit threshold, but this sense of

empowerment only works if no crisis emerges (Ridley-Duff & Ponton, 2014). The

inherent weakness of the model, in terms of worker ownership, resides in the constricted

information flow through the organization. In hierarchies, the information that flows from

the top to the bottom and from the bottom to the top depends upon the needs of the

individuals at the different nodal points. The variance of scoring throughout the index

between the main operational site and the valley and city cafés demonstrate how the flow

of information about the organization can be stymied. The labour dispute at the city café

that erupted shortly after the CIR was released further demonstrates this dynamic. The

general manager insisted (Doe & Doe, 2014; Report, 2013a, 2013b) that they did not

know about any union organizing and that the workers who were organizing the union

had their employment terminated for other reasons though none were publicly stated.

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Further, the GM insisted that Coffee Co-op and remaining founders support labour

unions. This sentiment does not necessarily conflict with the claim of the union

organizers. The supervisor of the café may have known and acted with their managerial

power without reporting up the chain of authority. Coffee Co-op placed formal

managerial power to one person (as is traditional in hierarchal management schemes).

However, an organization with multiple locations and hours of operations that cover most

of the week, requires that the general manager delegate authority and power to others.

While perfectly normal in a corporate setting (and in many consumer and producer co-

operatives), delegation of authority in a worker co-operative creates a class of worker

with more information than others and more power over other workers. Delegation of

power acts in an inherently anti-democratic manner even if the managers and supervisors

work with teams or have the best interests of the workers and organization at heart. In

this model of hierarchy, a hierarchy of power, labour must be subordinated to capital. At

the board level, with limited time to engage a comprehensive analysis of the co-op's

ability to meet the social and financial mission, economic success often becomes the

primary measure of co-operative success. The general manager provides the information

that the board uses to measure the co-op's ability to meet its mission. Likewise, the

information provided to the GM also becomes limited by that provided by the teams and

supervisors. While workers are provided a place to use their voice, they do not

necessarily have the protection of ownership or assurances that anyone listens.

Limitations of the study. The case study of Coffee Co-op relies on past

implementations of the CIT and secondary sources. The Co-op Index Tool was

implemented during a relatively tumultuous time period in the history of the co-operative,

and the co-op had recently restructured its management due to displeasure with an even

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more authoritarian form of hierarchy. The Chief Executive Officer, which the general

manager replaced, had much more authority to act. The move to a GM, and the

requirements to garner worker input marked a switch to a somewhat flatter hierarchy

(Doe & Doe, 2014; Hough, 2012). The co-op also has significant problems with labour

relations with the non-member workers in one of its city cafés. In addition, the CIT relies

on a census method, which means that it seeks all internal stakeholders (worker and

worker-owners) participate in the survey; only 79 per cent (60 staff members) responded,

however, which left the opinions of approximately 16 workers out of the consideration.

The missing voices of the survey exceeds the 15 worker-owners. As such, the results of

the index represent a sampling of the total population made up of those who self-selected

to participate. The in-depth documentation of the co-operative through its worker manual,

governance manual, and interviews with reporters and other publications overcome some

of these limitations by providing deeper insight to the thinking of the founders and

workers of the co-operative.

A final consideration relates to the current occupant of the general manager

position. The GM, who is quoted in varied sources, is clearly committed to social justice

and the co-operative movement. This may skew the results in that the respondents

answered the survey based on the reality of the current management. A stronger analysis

of the role of hierarchy in the expression or suppression of co-operative values would

need to consider several different management styles within hierarchy. If the CIT were

implemented in a co-op with a general manager less committed to social justice and more

committed to economic success or other goals, the results might not be as positive.

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Conclusion

Coffee Co-op largely succeeds in its mission – "People and planet before profits."
The co-operative works to create a welcoming space for its staff with profit-sharing for
all workers and a wage system for barista that pegs to percentages over minimum wage
with cost-of-living increases (Coffee, 2012). The organization operates as a benevolent
organization for worker-owners and workers alike. It is the result of the vision and
commitment of its founders, one remains very active as general manager and one serves
on the board of directors. The model governance and management utilized by Coffee Co-
op resembles the traditional hierarchy seen in many organizations, whether operated on a
co-operative, not-for-profit, or capitalist economic basis. The paradigm of governance
within Coffee Co-op operates through benevolent paternalism and its ability to
implement the values and principles of the worker co-operative movement rests largely
on the commitment of its management to do so. The percentage of workers who engage
as owners remains very small. Only about 20 per cent of the workers have ownership in
the co-operative, which causes concern about the future of the co-operative once the
founders retire or otherwise leave the co-operative(S. Kasmir, 1999). The model of
hierarchy places formal organizational power into the hands of one person while the
members (a minority of the workplace) control the formal governing power through the
board of directors. As the labour dispute of 2013 demonstrated, this organizational model
creates blind spots throughout the system and may ultimately undermine the efforts to
create a benevolent workplace in the future. Moreover, the ability of the co-op to
currently express co-op values and principles seems to rest largely on the presence of the
founders of the co-operative. The Co-op Index provides a means of examining the
management structure by measuring the prevalence of human dignity in the workplace

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through the relative ability of workers to engage their voice and the degree to which dynamics favour or disfavour exit over voice. The key areas of weakness exposed through the CIT suggest ways in which hierarchy undermines co-operative values and principles. The CIT, however, is limited by examining a single co-op. The ultimate value of the CIT involves creating a general baseline for worker co-ops on a regional or global scale that can inform individual co-ops on the relative strength of their governance system.

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Chapter 5 – Collective Management: Western Food Co-operative

The Western Food Co-operative (WFC) is a natural foods consumer-owned co-operative grocery that operates as a worker collective. Several consumer co-operatives and even not-for-profit, tax-exempt enterprises operate in this manner (People's Food Co-op in Portland, Oregon, and WORT-FM—a listener-supported radio station in Madison, Wisconsin, are two examples). One such organization, Eastern Food Co-op (EFC), also utilized the Co-op Index Tool. While EFC did not complete the entire process, the scores from the survey provide a means of comparing two similar co-ops with the same structure of labour-managerial control and consumer governance oversight. The nature of worker control consists of an agreement between the board of directors and the staff. The agreement, however, exists as board policy, not as a collective bargaining agreement, though in the case of the WORT staff collective the staff is also represented by a labour union. As mentioned in Chapter 1, in a traditional structure the board would hire a general manager. In a collective structure, a member of the staff collective acts as a liaison between the staff and the board of directors.

The consumers own and control the Western Food Co-operative through the board of directors. However, the workers of the co-operative have significant voice in the decision-making process. Collectively managed organizations tend to be small (less than 40 members), since the decision-making process relies on consensus and participation (House & Powers, 2002). Larger collectives, such as Rainbow Grocery Co-operative in San Francisco, California, with over 250 worker-owners, manage collectively by creating autonomous departments linked together through a steering committee (effectively operating as a dozen small collectives under the co-operative umbrella). At the time of

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this study, WFC had approximately 80 workers making it a bit large for a collective

organization.

Collectives operate without a formal hierarchy. This collective model became

popular in the 1970s as people sought new methods of democratic engagement (Curl,

2009). However, the collective model also has its short-comings because informal

hierarchies can develop (J. Freeman, 1972). Without significant training and support,

individual personality traits and habits can overwhelm the democratic culture (Vannucci

& Singer, 2010). Loyalty plays multiple roles. Loyalty may exacerbate the shortcomings

through personal friendships and a sense of self-identity connected to the organization.

Loyalty to the ideals of the organization and the ideals of collectivism may also lead

individuals to hold the collective and its members accountable to those ideals.

About the Co-operative[14]

Like many food co-operatives in the United States, WFC began as a buying club

in the mid-1970s and opened their first storefront in 1977 while expanding to a second

site in the mid-1990's (W. F. Co-op, 2007a). The co-operative serves a rural community

in the southern portion of the Salish Sea, a large body of water connecting the Province

of British Columbia and the State of Washington. The co-operative has two retail

locations located about three and a half miles apart on either side of the rural community

where it operates. In between the two locations (about one to two miles apart from each

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[14] The author of this dissertation is a member of the Western Food Co-operative;

however, he engages primarily as a consumer member and neither serves on committees

nor the board of directors.

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location), WFC operates an administrative office that includes marketing staff and provides meeting space for committees, the board, and membership meetings.

The mission of Western Food Co-op resonates with the co-operative identity with a specific focus on the environment:

> The purpose of the co-operative is to contribute to the health and well-being of people by providing wholesome foods and other goods and services, accessible to all, through a locally oriented, collectively managed, not-for-profit co-operative organization that relies on **consensus** decision making. We strive to make human effects on the earth and its inhabitants positive and renewing, and to encourage economic and social justice. Our goals are to:
>
> > Provide information about food;
> >
> > Make good food accessible to more people;
> >
> > Support efforts to increase democratic process;
> >
> > Support efforts to foster a socially and economically egalitarian
> > society;
> >
> > Provide information about collective process and consensus decision
> > making;
> >
> > Support local production;
> >
> > See to the long-term health of the business;
> >
> > Assist in the development of local community resources. (W. F. Co-op, 2007b)

The co-operative employs approximately 80 people to operate the stores. WFC also engages in the practice of member volunteers to assist with the staffing. Member

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volunteers, or "Working Members," provide a number of functions, from serving on committees, assisting customers with bagging, and running the cash register. Some parts of the co-op, such as the Garden Center, only use Working Members for staffing. Working Members receive an extra discount based on time volunteered and do not participate as part of the staff. Directors of the co-operative receive Working Member credit for the time spent in board and committee meetings. Working Members do not participate in collective meetings, and collective staff help direct the activities of the Working Members. At the time of participation in the Co-op Index Tool, approximately 300 co-op members engaged as Working Members (or volunteers) and these volunteers did not participate in the survey.

The city that hosts WFC is part of a three-city community. Each city has a population in the upper 40,000s, making up most of the population for the county. A state college, an alternative liberal arts college founded in 1967, serves as the main four-year college for the region. The college practices alternative methods such as supplanting letter grades with written evaluations, eschewing majors to allow students to create their own field of study and preferring co-teaching of most courses with an emphasis on student-lead discussion. This dynamic creates a community with a strong commitment to voice and participation by all stakeholders.

The county that WFC calls home has an estimated population 2016 of 275,000 (a nine per cent growth over 2010). Much of the growth is from people of color and Latinx, with about 75.6 per cent identified as "white, alone" by the US Census Bureau (down from 78.9% in 2010). People of Latinx or Asian descent make up the largest group of the non-white ethnic groups. American Indian and Pacific Islanders account for 2.7 per cent

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of the population. The region serves as home to 29 Native American nations, with five tribal nations within a one-hour drive of the co-operative (Unknown, 2017). With the exception of Eastern Food Co-op (to be discussed later in this chapter) the location of WFC reflects a relatively diverse community compared to the other communities in these comparative case studies. The diversity of the community, especially affects WFC and has made anti-oppression practices an integral part of its organization (Anonymous, 2017a).

Organizational structure. The organizational structure of the co-operative delineates decision-making areas for each group. The co-op's structure has been carefully constructed to balance the power of the staff collective and that of the board of directors. The bylaws of the co-operative spell out duties for each group:

Table 10 – Division of Duties Between Board and Staff

Duties Assigned to the Board of Directors	Duties Assigned to the Staff Collective
- Employ Staff, approve the make-up of the hiring committee, approve job descriptions, and approve a hiring policy; - Select officers, and fill Board vacancies as needed; - Approve an operating budget annually; - Monitor the financial health of the Cooperative; - Appoint standing and special committees as needed; - Authorize appropriate agents to	- Functioning and open regular hours. - Present comprehensive financial statements to the Board quarterly or as requested; - Keep accounting records in accord with generally accepted accounting principles; - Maintain accurate and up-to-date corporate records, articles, Bylaws, Board meeting minutes, membership meeting minutes, all-staff collective meeting minutes, and required reports; and make these documents accessible to

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sign contracts, leases, or other obligations on behalf of the Cooperative;

- Adopt, review, and revise Cooperative plans;

- Approve major capital projects;

- Adopt major policy changes;

- Adopt policies to foster member involvement;

- Authorize major debt obligations of the Cooperative;

- Ensure compliance with all corporate obligations, including the keeping of corporate records and filing all necessary documents;

- Ensure adequate audits of Cooperative finances;

- Maintain free-flowing communication between the Board, Staff, committees, and the membership;

- Adopt policies which promote achievement of the mission statement and goals of the Cooperative;

- Resolve organizational conflicts after all other avenues of resolution have been exhausted;

- Establish and review the Cooperative's goals and objectives.

- Provide an annual report to the members to include a financial report, committee reports, and a summary of other significant events held, and actions taken by the

members;

- Maintain accurate and up-to-date membership records including names, addresses, fee records, and dues records;

- Maintain accurate and up-to-date records of the names and addresses of all creditors;

- Maintain adequate insurance and bonding;

- Regularly propose to the Board updated personnel policies and employee benefit programs;

- Maintain systems for control of all operations;

- Maintain adequate channels for taking and responding to member suggestions, commendations, and complaints;

- Maintain all facilities in good repair and in sanitary and safe condition;

- Provide effective and consistent programs for consumer and cooperative information;

- Maintain free-flowing communication between Staff, Board, committees, and the membership;

- Carry out Board decisions and/or membership decisions made in compliance with these bylaws;

- Carry out all activities and act in accordance with applicable law, the articles of incorporation, and the bylaws of the cooperative.

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Cooperative during the year.	

Note. Western Food Coop's website (W. F. Co-op, 2007b)

The staff collective operates through a series of departments and each staff member works within one or more departments. These include front-end/member services, grocery, produce, cheese, dairy, garden, frozen, wellness, deli, mercantile, meat, and bulk. In addition to specific job-based departments, WFC staff also work in Coordinated Action Teams (CATs). Each CAT has three to six staff members and functions in the role of traditional management by establishing procedures to direct the work of the co-op congruent to co-op policy. The CATs include:

- Big Picture—facilitating between departments and CATs, structure, and systems

- Labor Systems—scheduling, labour budget, timesheets

- Outreach—marketing and education programs

- Finance—annual operating budget, assisting departments in setting and reaching goals

- Training—new and on-going staff training

- Working Member—manages volunteer work, training, accountability, and appreciation.

- Conflict Resolution—trained mediators for staff in conflict.

- Assessment and Inquiry—central part of accountability system that directs conflicts to the appropriate venue.

- Evaluation—annual evaluations of staff in addition to supporting accountability agreements

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- Anti-Oppression—provides training and resources to staff and Board around anti-oppression issues

- Facilities—coordinates capital plans and resolves emergencies with physical plant

- Merchandising—responsible for store appearance as well as product placement, guidelines, and boycott policies

While the staff has a significant amount of control and voice in the organization, consumer members legally control the board of directors[15]. The board, as in most co-operatives, sets policy. Both the board and staff operate using a consensus model of decision-making that seeks either agreement from the people in the decision-making group or their tacit consent through "standing aside" (a form of abstaining). The board generally focuses on the strategic vision of the co-operative and does not engage in operational decisions, such as product sourcing. One such decision happened in the years immediately prior to the co-op's completion of the Co-op Index and involved a very controversial boycott of products. WFC has maintained a policy on boycotts since 1993, which empowers staff to make all boycott decisions stating the process, in part, as follows:

> A request to honor a boycott may come from anyone in the organization. The request will be referred to the Merchandising Coordinator to determine which products and departments are affected. The M.C. will delegate the boycott request to the manager of the department which contains the largest

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[15] At the time of the implementation of the Co-op Index, all workers identified as being members of the co-operative.

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number of boycotted products. The department manager will make a

written recommendation to the Staff who will decide by consensus whether

or not to honor a boycott. (Staff, 1993)

Board responsibility versus worker control. Western Food Co-operative

decided to join an international boycott of products from a particular region. In 2009, this

process began through the normal channels of consumer-member and staff requests. Staff

were unable to reach a consensus to support the boycott. Eventually, the board of

directors, at members' urging, decided after extensive membership input to join the

boycott. The human rights issues surrounding these products created a significant impact

on Western's community. A resident of the community died in protests connected to the

boycott.[16] Community residents erected and maintain a memorial to her legacy and for all

who "struggle for justice."

The backlash from the decision of the WFC to join the boycott came from far

outside of the community, with threatening phone calls from across the nation and

beyond. A hotly contested board election that fall, in which five of the nine seats were

available, resulted in an organized slate of pro-boycott candidates winning in a landslide

and record turnout for the co-operative's elections. The newly elected board affirmed the

participation in the boycott. While the board election may have settled internal issues, in

2011, some members filed a lawsuit claiming that the board failed to follow its own

_____

[16] During a protest in a foreign country (the site of the larger conflict leading to a

boycott), a young protester who had grown up in the WFC community died. The death

was ruled accidental by the governing authority.

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policies by not reaching consensus among the staff. The lawsuit only became resolved in the summer of 2018 when the apex court of the region declared that the individuals brining the suit had no legal standing and affirmed lower court opinions that the board acted within its authority. This case exposed a weakness in the relationship between staff and the membership that still has repercussions in the ongoing operations of the co-operative.

This background of the recent events in the community and in the co-operative provide an important part of the narrative that the Co-op Index uncovers. All co-operatives operate through the common identity of the values and principles of co-operation. The co-op model has a high level of respect and trust (Duffey, 2003). Despite the commonality of the co-operative economic model, each co-op exists as a creation of its membership and the culture of the community that membership resides within. The effects of that culture help form managerial structure, and this can also lead to how voice and loyalty operate in the long-term ability of the co-operative to engage its identity and, with it, a co-operative advantage.

Eastern Food Co-operative

Another example of a staff collective with consumer ownership exists in the Eastern part of the United States. The Eastern Food Co-operative (EFC) operates in a similar fashion to the WFC. EFC has a large consumer membership (in the tens of thousands), with a similarly sized collective staff operating on a consensus basis. Like WFC, EFC also utilizes Working Members help out as volunteers in the store, which helps keep overall costs down. While initially planned by this author for its own case study, the implementation of the CIT did not gather enough information about the co-

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operative. EFC has been included in this chapter as a means of contrasting WFC to a similar organization in terms of ownership, governance, operations, and industry.

The co-op, while effectively in operation since 1971, only opened membership and shopping to the general public in 2012 (Anonymous, 2016b). The community served by the co-op is a small part of the large eastern seaboard megalopolis that connects several metropolitan areas from Boston to Washington D.C., and, as might be expected, due to the cultural and ethnic diversity among the community, the members and the staff is significantly more mixed than WFC. For this CIT project, conducted by the Democracy at Work Network, the CIT was translated into Spanish to accommodate the staff members. It was also the first use of the flattened, non-hierarchal model of the CIT (J. Johnson & McNamara, 2012).

The results for EFC on the four indices of the CIT as follows:

Table 11 – Co-op Index Scores for Eastern Food Co-op

Co-op Index	Broad Analysis	Narrow Analysis
Organizational Maturity Index	81.31%	60.81 %
Organizational Trust Index	100 %	100 %
Co-operative Values Index	79.09%	61.86 %
Co-operative Principles Index	79.26%	61.94%

Note. Data acquired from EFC Co-op Index Report (McNamara 2015)

EFC scored much higher than the WFC; however, to understand the nature of differences between the two organization's implementation of staff collective and

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consumer ownership models requires more than the EFC report provides. Without contextual information, one can only speculate on organizational differences. A key difference may be the process by which the WFC board used to boycott certain products, which, in turn, became very disruptive to the cohesion of the membership and staff. However, the index scores should be noted that the collective management model itself needs further exploration.

Co-op Index Report

The Co-op Index Tool was implemented during the summer of 2016 by the Northwest Cooperative Development Center (NWCDC) as part of efforts by the co-operative staff to understand issues of engagement, accountability, and organizational health. NWCDC staff worked with a committee of the board consisting of directors and staff members to coordinate the survey and follow-up. The follow-up consisted of reporting out at staff collective meetings and to the board of directors. A planned staff retreat to engage specific issues around the primary responses of concern has yet to occur. Both broad and narrow analysis was conducted. As with the other case studies, the narrow analysis will be used for discussion and comparison. The WFC scored below 50% for its indices (Table 12), which is considered in the "immaturity" range of the scale (Figure 13). While this score suggests an organization that has a great need of development, there also exists a strong foundation of trust as exhibited by the Organizational Trust Index (Figure 14).

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Table 12 – Co-op Index Scores for Western Food Co-op

Co-op Index	Broad Analysis	Narrow Analysis
Organizational Maturity	69.58%	43.79%
Organizational Trust	94.47%	94.47%
Co-operative Values	73.54%	49.69%
Co-operative Principles	75.2%	48.50%

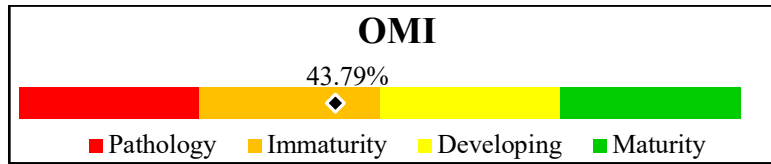*Note.* WFC Co-op Index Report *(*McNamara, 2016*)*

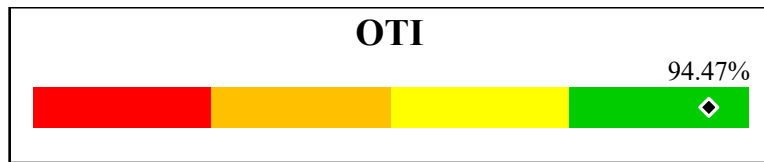*Figure 13.* Organizational Maturity Index (source: McNamara, 2016)

Figure 14. Organizational Trust Index (Source: McNamara, 2016)

The dimensional summary (Figure 15) for the CIR presents an interesting story. The "Organizational Systems" and "Organizational Climate" scales of the WFC present comparatively weak scores around the baseline of 43 per cent with almost none of the dimensions reaching the 50-percentile mark. "Personal Attitudes and Actions" scores, however, exceeded the baseline and "Organizational Outcomes," generally exceeded the

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50 percentiles and even reaching into the 60 percentiles on a few of the dimensions.

"Organizational Trust" (voice) and "Personal Commitment" (loyalty) manage to

overcome some of the issues surrounding the attempt to operate as a large, multi-worksite

collective where the ownership resides in the much larger consumer community of the
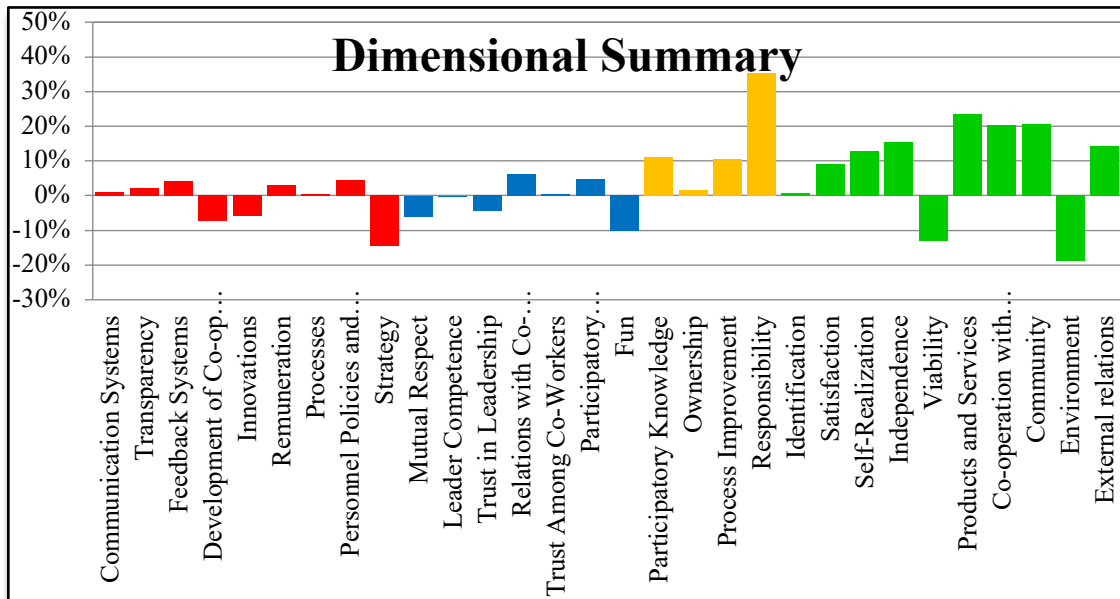
co-operative.

Figure 15. Dimensional Summary of OMI (McNamara, 2016)

Co-operative Values Index. The index for co-operative value engagement, the

Co-operative Values Index (CVI) (Figure 16) scored about ten percent (five percentage

points) higher than the Organizational Maturity Index (OMI) using the narrow analysis.

However, it still placed in the "immature" zone with a score under 50 percent. The CVI

score suggests that the co-operative utilizes the values of co-operation in its

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organizational structure; however, there is not a lot of consistency across values or agreement within the values.
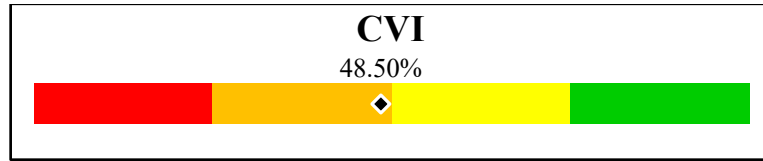

Figure 16. Co-operative Values Index (Source: McNamara, 2016)

The values of "Democracy" and "Social Responsibility" fared better than the base line, reporting a majority of agreement (over 50 per cent). The values of "Equality" (approximately, 59.5%), "Honesty" (approximately 59.5%), and "Caring for Others" (approximately 61.0%) scored the strongest and provide an area of strength for the collective to engage as they seek to improve their organization. Figure 17 presents the summary of co-operative values.
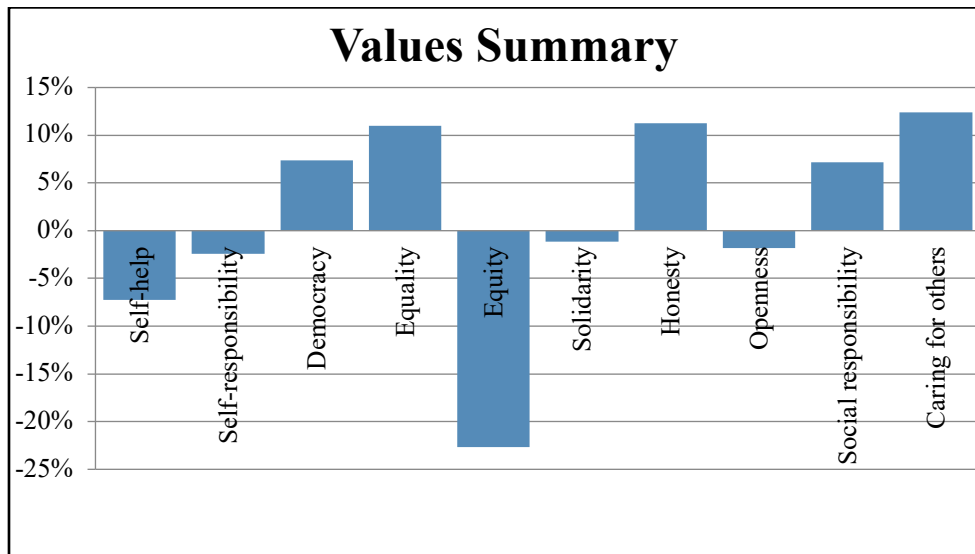

Figure 17. Co-operative Values Summary (Source: McNamara, 2016)

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"Equality" (Figure 18) scored almost 11 (10.98) percentage points higher than the base line index of 48.50 percent. The scales for "Equality" as represented in the figure represent some of the limitations of the software used in creating the report. The gray (null) responses do not count towards the total, although the chart suggests that they do[17]. A more accurate reading of the scales would show the following positive response percentage for each scale:

95. Our co-op cares about keeping wage differences small between worker 47.37%

85. Workers are treated equally regardless of their gender   31.62%

39. Everyone who works here can be a member of the collective   28.57%

35. I have a fair share in the co-op's surplus (profit)   68.75%

153. I am satisfied with my benefits at the co-op   27.27%

111. My share in co-op's risks is fair compared to other workers   64.71%

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[17] The coding for the Co-op Index Tool was compiled in Microsoft Excel and the limitations of that software provide structural limitations to the reporting features.
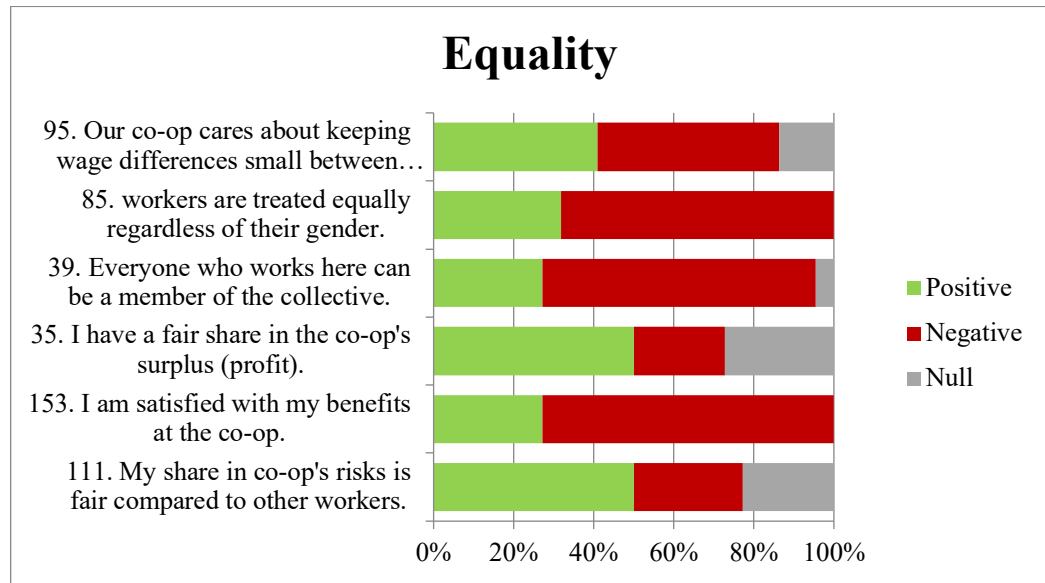
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Figure 18. Equality Scales (source: McNamara, 2016)

Co-operative principles index. As with the CVI, the expression of co-operative principles in the Western Food Co-op scores much better than the overall OMI. The Co-operative Principles Index (CPI) (Figure 19) suggests a strong agreement with the scales connected to co-operative principles for just under 50 per cent of the workforce of WFC. As noted in Table 12, the broad measure, which includes "somewhat agree" as a positive response, shows an agreement of over three-fourths of the workforce. The expression of principles through the model of collective management contributes to the strongest scores of the co-operative.
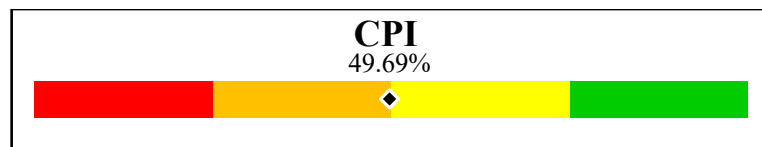

Figure 19. Co-operative Principles Index (Source: McNamara, 2016)

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Externally focused principles ("Concern for Community" and "Co-operation Among Co-operatives") post the strongest responses (Figure 20) with the metric for "Concern for Community," achieving greater than three-fourths of strong agreement among the workers. The principle of "Social Transformation" also scores well, nearly ten percentage points above the CPI baseline. The scores reflect the relationship of the consumer co-operative to its community through its staff (who all hold consumer memberships in the organization). The co-op, regardless of weaknesses in its organizational systems and climate maintains a strong community presence.
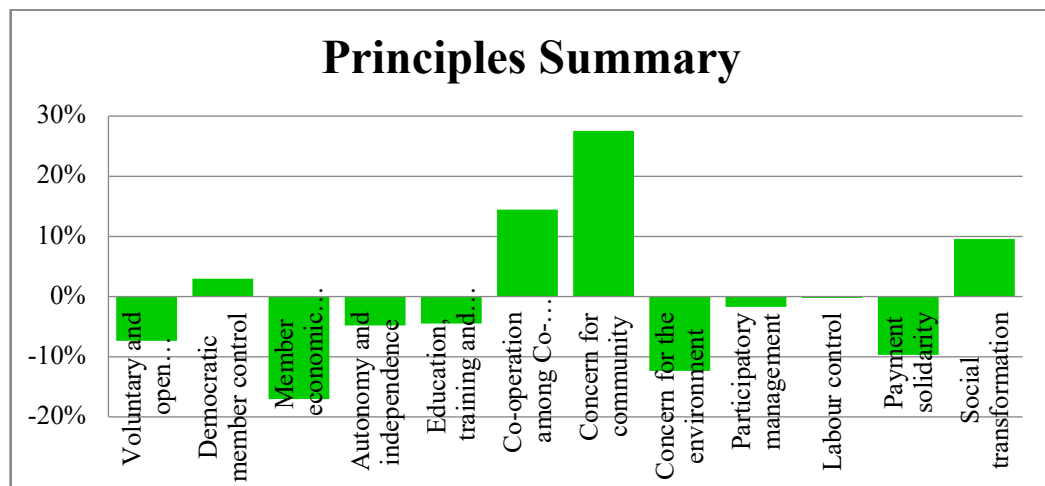
Figure 20. Co-operative Principles Summary (Source: McNamara, 2016)

The collective organizational and management model suggests that workers have a strong voice in the management of the organization; however, principles that seem most related to worker input and voice ("Participatory Management" and "Labour Control") score close to the base line. The scores do not suggest that the co-op fails in its vision of

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worker empowerment; rather, the scores show where improvements can be made to further enhance worker voice and engagement with the co-operative.

Dynamics of Voice Expression and Exit Threshold

Collective management with a consensus decision-making model suggests an organization in which the members of the collective enjoy a high level of expression. This model, as discussed in Chapter 1, provides the ability of worker to participate in the operational decisions of the co-operative. Through the policies enacted by the board of directors, staff also have the ability to comment on policy formation prior to a determination by the board. The results for the scales associated with voice (Table 13) generally score below the respective baselines of the OMI, CVI, and CPI, with the exceptions of "Honesty," "Democracy," "Feedback Systems," "Participatory Management Style," "Social Transformation," and "Democratic Member Control." The largest negative deviations include "Member Economic Participation," "Development of Co-op Members," and "Mutual Respect."

Table 13—Co-op Index Scores Related to Voice Expression

Operational Dimensions (43.7)	Co-operative Values (48.5)
• Communications Systems +0.8	• Self-Help -7.3
• Transparency +2.1	• Self-Responsibility -2.4
• Feedback Systems +4.3	• Openness -1.8
• Development of Co-op Members -7.3	• Honesty +11.3
	• Democracy +7.3
• Mutual Respect -6.0	Co-operative Principles (49.7)
• Trust in Leadership -4.5	• Democratic Member Control +2.9
• Participatory Management Style +4.6	• Member Economic Participation -17.1
	• Autonomy and Independence -4.7
	• Participatory Management -1.6
	• Labour Control +0.1

Note. WFC Co-op Index Report (McNamara, 2016)

"Honesty," "Democratic Member Control," and "Feedback Systems" posted the strongest agreement among staff and the strongest deviation away from the baseline of the indices while "self-help," "member economic participation," and "development of co-op members" marked the most negative deviations from the respective indices. A deeper look into the scales that contributed to these scores can provide more information to that lack of consensus among the workers in the co-operative.

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In terms of honesty (Figure 21), the CIT reveals a high level of trust among the staff and a sense of reliability. Trust within the organization functions as a key factor in cooperation among staff regardless of the type of organization (LaPorta, Lopez-de-Silanes, Shleifer, & Vishny, 1997). The method of management helps to build a trusting workplace and affects the productivity of staff (Gould-Williams, 2003). In a collectively managed co-operative, trust plays a central role in the activating the values and principles. The relatively high scores on the metric of value of honesty confirm the importance of trust. Even on its weakest point, half of the collective either "strongly" or "completely" agree that workers act according to strong ethical values. This provides an ability of the collective structure to create safe spaces for workers to express their voice.
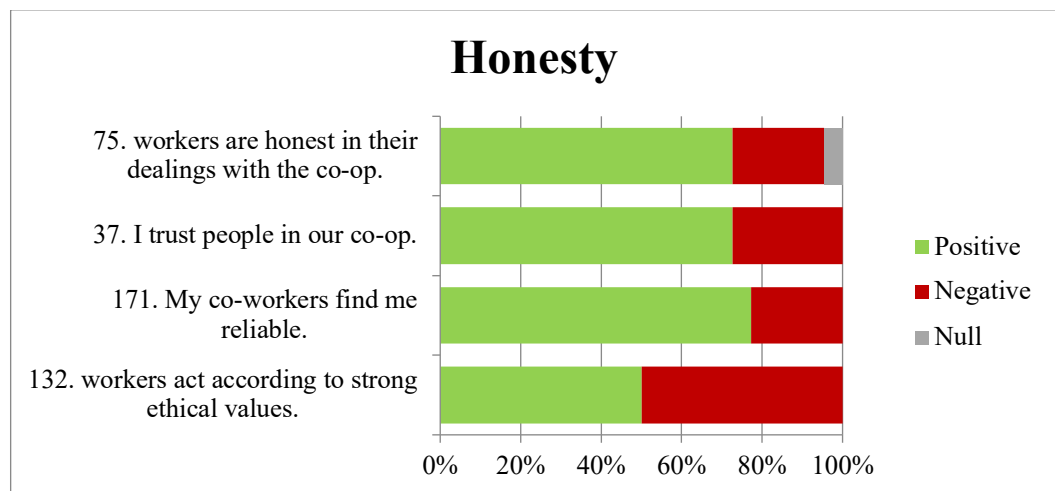
Figure 21. Honesty Scales (McNamara, 2016)

"Democratic Member Control" (Figure 22) as a whole scored slightly above the CPI baseline with an index of greater than 50 per cent (mature) and the highest scoring of those principles representing "voice" in this analysis. Collective members (workers) share a strong sense (over 60 per cent with "strong" or "complete" agreement with

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regards to understanding co-op roles, receiving pertinent information, and having an impact on the strategy of the co-operative. Workers feel less engaged with the ability to participate in the strategic planning of the co-operative and having an influence in the compensation system. The size of the collective (80 people) limits how involved workers can be if participation requires staff meetings. To conduct an all-staff meeting requires significant resources. Staff need to be paid during these meetings, and the store either needs to close or be staffed by Working Members. Finding times conducive to participation can also be challenging. However, workers do have access to information and generally feel an ability to make an impact as needed.
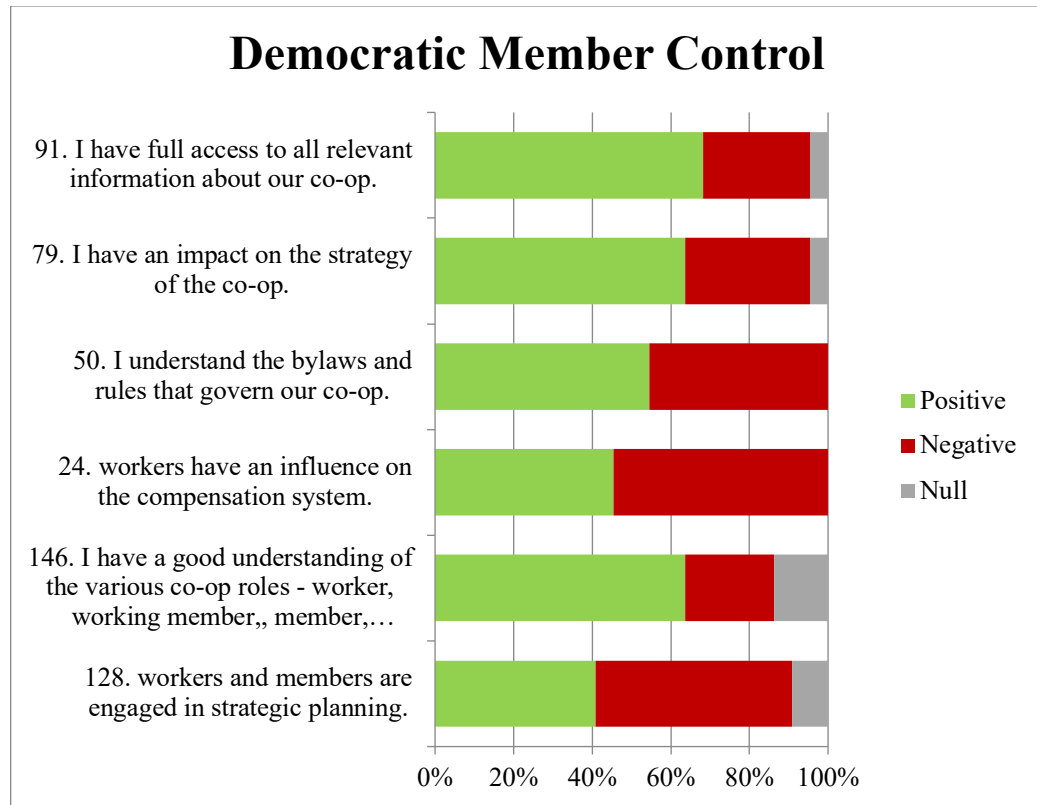
Figure 22. Democratic Member Control Scales (McNamara, 2016)

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Participatory Management (Figure 23) scored highest among those organizational dimensions related to voice; however, the composite score for Participatory Management still fell below 50 per cent placing it in the second-lowest quadrant ("immature"). Table 14 shows the scales for Participatory Management.

Table 14 – Participatory Management Scales

121. I know what actions have to be undertaken in order to secure our co-op's success.

136. I understand the financial statements well enough to recognize their implications for the future of the co-op.

140. Members and workers make suggestions for ways to improve the business on a regular basis.

165. My contribution to discussions is respected.

23. My co-workers consults me about the tasks entrusted to me.

42. I have the opportunity to influence which tasks I will perform.

54. Workers do their best to make the development of the co-op possible.

80. Workers can make many important decisions without consulting first with entire collective.

87. People in our co-op respect each other's opinions.

Note. From Co-operative Index Tool (See Appendix B)

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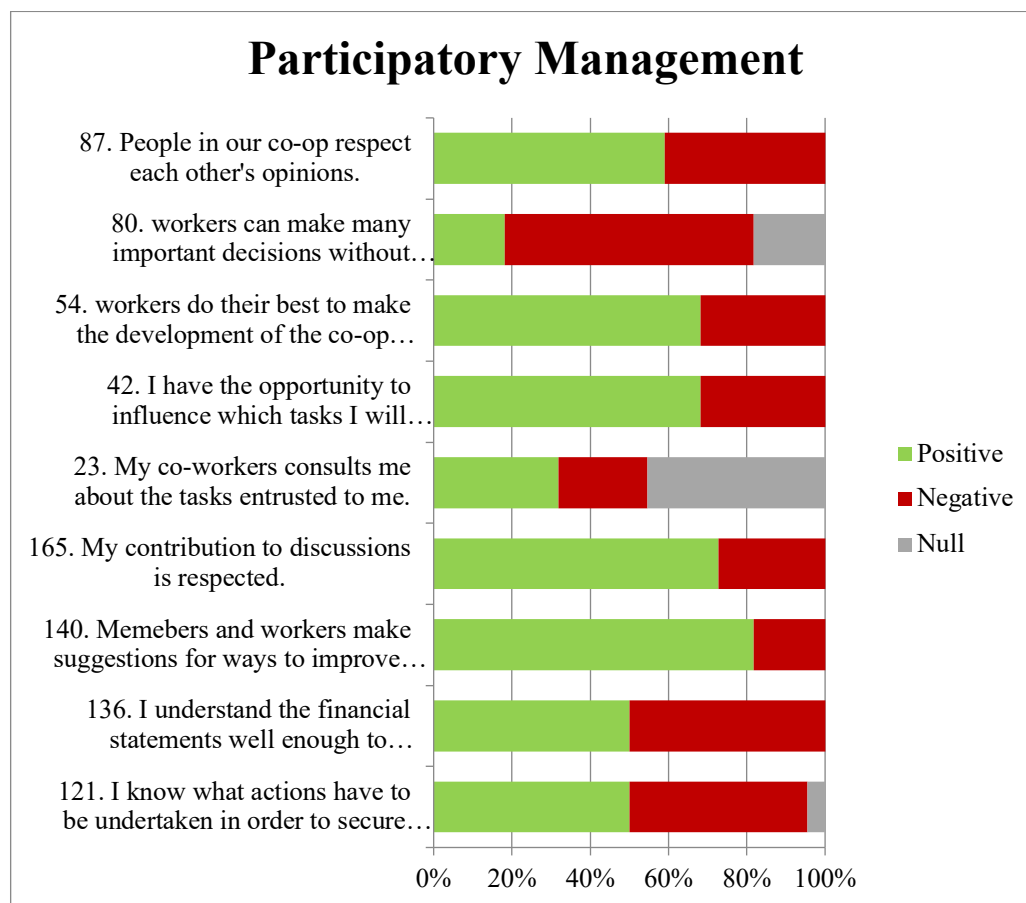
Figure 23. Participatory Management Scales (Source: McNamara, 2016)

The mixed scoring for this dimension helps to influence one of the narrative

themes of the WFC. The process seems a little chaotic but manages to work. Part of the

chaos may be the size of the collective. Mancur Olson (1971) argues in *The Logic of*

Collective Action that collective action requires small groups of people, and as collective

groups grow larger, individual interests trump the collective interests. Recent research

suggests that size matters, based on whether the reward for collective action is private or

public (Esteban & Ray, 2001; Peña & Nöldeke, 2016). A "rule of thumb" in the co-

operative development work regarding collective management suggests that 40 people is

the upper limit for effective collective management (House & Powers, 2002). Other

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studies on collective action suggest that collectives work best at a moderate size (neither too small to properly manage the common resources nor too big to effectively monitor and engage each other) (Agrawal & Goyal, 2001; Rothschild-Whitt, 1979). In the case of WFC, the material prize that participants receive comes in the form of job stability and compensation. Unlike a worker co-operative, the members of the collective staff at WFC do not receive equity disbursements or profit sharing (the co-operative operates as a non-profit under state law). Furthermore, the size of the co-op, especially with regard to the participatory management dimension includes not only the 80 members of the staff collective (already twice the size of the presumed limit), but also 300 working members. Yet, of the voice-related operational dimensions, this dimension scored highest. Members feel respected by peers and encouraged to offer their opinions in a relatively open work place.

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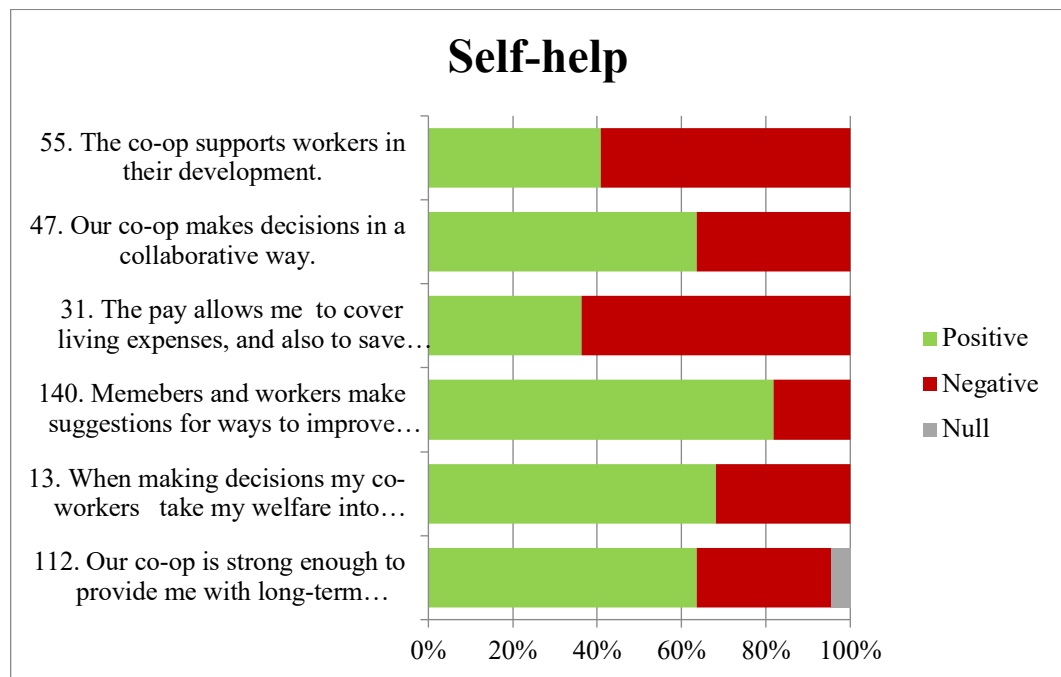
Figure 24. Self-Help Scales (source: McNamara, 2016)

The value of "Self-help" (Figure 24) scored lowest among the voice-related co-operative values. While the index score of this value represents only 41.2 per cent positive answers in the narrow report, most of the scores show very positive responses. The poorest scoring relates to compensation and the ability of the co-op to provide development resources to members of the staff collective. In terms of other "self-help" traits, the collective members demonstrate strong support (over 60 per cent), which belies the low index score. The "Self-help" scale suggests that members of the collective have confidence in their ability to express their voice in the group and expect the support of their co-workers.

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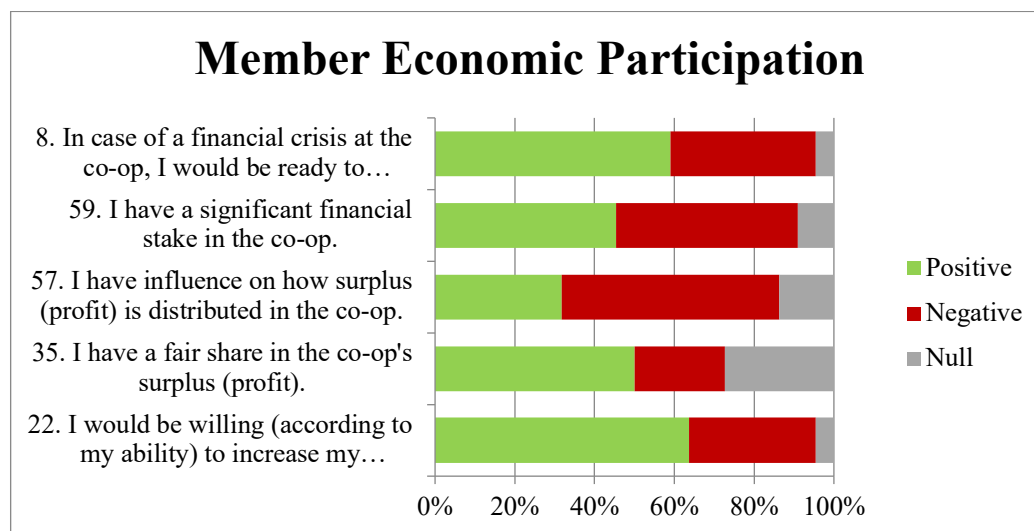
Figure 25. Member Economic Participation Scales (source: McNamara, 2016)

For the co-op principles that relate to the voice expression of collective members, "Member Economic Participation" (Figure 25) scored lowest with the index representing less than one-third agreement by the members of the staff collective. However, the scales related to this principle relate more to ownership of the co-op. In this respect, the scores have varied meaning since the respondents wear two hats as consumer owners and staff collective members. The ability of the staff collective to influence board decisions may be limited especially in matters of co-operative equity. However, as co-op consumer members, the staff members would have some level of influence with directors (as much as any consumer member). This creates a rather confusing section for use of the CIT with a non-worker co-operative.

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Development of Co-op Members
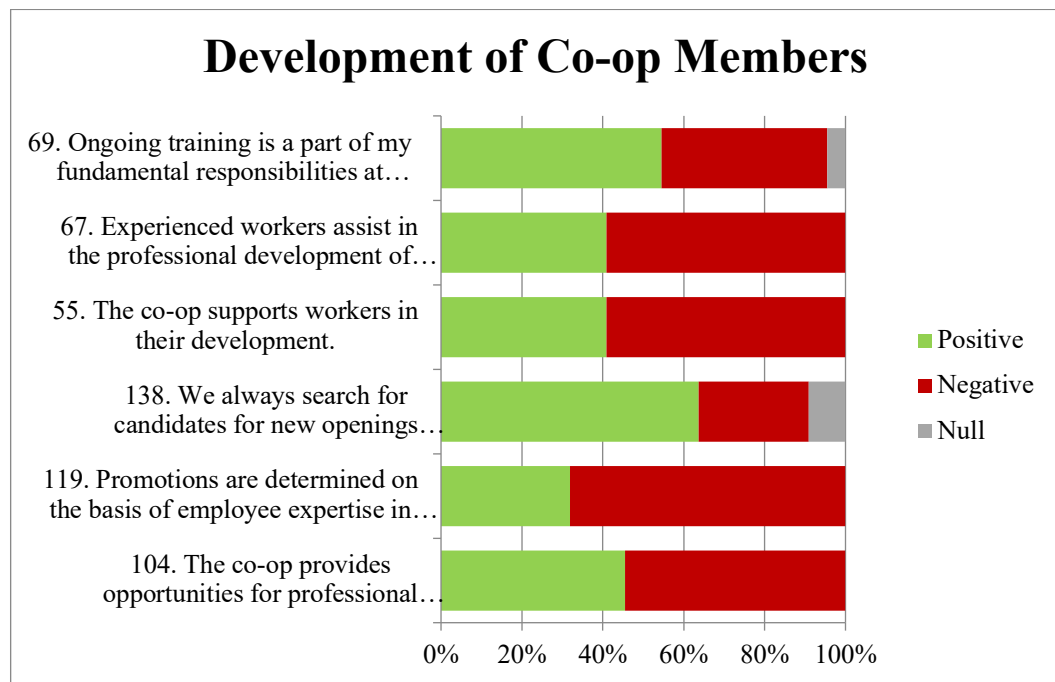
Figure 26. Development of Co-op Members (source: McNamara, 2016)

"Development of Co-op Members" (Figure 26) provided the lowest score set for operational dimensions. The collective nature of the WFC staff does not always have a robust organizational system. This may be a factor of the overall size of the collective and total workforce (including volunteers), and it could also be an aspect of the collective model that does not necessarily engage in professional development since the job specialization of management does not exist on the floor level but engages more through a committee structure. The flattened collective structure may limit workers ability to expand their learning and knowledge about other areas of the co-operative.

Overall, the collective staff, through answers to the Co-op Index survey, described a workplace centered around honesty, democracy, transparency, and feedback. These positive traits suggest a workplace that does provide a level of voice to members of the staff collective. Some of the difficulties may result from the overall size of the collective,

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managing three work-sites, and the large number of Working Members that also participate in the work of the store. The high level of organizational trust provides a foundation for the worker's voice.

As might be expected with low agreement around the scales related to voice expression, the scales related to leaving the organization demonstrate a relatively low threshold for exit (Table 15). Of these, the lowest agreement centers around the value of "Equity," with barely a quarter of the workers strongly agreeing with the measurements for that value. The principle of "Concern for Community" balances equity with strong agreement for the scales related to this principle and over three-fourths of the workers recording top box scores.

The co-op reviewed the results and committed to engaging a staff discussion around these dynamics to explore and unpack the responses in an effort to understand how the staff engage with the co-operative and with each other. However, that discussion did not occur within the process of the Co-op Index Tool and may still be in process of planning.

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Table 15 – Co-op Index Scores Related to Exit Threshold

Operational Dimensions (43.7)	Co-operative Values (48.5)
• Remuneration +3.0	• Equality +10.9
• Development of co-op members -7.3	• Equity -22.6
• Leader competence -1.2	• Solidarity -1.1
• Mutual respect -6.0	Co-operative Principles (49.7)
• Trust in leadership -4.5	• Voluntary, Open Membership -7.3
• Relations with co-workers +6.2	• Education, Information and Training -4.5
• Trust in co-workers +1.5	• Concern for Community +27.6
• Fun -10.2	• Payment Solidarity -1.7

Note. WFC Co-op Index Report (McNamara, 2016)

The value of equality scored highest among co-op values connected with encouraging early exits from the organization. A workplace in which workers do not feel equal may engage in a higher level of turnover (Lee, Gerhart, Weller, & Trveor, 2008). At Western Food Co-op, the dynamics of the workplace also influence some of the reporting, and these dynamics may have had an impact on the overall score. The survey instructed respondents to treat issues of "membership" as membership in the collective as opposed to membership in the consumer co-operative. As a result, the response for Scale #39 (Figure 27) reflects the budgetary realities that there are a number of permanent volunteers and many of them will never be members of the collective.

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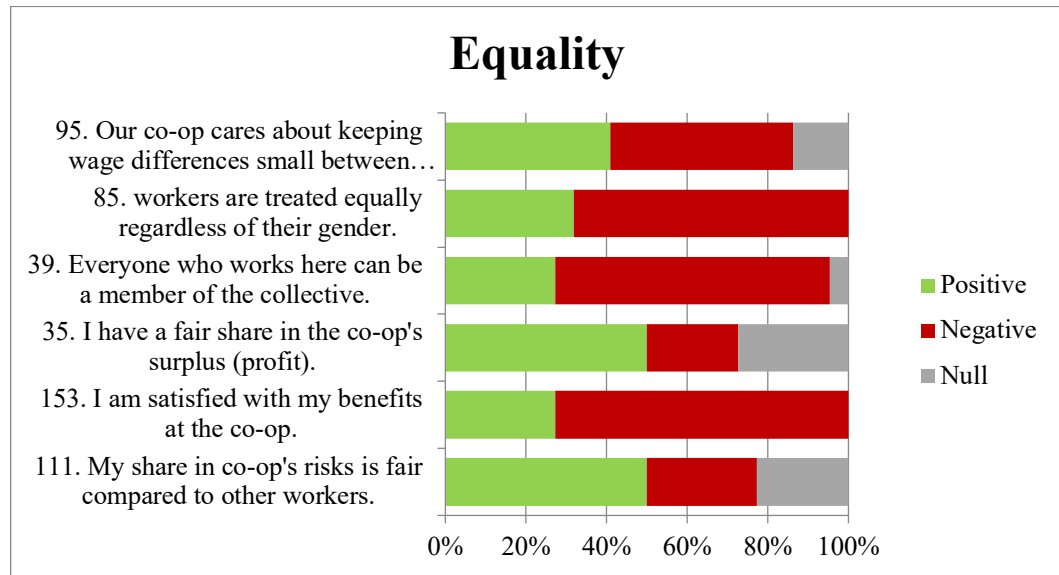
Figure 27. Equality Scales (source: McNamara, 2016)

The co-operative principle of "Concern for Community" (Figure 28) scored quite well at the WFC. Workers believe that the co-op supports its community economically through fair pricing (scale #169) and through support of social actions (Scale #159). More importantly, the workers believe that community views the WFC as a valued asset (Scale #155). The high scores on these outward-facing dimensions may contribute to increasing the exit threshold for some because the connection of a worker's identity to the store offers an intangible benefit through the worker's identity. This identity plays a role in the individual worker sense-making process (Weick, 2001) that can help overcome other dimensions that would increase turnover.

Concern for Community

169. Fair prices for our products are more important than extra profit.

159. We undertake some actions to support our community.

155. Our local community perceives our co-op as a valuable asset.

117. Our co-op is concerned about the well-being of the community where it operates.

113. Economic development of our local community is important in our decision making process.

Legend:
- Positive
- Negative
- Null

0% 20% 40% 60% 80% 100%

Figure 28. Concern for Community Scales (source: McNamara, 2016)

In terms of the organizational systems and climates related to exit, "Relations with Co-workers" (Figure 29) scored more positively than the OMI index or other exit determiners. Although there remains some tension around the perception of voicing a minority viewpoint (scale #118), more than 50 percent of the staff scored the remaining scales positively.

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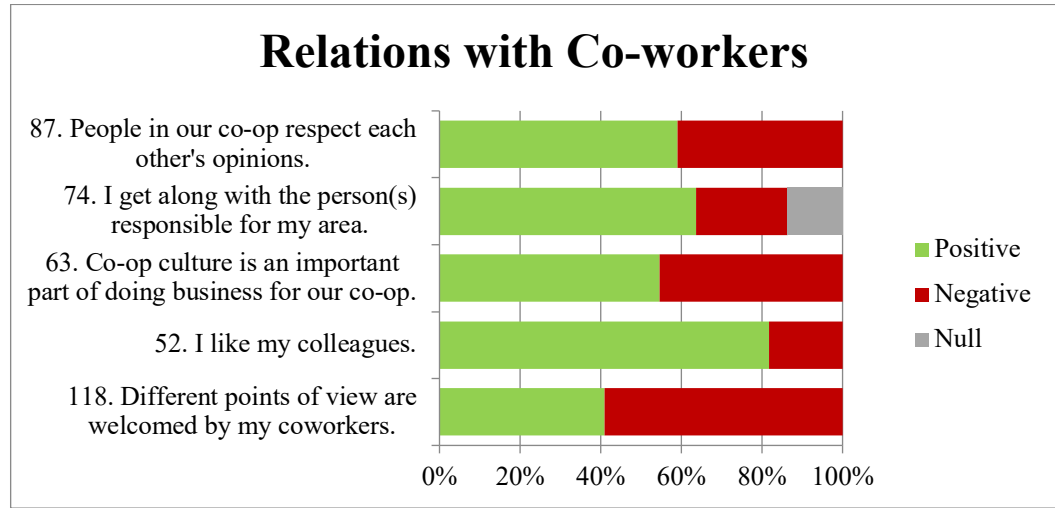
Figure 29. Relations with Co-workers Scales (source: McNamara, 2016)

While overall economic conditions play a role in voluntary turnover (exit), job

dissatisfaction connects specifically to voluntary turnover without first lining up a new

position (Lee et al., 2008). Beliefs in equitable treatment play a prominent role in the

satisfaction of workers, especially in co-operatives that identify with a set of values and

principles. In terms of Equity (Figure 30), the WFC scored lower than the CVI; however,

the economic scales (#76 and #139) provided most of the poor showing in positive

results. The social aspects of equity generally posted a stronger positive response (with

the issue of promotion on merit being an exception).

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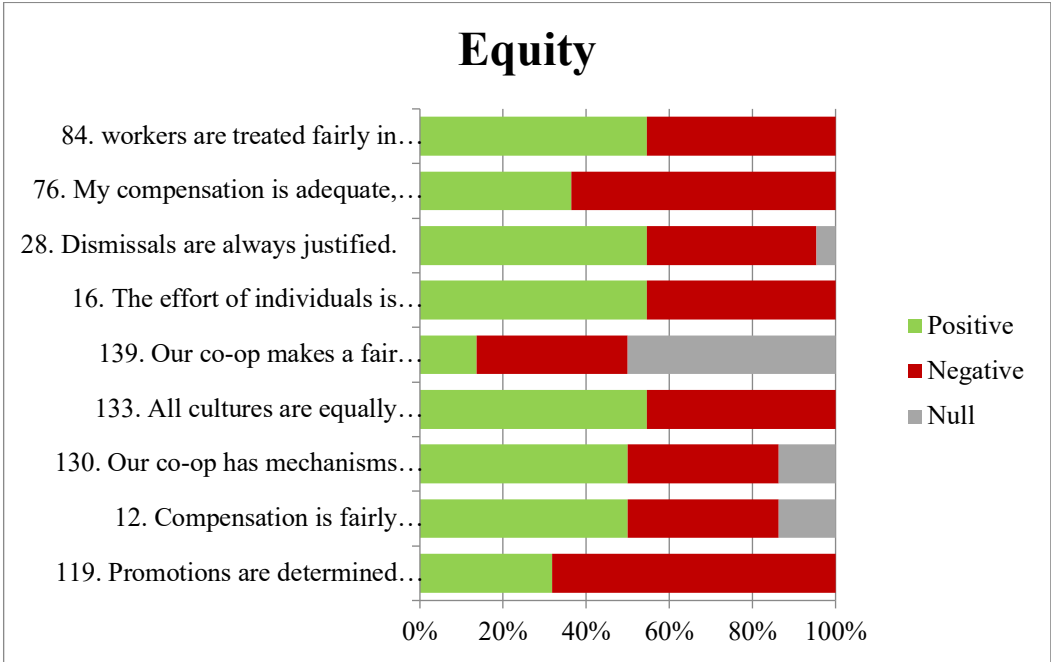
Figure 30. Equity Scales (source: McNamara, 2016)

Voluntary and Open Membership (Figure 31) echoes some of the disagreement within equity. Recruitment that promotes diversity displays a challenge facing WFC. The other issues relate back to the general ability to hire staff and the presence of a volunteer workforce that significantly outnumbers the paid workforce.

Voluntary and Open Membership
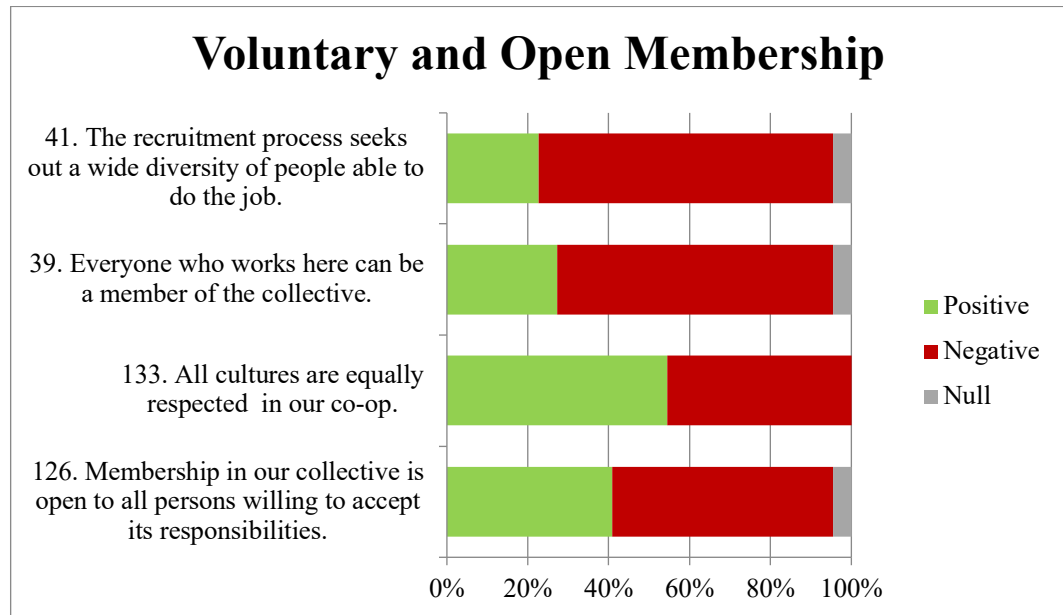
Figure 31. Voluntary and Open Membership Scales (source: McNamara, 2016)

The last aspect to consider involves the nature of the Western Food Co-op as a fun place to work (Figure 31). Of the operational and climate systems connected to exit, fun scored the poorest and, in engaging the scales, the chief culprit seems to be boredom at work, which has been shown to increase absenteeism while also being associated with longevity (Kass, Vodanovich, & Callender, 2001). Thus, the statement measuring boredom (Scale #40) may be an indicator of low turnover more than job dissatisfaction.
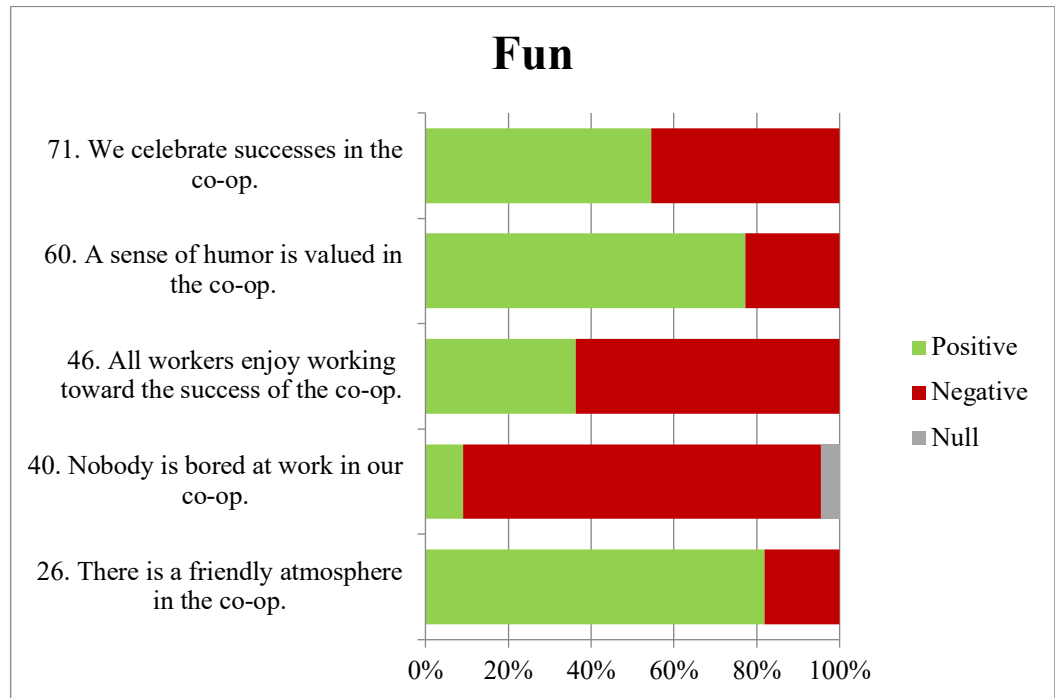
Figure 14. Fun Scales (source: McNamara, 2016)

Loyalty Effects, Attitudes, and Outcomes

Despite scoring lower than the Organizational Maturity Index (Figure 4) through the organizational systems and organizational climate, the WFC staff scored much higher than the index base line on scales related to personal attitudes and organizational outcomes. The collective model, while engaging voice, also seems to create overarching dynamics that reflect in the personal commitment of the staff members. The outcomes may also reflect the decision-making process of the board of directors, separate from the staff. Participatory knowledge, process improvement, and responsibility all score ten percentage points higher than the OMI baseline.

In terms of co-operative values (Figure 17), the responses for "Caring for Others" and "Honesty" scored dramatically higher than the CVI baseline. The co-operative

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principles measures (Figure 20) of "Co-operation among Co-operatives," "Concern for Community," and "Social Transformation" scored at least ten percentage points above the base line for the co-operative principles index. The strong positive response on these values and principles suggest that, despite the relative problems with systems and climate, the staff members have a strong affinity with the Western Food Co-op and its image.

Discussion

The workers of the Western Food Co-op operate through a collectivist structure using consensus decision-making. While they effectively control the operations of the co-operative, the staff does not have the status of worker-owners; rather, staff members who have joined the co-op engage ownership as consumer-owners. All of the staff members, at the time that WFC engaged the Co-op Index Tool, were consumer-owners. This duality of role exposes the artificial distinctions of "governance" and "management" within worker co-operatives in that the workers collectively make operational decisions and then engage the larger consumer group to make governance decisions reserved for the membership and the board of directors. Staff members effectively "switch hats" depending on which meeting that they are attending. The terminology becomes more confusing with the phrase "Working Members" used to identify consumer member volunteers at the co-op as opposed to collective members. The consumer members elect the board of directors of the co-op. Directors, all consumer members, become Working Members, but not "employees" upon their election. The board, in turn, liaisons with the staff collective, but also retains formal power in the co-operative. The bylaws of the co-operative provide the board with overarching power to approve policies, job descriptions,

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and other means to direct the flow of work in the co-op. The board would not be able to unilaterally abandon the staff collective without a change to the bylaws of the co-operative, which requires a membership vote. However, the board could undermine the ability of the staff collective to function as a collective by assigning specific authority and power to individuals or assign specific job duties to an individual worker or job description.

The staff collective retains a powerful voice in operations and its influence provides significant social power to the workers. The WFC model creates a form of Gramsci's passive revolution: workers obtain the ability to manage the means of production without formal ownership or control (Ellerman, 2007; Morton, 2007). Passive revolutions, as Gramsci envisioned, take place without the upheaval and violence. The term suggests an evolutionary or long-term strategy that does not directly challenge the dominant capitalists. The ownership of WFC rests with the dominant class of consumers. While the membership groups include low-income people, the membership of consumer co-operatives largely represent relatively affluent members of the community. In this sense, the ownership and control of the co-operative remains in the hands, however well intentioned, of the users of the co-operative (the consumers) and not the providers of labour. Labour's voice is powerful in the relationship because it maintains the ability to affect the steering decisions of the owners. This creates another form, then, of Gramsci's passive revolution: hegemony can ensure conformity within the consensus environment (Cox, 1983) due to the latency of coercive power.

The board, using consensus, only exerts its formal power over the workers in extreme situations. The product boycott in 2009 created one such event. Technically

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speaking, that decision of sourcing product does not constitute the classical description of labour power (Braverman, 1974). However, Marxist discussions of labour generally refer to industry, not retail. Workers in a retail environment do not produce in the same manner as in a factory. The sourcing of a product, which Marx would refer to as "dead labour" (Harman, 2009), may be an important decision for workers. This can be an act of labour solidarity. In a worker co-operative, deciding which products to sell would clearly be the workers' decision.[18] In a consumer co-op, however, product selection generally becomes a benefit of consumer-ownership (although most food co-ops have limited space and the decision of what to sell follows normal market demand protocols). One of the key points of tension in a retail setting remains the point in which the consumer owners want something that the staff collective does not want to provide. The workers utilize their managerial power and the more successful strategy to do so attempts to exert hegemonic control over the board, creating consensus between the undertakings of the collective with the board of directors (representatives of the consumer-owners of the co-operative).

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[18] Rainbow Grocery Co-operative, a worker-owned natural foods grocery, has maintained its decision to only sell non-meat products (with the exception of cheese) since its inception. In this case, the workers decided what to boycott regardless of the reasons for the boycott (specific to labour solidarity or connected to other social justice issues). The decision of the workers to boycott (or not) results from their ownership. While consumers ultimately feel the effect of the boycott based on consumer access to goods, workers also experience the boycott through their social attachment to the organization as part of their individual identity.

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The collective management model used by the staff of WFC also uses consensus decision-making. In this model all members of the organizations, formally, have an equal voice in the decisions of the collective. The results of the CIT suggest a limited ability through collective management to engage the ideals of the co-operative business model in the praxis of management. The low agreement (under 50 per cent) on the values and principles indices along with low scoring throughout the measures on organizational systems and organizational climate suggest a co-operative that may be well versed in the public-facing image of co-operation but has not internalized that identity into operations. The scores for WFC in the CIT survey suggest another aspect of hegemony, where the workers may be mistaking the control of operational decision-making with control of the labour process. The separation of conception and execution still occurs; the labour process ultimately serves the expressed needs of the consumer-owners of the co-operative, and those consumer owners exercise their right of ownership in the conception of how the co-operative operates (Braverman, 1974).

While the co-op's collective staff maintain a strong voice in operations, the collective itself does not create space for strong voices of individual members. The 80-member staff collective has difficulty meeting and must often divide meetings into separate parts to accommodate the co-op's operational hours and staffing. The size of the collective membership limits the ability of individual members to use their voice as not all members can attend any given meeting. The size of the meetings also creates barriers to utilizing voice because the staff may not have the ability to provide enough time for everyone to speak to an issue, participate in the debate, or be present to hear all other voices. This can create stifling dynamics and allow individual members to engage in

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behaviour that dominates the discussion and undermines the collective process (Vannucci & Singer, 2010).

Limitations in the study. A major limitation of this case study arises from the dynamics of the collective process at WFC. The staff collective moves slowly in terms of meeting and making decisions. The final process of the CIT, i.e., interviews around the key issues identified by the committee, never occurred due to budgetary restrictions and competing issues within the co-op from other committees and agenda items. This shortfall in the CIT process prevents a more complete narrative around the co-operative identity.

A second limitation results from the unique model of collective management with consumer ownership. The interplay between staff and consumers has a different dynamic. There are a number of other collectively managed grocery retail co-operatives. Most of these, like WFC and Eastern Food Co-op, have a consumer ownership with a staff collective. Rainbow Grocery Co-operative is a 250-member collectively managed grocery in San Francisco. The membership of the co-op consists only of the collective workers. A larger study of the Co-op Index focused solely on the collective model would help place the WFC results in context and provide a greater understanding of how collective management engages the co-operative identity.

Conclusion

The Co-operative Index Tool application within a collective governance model suggests a limited ability to engage the co-operative identity. The collective model, while providing space for the expression of voice of the staff collective members, may not provide enough structure for members to engage in the decision-making process. The co-
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op members, through the CIT, scored low agreement with the scales related to organizational systems and organizational climate. In terms of co-operative values, the values of "equity" and "openness" scored below the CVI of 48.5 percent, itself a relatively low score indicating an immature organization in terms of expressing the co-operative values. The expression of the co-operative principles also scored low taken together with a CPI of just under 50 per cent at 49.69 per cent.

The co-op, however, makes it all work. In the end, the co-op, through its staff collective and consumer members (the board of directors and the working members) manages to muddle through, creating strong outcomes for themselves and the community while also bolstering personal attitudes and outcomes as scored within the CIT. The size of the staff collective seems a bit large to operate without some formal hierarchy (especially with three work locations and a seven-day, multiple shift work format); however, the co-op largely succeeds and the committee process, while slow, generally meets the consumer member needs along with those of the staff collective.

The experience of the Western Food Co-operative, as detailed through its documents and the CIT, exemplifies one of the fundamental difficulties in trying to measure worker-controlled spaces. The CIT operates on comparing worker-controlled workplaces to an overall ideal. The index presumes a conformity among worker-controlled spaces, but this runs counter to the very idea of individual humans controlling their space. Each space will be unique and different, itself an expression of the culture of the individual workers and the community that they and the store operate within. As mentioned in the earlier part of this chapter, a similar consumer co-operative with a staff collective scored much higher on the CIT. Eastern Food Co-operative exists in a different

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space through the ethnic and cultural make-up of its consumer-owners, staff members, and the overall community in which it operates. The effect of the environment of operations sits outside of this research study but plays a role in the overall engagement of the governance and decision-making models.

The WFC muddles through and meets its mission. From the results of the co-op index, its staff collective sees significant areas that could be improved, but also show a strong sense of loyalty to the co-operative. This dynamic complements Barry's (1974) arguments regarding the role of loyalty as an elusive force within organizations. Loyalty can promote exit as organizations fail to live up to their own standards, and individuals see no other way to effect change or engage their voice. Loyalty can also lead people to remain and further engage their voice. Loyalty may also lead people to remain and self-censor their voice going along with the majority while silently disapproving.

As indicated by the experiences at WFC, collective management engages workers in the decision-making of the organization but also creates barriers to engaging the co-operative identity. These barriers exist in that the co-op identity may be seen to operate at a meta-level, but do not entirely engage the operations of the worker collective. Collective management provides voice to workers and creates higher barriers to exiting. It can also engage loyalty in a number of methods. Collective work, in this example, creates an environment in which workers have the power to control their work, but the process of doing so remains complicated and opaque.

Chapter 5: Western Food Co-op

Chapter 6 – Case Study: Bakery Co-op and Sociocratic Management

This chapter examines the efficacy of sociocracy in incorporating the principles of worker cooperation to create a workplace characterized by human dignity, voice, and loyalty. Sociocracy operates as a system of governance based on consent, as opposed to consensus or majority rule, through a double-linked accountability system. Sociocracy creates a hierarchy of work rather than a hierarchy of power. The board of directors in a traditional hierarchy, which many co-operative boards adopt, has the authority to command and control the management. Management, in turn, has the power to command and control subordinate employees (Baarda, 2002a; Duffy & Wadsworth, 2001; Gevurtz, 2004). In the sociocratic model, the "top circle" or "mission circle" does not necessarily have the power to command and control other circles. The circles of a sociocratic hierarchy have specific "aims" related to the overall aim of the organization. The focus of each circle depends on its area of work. The top circle coordinates strategic planning and external stakeholder relations, and the management circle coordinates the efforts of departmental circles. The model replaces "power over" with "power with" (J. Rau, 2017).

The worker co-operative, "Bakery Co-op," completed the Co-op Index as part of a larger strategic planning effort in 2015. The tool was facilitated by the author as part of his employment as a co-operative development specialist for the Northwest Cooperative Development Center. The Bakery Co-op scored very high on all four major indices of the CIT (organizational maturity, trust, co-op values, and co-op principles), which provides a meta-analysis of the organization. While important, though, the indices only tell a part of the story. The narrative of this co-op, its managerial engagement with the co-operative identity, and the connection of the co-op identity to the praxis of the organization requires looking into those elements and scales that speak to voice, adjust the threshold of exit,

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and build loyalty. Finally, to complete the narrative, outliers from the baseline along with demographic splits provide a complete analysis available through the Co-op Index Report.

Overall, the high index scores of Bakery Co-op suggest that the management methods provide some ability to engage the co-op values and principles along with the ability to create organizational maturity especially in a relatively young co-operative. Comparisons to the other co-operatives in this study will be reserved for chapter 7; however, the experience of Bakery Co-op provides support for sociocracy as a governance model aligned with co-op values and principles and the needs of worker-owners.

About the Co-operative

The Bakery Co-op operates in a port community in the Pacific Northwest (a region roughly defined as the states of Washington, Oregon, and Idaho, and the Canadian province of British Columbia). The city has a storied co-operative history, having been the home of a Finnish immigrant fishing co-operative in the 1890s. The fishermen's co-operative thrived and competed until the collapse of the fishing industry in the early 1950s. The Pacific Northwest also has a history of Utopian communities that were concentrated on the Olympic Peninsula. This co-operative ethos has deep roots in the culture of the shoreline communities throughout the region (Lewarne, 2015).

The Bakery Co-op, a worker co-operative, organized as a collective of five people in 2005 to replace a popular local bakery that was leaving the market. As the organization grew in staff and opened a retail/service location, the founders of the collectively managed bakery began to discuss changing the model of ownership to include ownership for all workers at the collective. In 2011, working with the Northwest Cooperative

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Development Center, the group of collective members and employees formed a new co-operative that purchased the business from the collective. The bakery offers fresh baked-bread with organic ingredients, pastries, breakfast and lunch menus, and chocolate. The bakery focuses on organic and fair-trade products and chose to mill their own grain for organic flour.

"Joyful work, delicious food, and strong community" provide the mission of Bakery Co-op. Unlike most co-operatives, which only allow members of the co-operative to serve as directors, the Bakery Co-op provides seats on the board of directors to people in the bakery's community who either have a social stake in the organization (people in the food industry, members of the community) or those who can bring professional guidance to the organization and are willing to volunteer time (legal and professional services).[19] The external directors constitute a minority of the board of directors, and the filling of these positions requires the consent of the board of directors.

Organizational structure. Bakery Co-op operates through the Sociocratic Circle Method. All decisions require consent of the members of the appropriate group (Buck & Villines, 2007; Christian, 2014). The groups (or circles) connect to each other through a double-linked hierarchy with the ownership circle acting as the top circle (see Figure 1). This means that employees, as members of a circle, have the same decision-making

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[19] Diane Gasaway, Executive Director of the Northwest Cooperative Development Center serves on the board as a co-operative community member. In further disclosure, Joe Garrison now works for NWCDC with the author on projects involved in training on sociocracy.

Chapter 6: Bakery Co-op

power as members of the co-operative. The membership of a circle depends upon the

work or stakeholder status of the individual, and different circles have distinct roles

within the organization.

The board of the co-operative consists of five workers and three-to-four members

of the community. The owners' circle chooses four of the worker directors, and the fifth

is chosen by the general circle as a staff representative. The general manager and

financial manager (chosen by the board) also serve on the board of directors. The GM

and FM are members of the General Circle. The General Circle (the equivalent of a

"Management Team") oversees the operations of the co-operative and appoints a lead for

each of the six operational circles (Barista, Bread, Café & Prep, Chocolate, Pastry, and

Maintenance). Each operational circle elects a representative to the General Circle to

complete the double linkage.

The circles have the following division of responsibilities (Anonymous, 2015):

> Our Owner Circle membership is comprised of approved worker-owners,
> some who have been with the cooperative for over 10 years. The Owner
> Circle is responsible for reviewing new ownership applications,
> authorizing new classes of membership, providing input on the operating
> budget, overseeing the expulsion or resignation of members, changing the
> number necessary for quorum at membership meetings, amending the
> bylaws, and sending members to the Board to be elected into positions.

> Our Board membership is comprised of at least one elected representative
> from the General Circle, at least three representatives from the Owner
> Circle, at least one industry expert from an external organization, and at

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least one General Manager who is elected by the Board from candidates put forth by the Owner Circle. The Board is responsible for managing the long-term well-being of the cooperative, including sustaining our values, electing the Board roles of President, Financial Officer, Secretary, and General Manager.

Our General Circle membership is comprised of the elected General Manager, elected Lead from each Department Circle, and at least one elected Representative from each Department Circle; the General Circle also elects a non-owner Representative who represents the General Circle at Board meetings. The General Circle is responsible for managing the day-to-day operations of the cooperative, including developing and approving policy, delegating some authority to the Department Circles to function semi-autonomously to achieve circle and co-op objectives, assigning tasks to members to execute policy, and deciding to consolidate, create, or dissolve Department Circles, within the limits set by the Board.

Our Department Circles are comprised of operational workers in their respective departments: Barista, Bread, Cafe, Chocolate, Maintenance, and Pastry. Each Department Circle has feedback links to the management General Circle through an operational Lead (who is elected at the General Circle) and an operational circle Representative (who is elected by their Department Circle). The Department Circles are each responsible for developing and approving policy, assigning tasks to members to execute

policy, and deciding to consolidate, create, or dissolve Section Circles, within limits set by the General Circle

At this time, Bakery Co-op does not functionally utilize Section Circles; however, a Department Circle may choose to create a Section Circle comprised of a Lead and its own members.

All decision-making is done through consent. As discussed in Chapter 1, consent differs from consensus in that the goal of the process does not seek that people agree with the decision. Consent asks participants to consider if the proposal is "good enough for now" (Christian, 2014). As a result, most decisions have a review date attached (sometimes referred to as a "sunset clause") at which time the circle reconsiders the proposal.

Chapter 6: Bakery Co-op
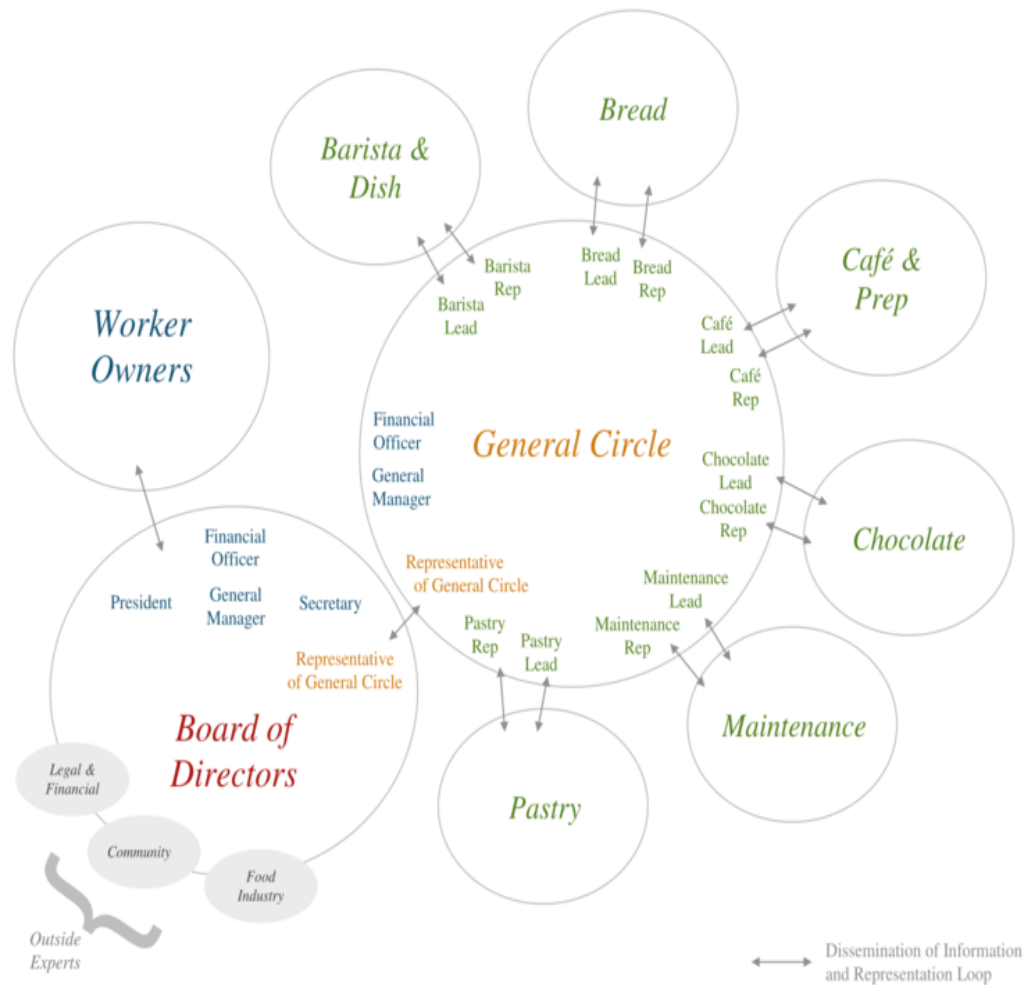
Figure 32. Organizational Structure of Bakery Coop (source: Bakery Co-op Website)

Co-op Index Report

The members and staff of Bakery Co-op undertook the CIT during 2015. A narrow analysis was conducted using the top-box scores of "strongly agree" and "completely agree" to define a positive answer. Twenty-six of twenty-eight[20] workers

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[20] In analysis of the data, many of the charts display results that suggest a multiple of four. This may be caused by a number of questions in which six of the respondents did not answer. The software uses Microsoft Excel macros and other coding (built in 2007

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responded to the survey (McNamara, 2015a). By way of comparison, the following table

also includes the broad analysis (including "somewhat agree" into the positive scores):

Table 16 – Co-op Index Scores for Bakery Co-op

Index	Broad Analysis	Narrow Analysis
Organizational Maturity Index (OMI)	84.95%	73.12 %
Organizational Trust Index (OTI)	95.45%	95.45%
Co-operative Values Index	90.05%	78.20%
Co-operative Principles Index	90.55%	80.10%

Note. Co-op Index Report for Bakery Co-op (McNamara, 2015a).

Despite being a relatively young co-operative, the narrow results returned a strong

positive result with an overall index of score of 73.12% (see Figure 33) and a very high

trust index (Figure 34). The index scores suggest a well-functioning co-operative as an

organization aligned with worker co-operative ideals and a high level of trust among the

membership and staff.
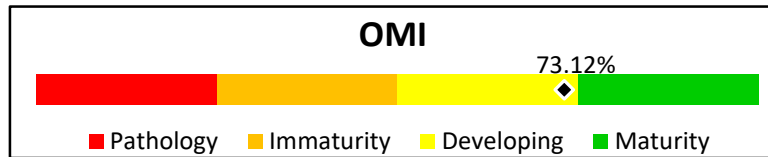
Figure 33. Maturity Index for Bakery Co-op (McNamara, 2015)

version of Excel for windows). This may be why not all null responses are shown,

however, the key aspect of the CIT is the percentage of positive responses.

Chapter 6: Bakery Co-op
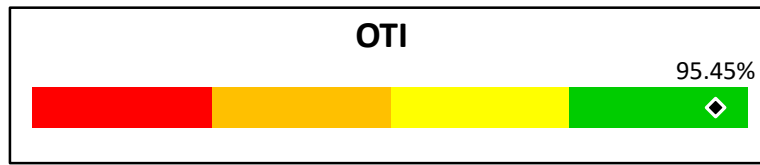
Figure 34. Organizational Trust Index (source: McNamara, 2015)
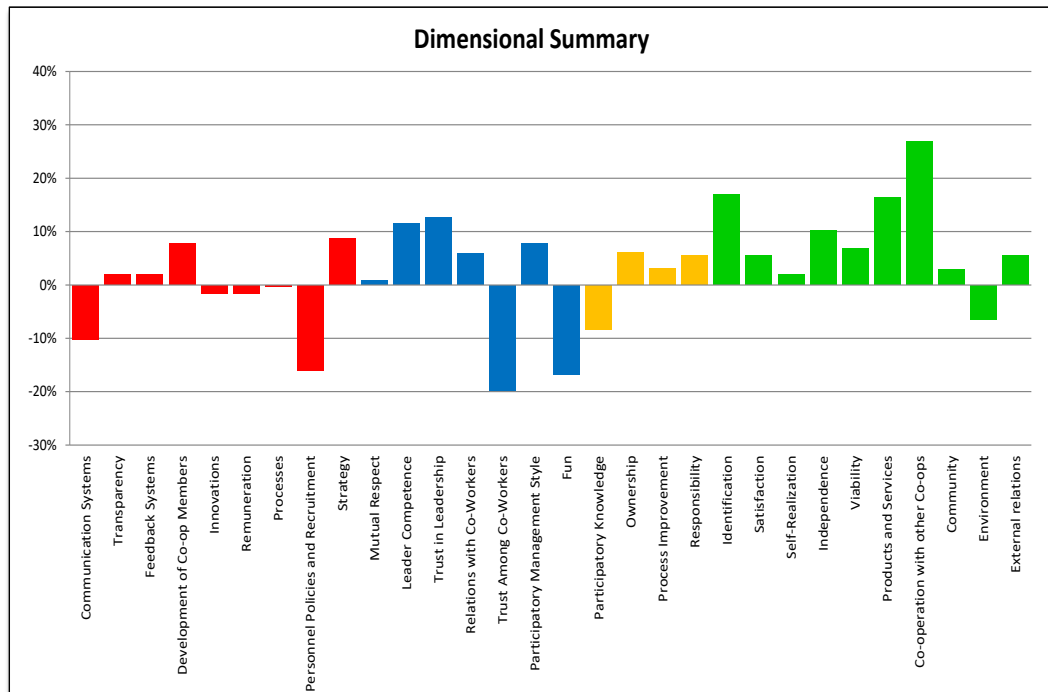
Figure 35. Organizational Dimensions and OMI baseline (source: McNamara, 2015)

Co-operative values index. Bakery Co-op scored well into the "mature" range for engagement of co-operative values as shown in the Co-op Values Index (CIV) (Figure 36). This high score for a young co-operative suggests a level of intention in establishing the co-op that even older co-ops do not always seem to manage. Of the case studies of co-operatives in this comparative study, only Bakery Co-op was established after the adoption of the co-operative identity (ICA, 1995).

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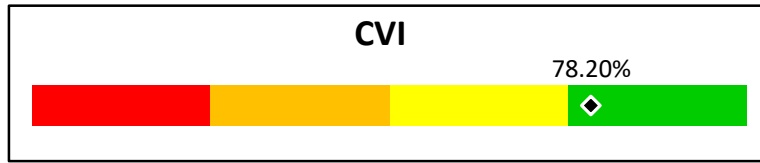
Figure 36. Co-operative Values Index (McNamara, 2015)

There is minimal variance among the various scores for co-op values from the

CVI (Figure 37) given the high score of the index. Values that scored more than ten

percentage points away from the base line include "democracy, solidarity, and honesty."

The score for "honesty" deviated almost 14 percentage points under the CVI yet still

represented a top-box score in the 65% range indicating a fairly high agreement on the

responses
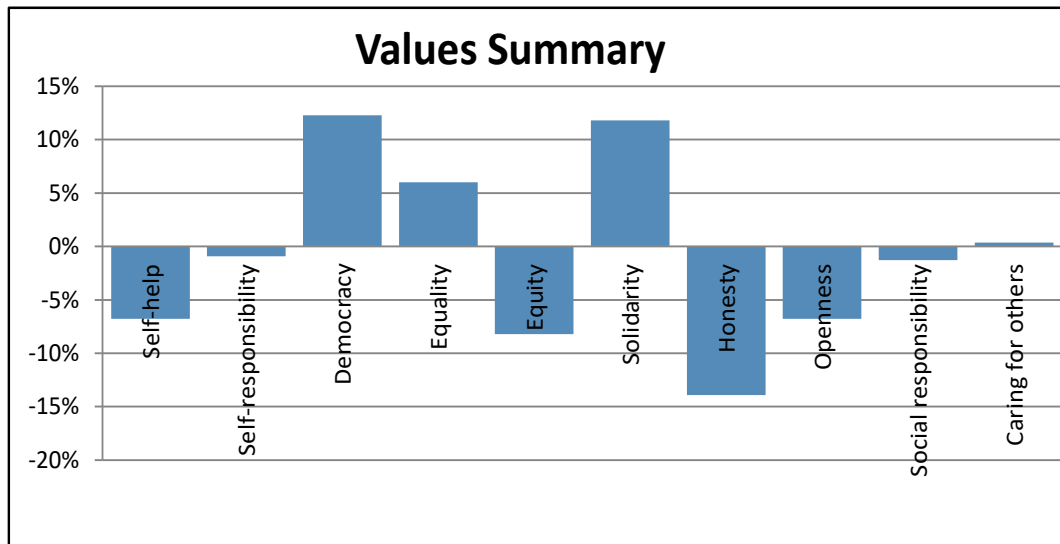
Figure 37. Co-operative Values Scores (McNamara, 2015)

Co-operative principles index. As with the CVI, the Co-operative Principles

Index (CPI) also scored in the maturity range with an index score of 80.1 per cent (Figure

38). This suggests a strong engagement with the principles of the co-op identity and those

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specific to worker co-operatives. "Concern for the Environment" and "Voluntary and Open Membership" report as the only two with a negative variance of more than ten percentage points (Figure 39), and even then, show a score of greater than two-thirds agreement with the related scales. The principle of "Co-operation Among Co-operatives" reports no negative scores at all.

CPI

80.10%
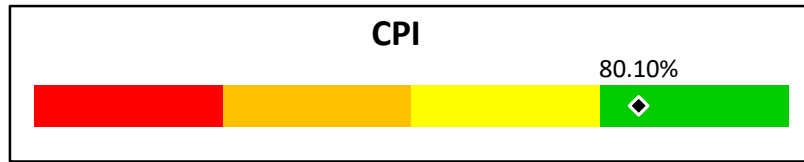
Figure 38. Co-operative Principles Index (McNamara, 2015)

Principles Summary
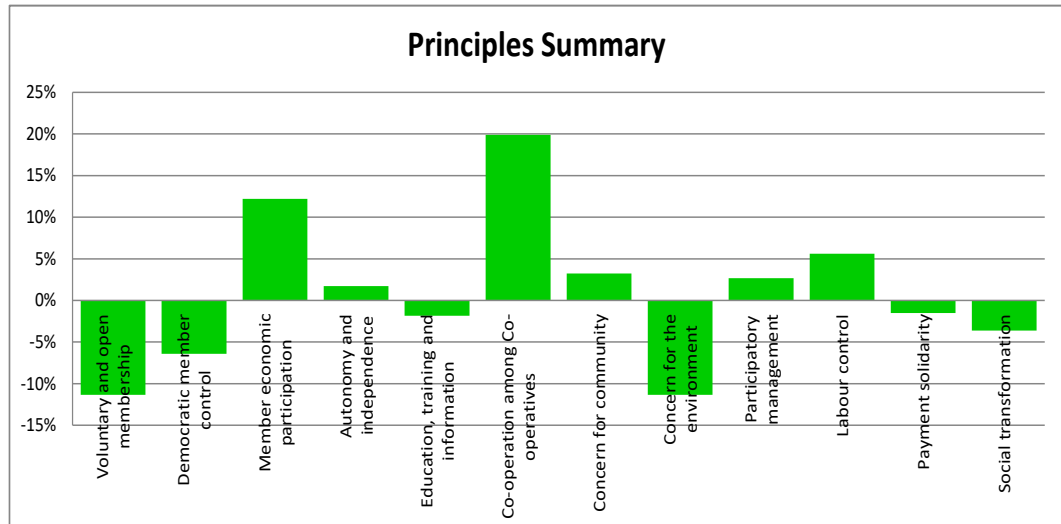
Figure 39. Co-operative Principles Summary (McNamara, 2015)

Dynamics of Voice and Thresholds of Exit

Hirschman's (1970) model argues that people in organizations may exit an organization or express their voice within an organization. Loyalty plays a role but can be a more nebulous engagement without predictive value (Barry, 1974). Worker-controlled

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workplaces should be able to develop strong internal loyalty through providing voice, and the co-op principles tend to align around the voice of the member. "Voice expression" may be defined by the values, principles, systems, and climate that promote the ability and encourage the use of a member's "voice" in participation with the management of the organization. Voice expression values include "self-help," "self-responsibility," "openness," "honesty," and "democracy." The voice-related principles include "democratic member control," "member economic participation," "autonomy and independence," "participatory management," "social transformation," and "labour control." Organizational systems and climate dimensions related to voice expression include "communications systems," "transparency," "feedback systems," "development of co-op members," "mutual respect," "trust among leadership," and "participatory management style." The dimensions of personal attitude and outcomes should have a relationship to the expression of the values, principles, systems, and climate.

As with the other case studies, the concept of "Exit threshold" may be defined as the level of barriers to exit created by the engagement of the values and principles of co-operative management and this includes the systems and climate of the organization. In simpler terms, what aspects of an organization's culture keep it alluring to the people who work there. The aspects of a workplace that keep workers engaged (R. B. Freeman & Rogers, 2006) may be transactional (higher pay and benefits for the industry or competing employers within the worker's skill set) or relational (humane conditions, ability to participate in decisions, meaningful work).

Exit threshold values include "equality," "equity," and "solidarity" with a proportional relationship between the "exit threshold" and the membership's sense of engagement with these related values. The exit threshold involves the principle of

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"voluntary and open membership," "education, information, and training," "concern for community," and "payment solidarity." The systems and climate scales that engage the exit threshold include "remuneration," "development of co-op members," "leader competence," "mutual respect," "trust in leadership," "relations with co-workers," and "trust in co-workers" and "fun."

Some overlap exists between the effects on exit threshold and voice expression, which is consistent with Hirschman. The effects on loyalty to the organization can be seen in the relative strength of voice expression and exit threshold. The effects of voice expression and exit threshold should reflect in the dimension of personal attitudes and actions and organizational outcomes. An organization built around strong voice expression with a high threshold for choosing to exit should also have strong organization outcomes and personal attitude aligned with the organization.

Voice Expression. Overall, the sociocratic model engaged by the Bakery Co-op provides its members and non-member staff with an ability to engage their voice in the organization. This ability leads to the expression of co-operative values and principles as the worker embrace the co-op identity through the operations of the organization. Voice and the co-op identity create a workplace that incorporates the concept of human dignity into its everyday routine.

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Table 17 – Bakery Co-op Scores Related to Voice Expression

Operational Dimensions (73.12)	Co-operative Values (78.20)
• Communications Systems -10.1	• Self-Help -6.8
• Transparency +0.20	• Self-Responsibility -0.9
• Feedback Systems +0.3	• Openness -6.8
• Development of Co-op Members +7.8	• Honesty +13.9
• Mutual Respect +1.1	• Democracy +12.3
• Trust in Leadership +12.6	Co-operative Principles (80.10)
• Participatory Management Style +7.8	• Democratic Member Control -6.4
	• Member Economic Participation +12.2
	• Autonomy and Independence +1.7
	• Participatory Management +2.6
	• Labour Control +5.6

Note. Co-op Index Report for Bakery Co-op (McNamara, 2015)

The members of the Bakery Co-op expressed their engagement of voice within the co-operative through the answers to the survey scales. By acknowledging their level of agreement with the statements, a narrative around voice can be established and analyzed. These expressions, categorized through organizational systems and climate and the values and principles of co-operatives, assist researchers to understand how members use their voice and, to be discussed later in this chapter, the effect of voice on loyalty, personal attitudes, and organizational outcomes.

Given that all those people in leadership positions (board members, group leaders, staff representatives) have the position as the result of being consented to by peers, it

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should come as no surprise that leadership in a sociocratic governance model would have such high positive numbers in terms of competence and trust (Figure 40). Perhaps the only area of concern expressed involves the soft skills of personal interaction although there is also some hesitance around competency for specific positions.
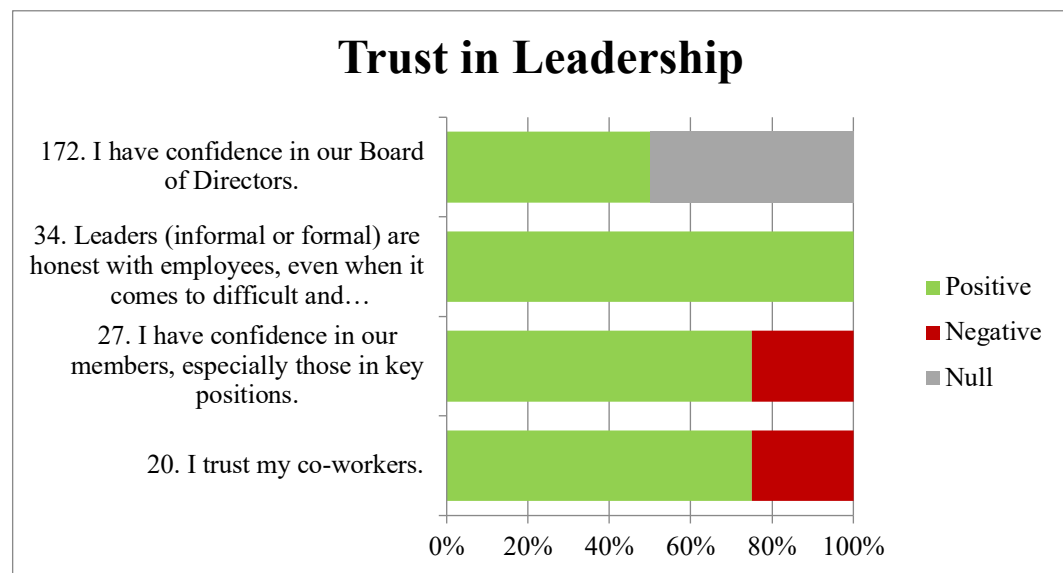
Figure 40. Trust in Leadership Scale (McNamara, 2015)

The value of Honesty (Figure 41) twins with Openness, and they tend to reflect off each other as a means of distinguishing co-operatives in the marketplace. Even today co-operatives continually receive high marks on consumer opinions about honesty and trustworthy businesses (Duffey, 2003; MacPherson, 1996). At Bakery Co-op "honesty" reports as the weakest expressed value, although the "My co-workers find me reliable" (scale #137) seems to expect a fair amount of self-realization and honesty enables the worker to respond in the negative. Nevertheless, a high level of trust exists in the co-operative as espoused through scale: "I trust people in my co-op" (scale #37), the OTI, and dimensions within the OMI. All scales achieved a minimum of 50 per cent strong

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agreement or a majority of those responding to the scales. Reliability and honesty metrics

(scales #75 and #171) reported a two-thirds strong agreement (there were "null

responses" for these scales that appear in the chart generated by the CIT). The most

negative metric, "Members and employees act according to strong ethical values" (scale

#132), received the highest count of disagreement at 50 per cent.
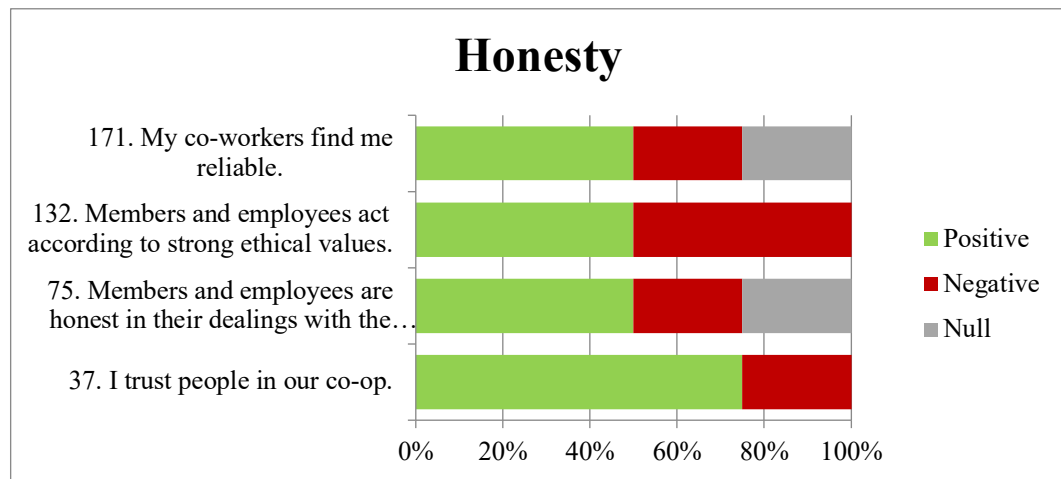
Figure 41. Honesty Scale (source, McNamara, 2016)

Member Economic Participation (Figure 42) provides an understanding of how

the workers of the Bakery Co-op express their voice through the financial engagement of

the co-operative. A majority of workers would be willing to increase their financial

commitment to the co-operative and even accept a temporary cut in pay. This economic

voice demonstrates commitment and loyalty to the co-operative.

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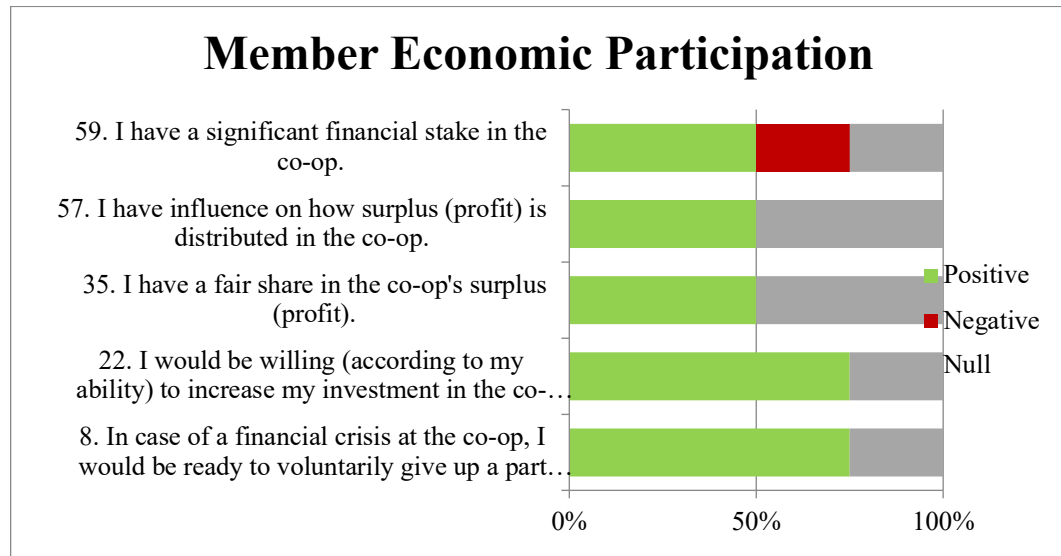
Figure 42. Member Economic Participation Scales (McNamara, 2015)

Using the sociocratic model, one expects that members and workers of the Bakery

Co-op will acknowledge the value of the systems in place with expressing their voice and

helping to create a workplace based on human dignity (Ryszard Stocki & Hough, 2016).

Communication (Figure 43) plays a key role in both co-operatives and the sociocratic

governance model. The communications of the Bakery Co-op present weaker area of

agreement (and some of these areas score very low with only a quarter of respondents

recording positive scores). A lot of the weaknesses center around communication. While

respondents of the Co-op Index survey reported complete faith in their personal ability to

pass on important information only a minority of the respondents agree that they,

personally, receive information needed to make decisions (either as part of regular

communications or with regards to the governance and management of the organization).

All workers believe that they could pass on needed information, but only a minority

believe that they receive needed information.

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At the time of this processing, Bakery Co-op did not have an existing policy
manual, which can make it difficult for workers to fully understand the co-op's
expectations of staff and the ability of staff to provide meaningful evaluations of co-
workers and the co-operative.
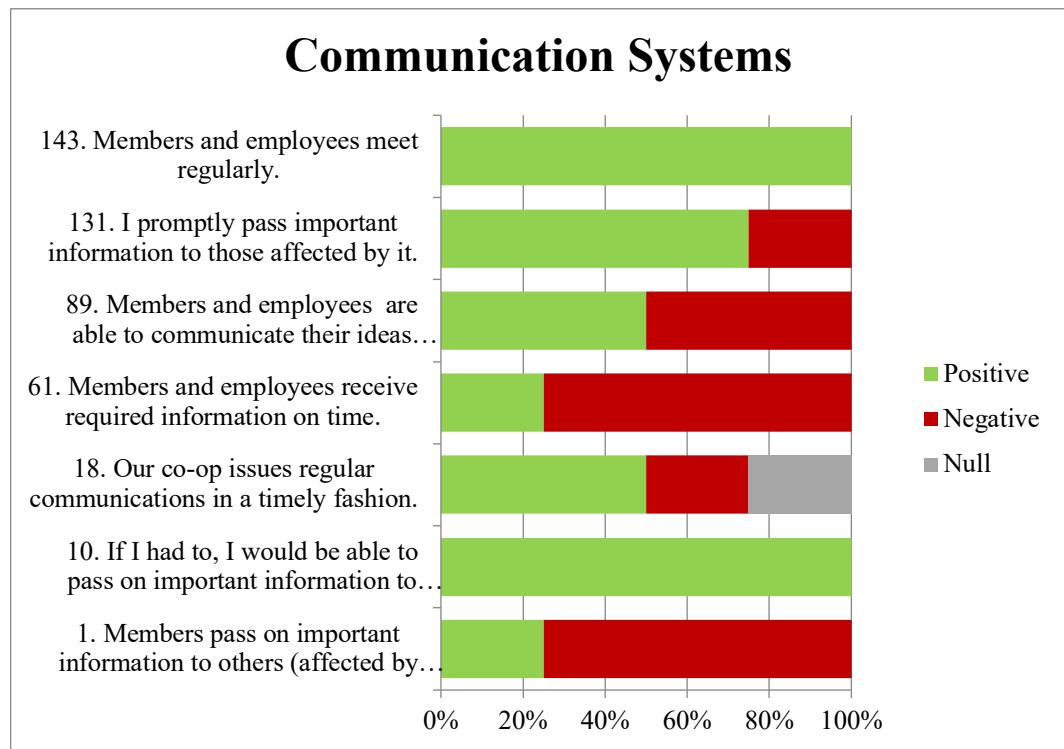
Figure 43. Communication System Scales (McNamara, 2015)

The value of self-help discusses the willingness of worker to participate. The
members and workers of Bakery Co-op engage their voices and take responsibility for
their voice through a commitment to ongoing training and providing feedback to their co-
workers (Figure 44) as noted in the unanimous agreement to scales #3 and #69. Likewise,
a strong majority of workers believe that they, individually, accept the responsibility to

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pass on important information (scale #113). A key part of engaging voice involves

understanding the rules that govern the community. In this regard, workers perceive a

greater individual knowledge than they ascribe to their co-workers while also presuming

that those elected into the role of director have a greater understanding than themselves or

co-workers (scales #50, #93, and #116). The twinned values of "self-help" and "self-

responsibility" discuss the overall abilities of the individual members to engage their

voice (the former by recognizing their agency and the latter by utilizing their agency). In

this respect, the Bakery Co-op workers engage these foundational values in the co-

operative identity.
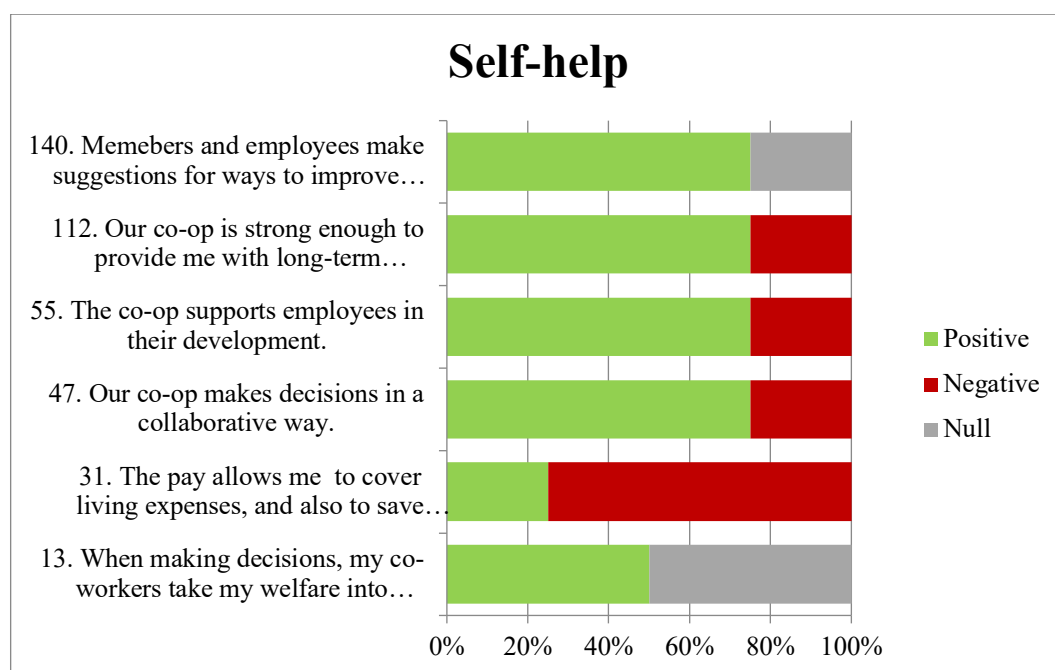
Figure 44. Self-help Scales (McNamara, 2015)

The relative openness of a co-operative affects the voice of its members.

Willingness to listen to different points of view (scale #118), access to information (scale

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#91), respecting other's opinions (scale #87), and exhibiting the responsibility to be

informed (scale #148) provide the basis for openness. Openness operates as a key ethic

for voice; without the transparency of the organization, members, and workers cannot

have the necessary information to formulate educated opinions. Openness operates as a

means of providing information to the community and has been an important value for

modern co-operation since the founding of the Rochdale Society (MacPherson, 1996). At

Bakery Co-op, the willingness to hear different opinions (Figure 45) and respect for those

opinions received the highest scores with close to 75 per cent in strong agreement.

Access to information and board decisions still scored well (with 50 per cent in strong

agreement that they receive what they need), but clearly there is room for some

improvement.
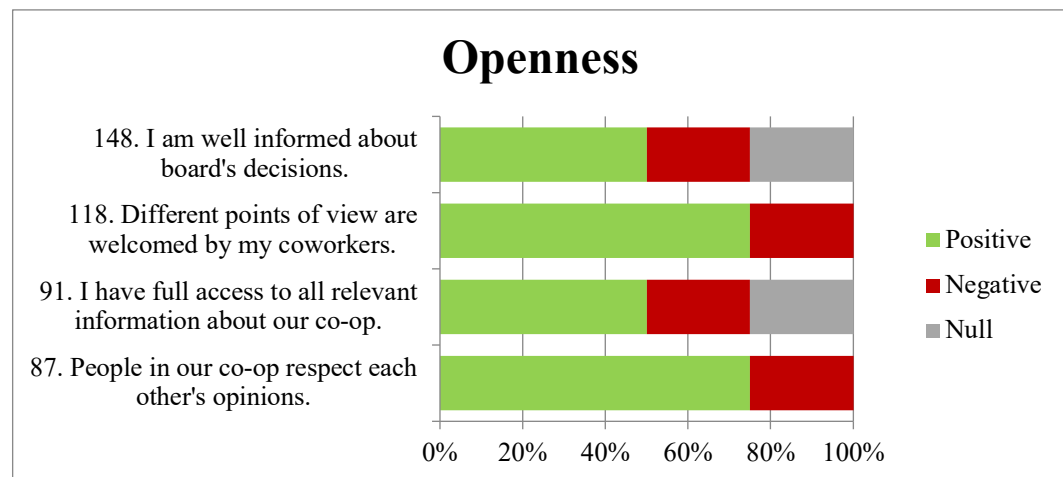
Figure 45. Openness Scale (McNamara, 2015)

So far, this discussion on the expression of voice in the Bakery Co-op has focused

on the co-operative values. The principles of co-operatives also provide insight into the

ability of members and workers to engage their voice. Through the operationalization of

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"democratic member control" (Figure 46), the voice of members and workers appears

through the strong agreement with the statement regarding being engaged in strategic

planning (scale #128), having an impact on the strategy of the co-op (scale #79), and

having an influence on compensation (scale #24). All the members and workers who

responded to these scales strongly agreed, suggesting a consensus within the workplace

on the ability of the members and workers to control the organization through their voice

(engagement). The area of weakness (scale #146) relates to the overall understanding of

the governance model of sociocracy and the various roles within the method that the

Bakery Co-op uses.
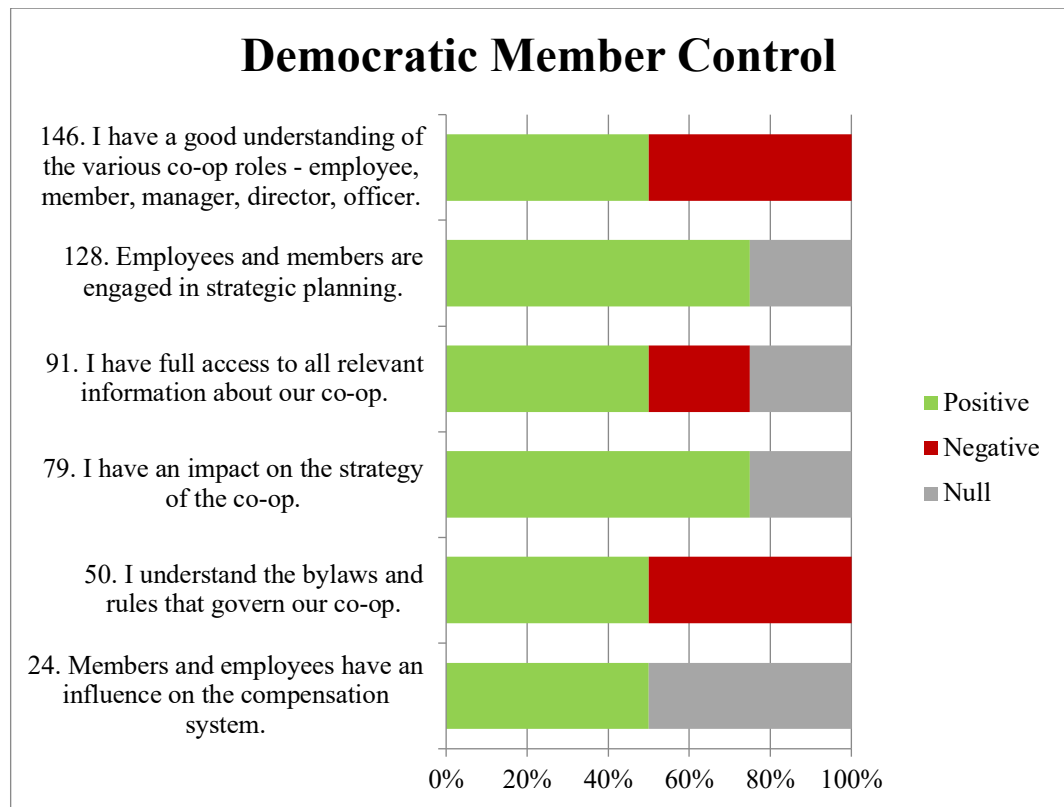
Figure 46. Democratic Member Control Scales (McNamara, 2015)

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Exit threshold. As already mentioned, the bakery and restaurant service industry has a relatively low exit threshold due to low-wages and poor working conditions. Does the sociocratic model provide a reason for people to stay, effectively increasing the exit threshold by creating a workplace that operates in a superior manner to the overall industry? The CIT does not generally compare industry data such as turnover to the specific co-operative, but it does provide a glimpse on how these threshold markers can change the perspective of workers in the co-op towards other employment.

The dimensions that relate to Exit Threshold (Table 18) scored well. Even the strongest deviations ("Fun" and "Voluntary and Open Membership") placed well above 50 per cent. "Solidarity" scored into the 90th percentile. The scores suggest that reasons for exiting the organization may likely be unique to the individual worker's circumstances and not part of a systemic aspect of the co-operative.

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Table 18 – Bakery Co-op Scores Related to Exit Threshold

Operational Dimensions (73.20)	Co-operative Values (80.10)
• Remuneration -1.7	• Equality +6.0
• Development of co-op members +7.8	• Equity -8.2
• Leader competence +11.5	• Solidarity +11.8
• Mutual respect +1.1	**Co-operative Principles (78.20)**
• Trust in leadership +12.6	• Voluntary, Open Membership -11.3
• Relations with co-workers +5.8	• Education, Information and Training -1.8
• Trust Among Co-workers -19.8	• Concern for Community +3.2
• Fun -16.9	• Payment Solidarity -1.5

Note. Co-op Index Report for Bakery Co-op (McNamara, 2015)

Trust in Leadership (Figure 47) scored highest among the operational dimensions with approximately 86 per cent of responses positive in relation to the four scales. Scale #34 ("Management are honest with workers, even when it comes to difficult and controversial issues") scored with complete agreement. This consensus of opinion by the workers of the co-operative suggests that the structure of the organization creates a safe place for the workers to raise issues. The dimension of trust in leadership connects exit and voice. A safe environment that allows workers to air and discuss issues (regardless of

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their position) provides the human dignity by honoring an individual's concern. This

helps build confidence in leadership and trust throughout the system.
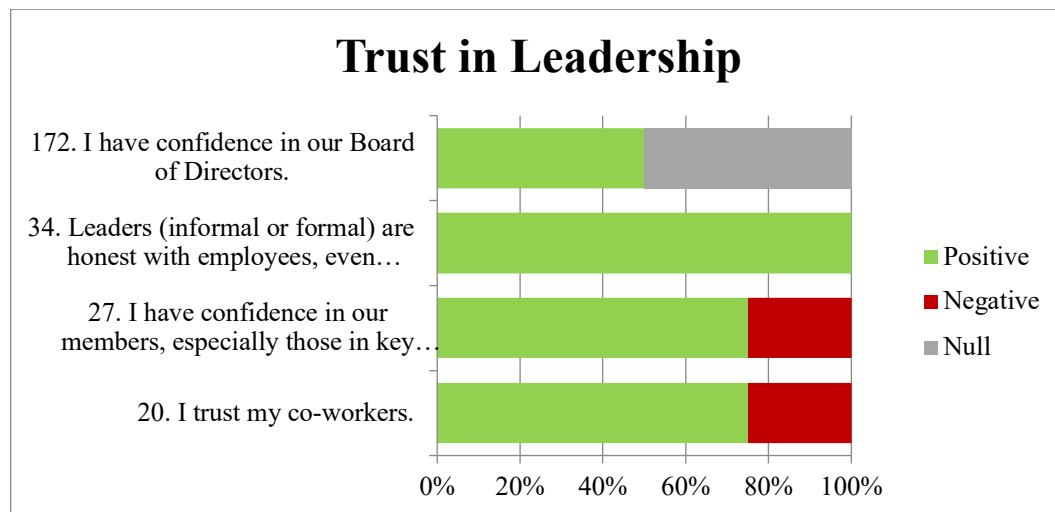
Figure 47. Trust in Leadership Scales (McNamara, 2015)

The co-operative value of Solidarity (Figure 48 and Table 19) illustrates the exit

threshold through binding workers to each other as being engaged in a community effort

for success. A high level of solidarity might encourage staff members to stay through

tough economic or social crises in an organization rather than leave. Further, the value of

solidarity encourages people to collaborate to solve problems and create "buy-in" to

solutions to those problems. At Bakery Co-op, staff members acknowledge a present

willingness of senior workers to support junior workers while also agreeing that they

would personally sacrifice both time and money to help the co-operative meet its

business needs (scales #67, #94, and #8 respectively). Other aspects of solidarity play in

the attitudes of identity and outcomes that build loyalty through engaging in a broader co-

operative movement and building community (see Figure 49). By being part of

something bigger than itself, the co-op creates a larger community for its staff and

owners to participate in as well. This aspect of solidarity creates a "pull" to stay in the

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organization as it becomes part of the identity of the individual staff members. The sense

of one's identity has far reaching organizational and operational effects, and solidarity

builds on this by engaging a worker's commitment to the organization based on social

justification (Weick, 2001) that helps workers justify their actions, which may include

staying in the organization to improve it rather than exiting (Hirschman, 1980).
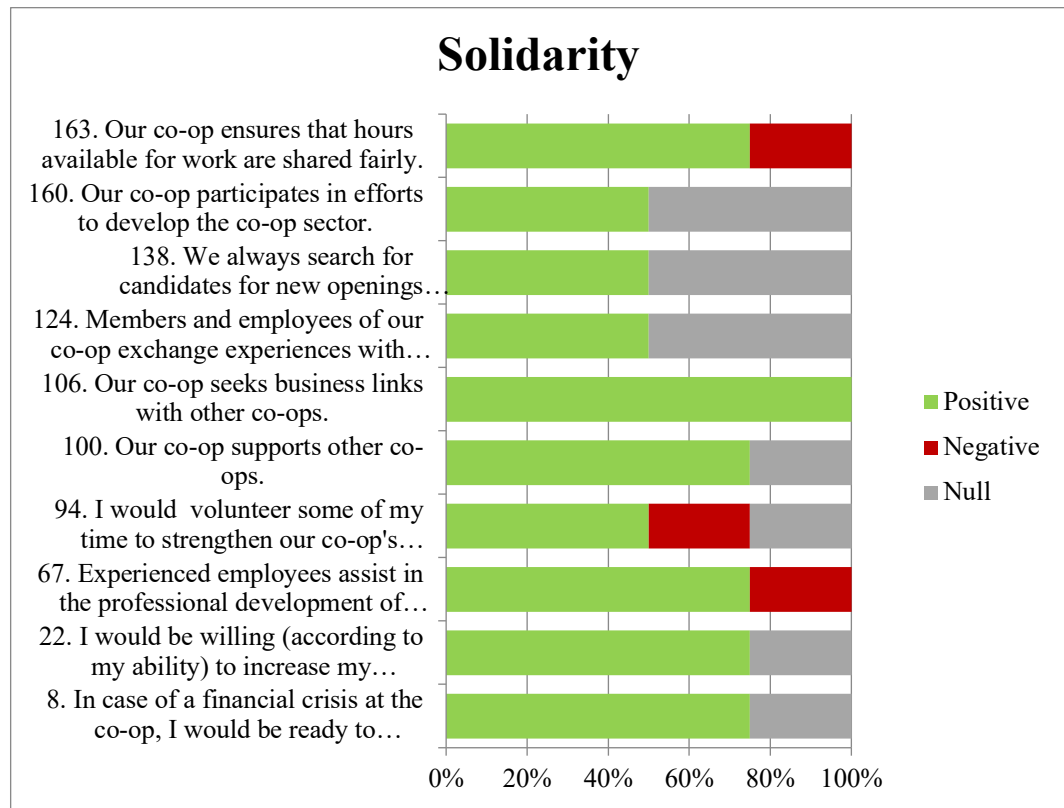
Figure 48. Solidarity Scale (Source, McNamara, 2015)

Table 19 – Scales Measuring Co-op Value of Solidarity

163. Our co-op ensures that hours available for work are shared fairly
160. Our co-op participates in efforts to develop the co-op sector
138.We always search for candidates for new openings among co-op

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workers/working members first
124. Workers of our co-op exchange experiences with representatives of other co-ops.
106. Our co-op seeks business links with other co-ops.
100. Our co-op supports other co-ops.
94. I would volunteer some of my time to strengthen our co-op's position if needed.
67. Experienced workers assist in the professional development of their junior colleagues.
22. I would be willing (according to my ability) to increase my investment in the co-op if needed.
8. In case of a financial crisis at the co-op, I would be ready to voluntarily give up a part of my compensation for some time.

Note. Co-op Index Tool (see Appendix B)

Concern for Community (Figure 49) plays a role in worker exit by creating a positive self-image connected to the organization (McWilliams & Siegel, 2001). The engagement of outward facing actions by the co-operative aligned with co-operative principles also function as a reflection of the worker-owners of the co-operative. The actions aligned with community not only reflect the co-operative identity but help to create a stronger connection with the staff of the co-op (regardless of membership), which may diminish the desire to exit through greater affiliation with the co-op (Mueller, Hattrup, Spiess, & Lin-Hi, 2012). In the case of Bakery Co-op, the workers display unanimous agreement that the co-op shows concern for the local community (scale #117). The structure of sociocracy (which encourages the inclusion of stakeholder representatives of the "top circle" or board of directors) demonstrates a practical

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application of the inclusion of local economic development in the decision-making

process (scale #113).

Figure 49. Concern for Community Scales (McNamara, 2015)

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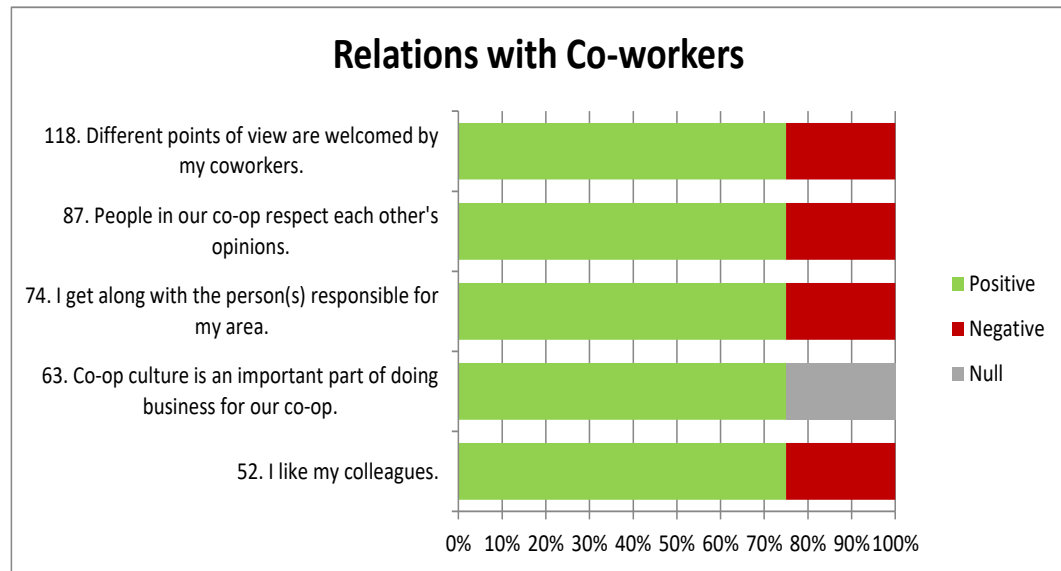
Figure 50. Relations to Co-workers (McNamara, 2015)

The food service industry can be a series of rushes interspersed with significant downtime. The organization of workflow in a tradition business with the aim of maximizing financial return for the shareholders or owners seeks to minimize downtime through planned staffing (Henly, Shaefer, & Waxman, 2006). A worker-owned business may embrace different goals (such as full employment and work practices that it deems more humane than the industry). The modern era of scientific management includes concepts such as "Lean Philosophy," which focuses on the customer and time spent meeting the customer's needs while also maximizing efficiency (Leite & Vieira, 2015) in an effort to maximize customer satisfaction. The industry norm of seeking efficiency can create frustration in a worker-owned business; worker-owners may adopt the norms of industry "lean" standards and feelings may develop that other workers are not pulling their weight as scale #144 suggests ("I can rely on people in our co-op to be self-motivated and take initiative" in the Trust Among Co-Workers dimension – Figure 51). The sense that co-workers are not "pulling their weight" can be exacerbated in a system

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where the kitchen staff (Bread, Café & Prep) may not be aware of the duties of either the

Barista Circle or the Dish Circle, resulting in the low scores on the dimension of a fun

workplace (Table 18). At Bakery Co-op, the isolation of circles from one another, along

with the lack of agreed-upon and printed job descriptions and policy manuals may lead to

an expression of attribution error where workers presume motivations and attitudes based

on their limited knowledge (Tetlock, 1985). The effects of attribution and blame can be

mitigated through education of roles within the co-operative especially since, as

demonstrated by the OTI (see Figure 3) a high level of trust exits in the co-operative

(Bradfield & Aquino, 1999). The dimensions of organizational climate connect to the

organizational systemic dimensions of communication and participatory management.
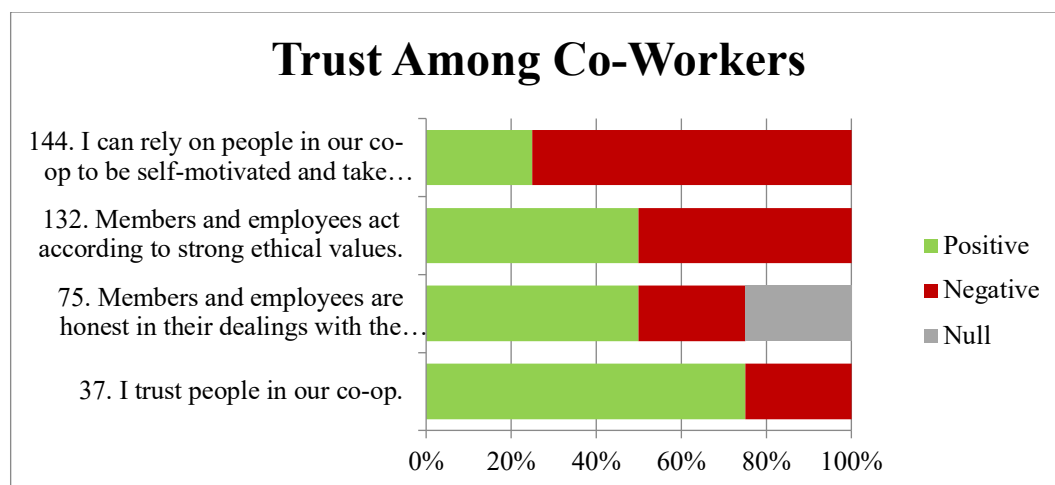
Figure 51. Trust Among Co-workers (McNamara, 2015)

Members and workers at Bakery Co-op perceive a high level of equality and

equity in the treatment of different genders and cultures in the co-operative. The major

disagreement in terms of equity (Figure 52) revolves around the financial equity for

retirement (scale #139) and honest assessments (scale #16). Certainly the issue of

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retirement provisions can create a push for workers to leave the organization, especially older staff members who may value the economic security of their future selves more highly than younger staff members who may just be entering the workforce. Given the overall control of the remuneration in the co-operative, it provides some insight into the role of making decisions by "consent" in a sociocratic model. Younger workers might block consent that reduces wages in the present in exchange for retirement security in the form of pensions or contributions to retirement plans. Where a traditional hierarchal organization could value the experience of older workers by amending the compensation package to encourage their work, a consent or consensus driven model relies on the agreement of all staff members. The generational differences reflect in the scale relating to fair compensation (scale #12), which also displays some disagreement, but not to the extent of retirement equity.
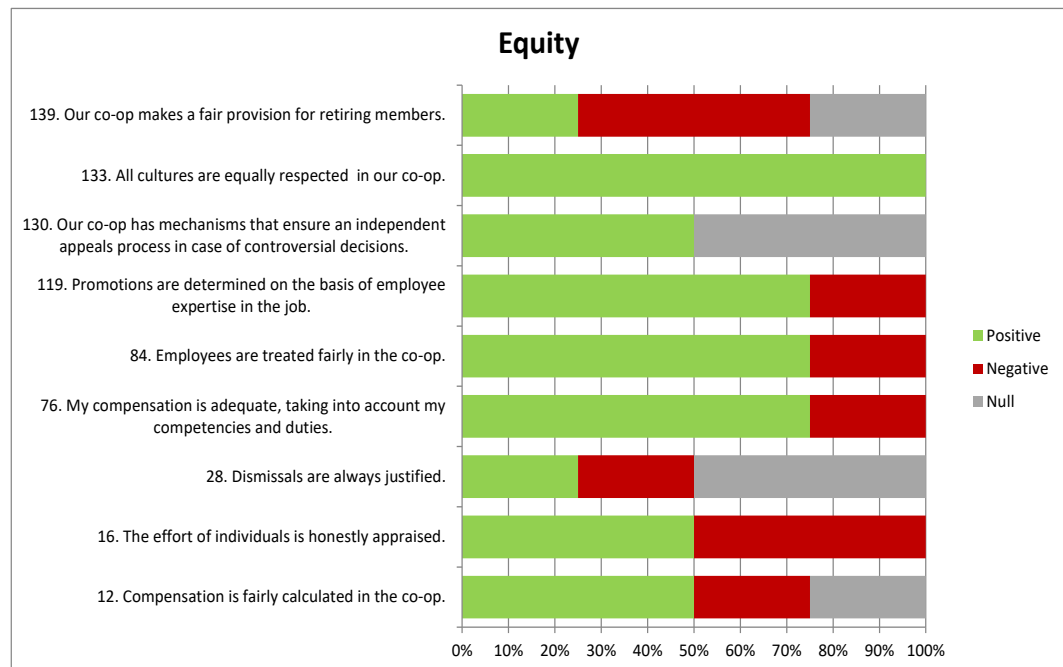
Figure 52. Equity Scales (McNamara, 2015)

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"The effort of individuals is honestly appraised" received a relatively low score (although 50 per cent of the workforce registered a positive response). This low score may result from a lack of communication or feedback system and a lack of a formal evaluation process. Further investigation could have fleshed out some of these issues had the co-op chosen to participate more fully. However, given the relative lack of written policies or job descriptions, the ability to provide an "honest appraisal" may have been hindered.

Co-op principles also play a role in either driving up the exit threshold or driving it down. "Voluntary and Open Membership" (Figure 53) deals primarily with efforts around recruitment and pathways to membership. In the United States, under the Fair Labor Standards Act, all workplaces are "at-will" employment. This essentially means that an employer may terminate the employment of a worker at any time without notice. Similarly, workers may choose to end their employment at any time without providing notice. The Bakery Co-op interprets the principle of "Open and Voluntary Membership" that allows people to work at the bakery without joining the co-op to provide even greater choice to the individual worker. The principle of open membership also demonstrates the value of social equity given that the offering of membership should only be based on the ability to meet the responsibilities of ownership and not social characteristics around gender, culture, race, religion, or ethnicity (MacPherson, 1996; N.A., 1995).

Bakery Co-op operates in a small community of only 9,800 people with about 90 per cent of the population identifying as white according to recent Census data (Anonymous, 2016a). Worker co-ops tend to hire through word-of-mouth through the social connections of the membership. This method tends to privilege those people in the same social demographic as the membership. As a younger and growing co-operative (B.

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Co-op (2012), more emphasis seemed to be placed on getting positions filled than how to

fill them. Priority in hiring may have been focused on meeting customer demand than the

ability or willingness to engage with co-workers as an owner or partner. Without a clear

hiring policy or format for reaching out to populations that may not be within the

immediate circle of current worker's social groups, the co-op can become an even more

homogenized group with strong personal loyalties that may undermine democratic

functioning. Within the organization, however, there is a strong sense that staff and

owners engage in respect and support for differing cultures.
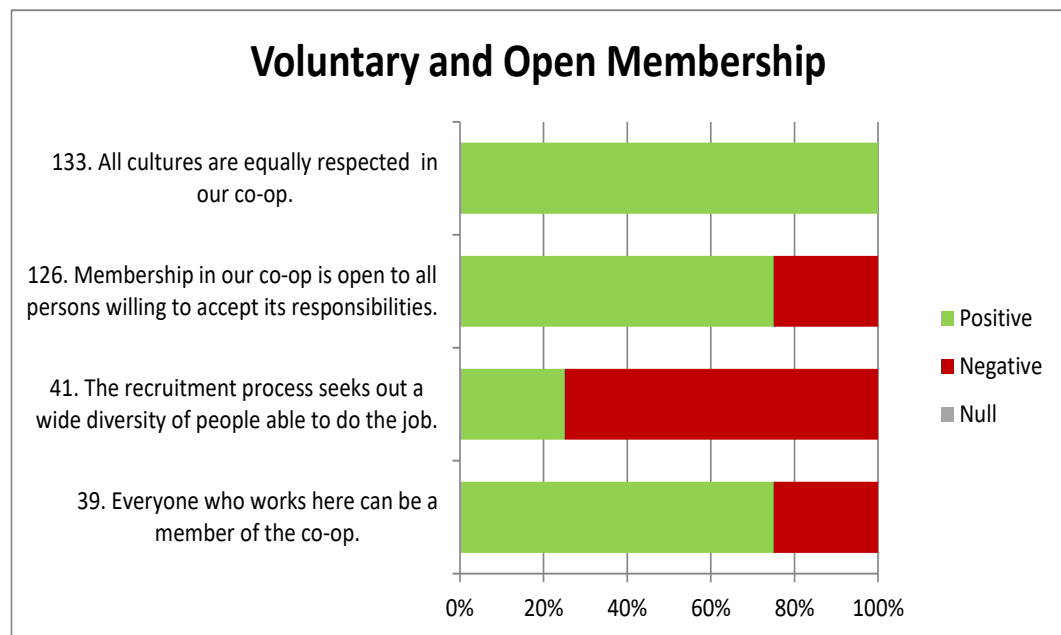
Figure 53. Voluntary and Open Membership Scales (McNamara, 2015)

While economic issues may not be the only reason that people continue to work

for socio-economic organizations such as co-operatives, the economic needs of members

and sense of fairness of returns can play a role in retention and adjusting the exit

threshold. The role of remuneration acts as one of several factors in the decisions to either

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stay or leave (Ahlburg & Mahoney, 1996). External factors, such as steady employment and the availability of other work, also plays an important role (Dill, Morgan, & Marshall, 2013) as does the loyalty to the co-operative model (Côté, 2003; Hirschman, 1970). Loyalty, as noted in Chapter 1, can be an ephemeral concept better understood as an effect than as a predictor (Barry, 1974) along with being tied to the social identity of the worker and the organization (Hart & Thompson, 2007).

Overall, Bakery Co-op is a value-driven organization that has not only subscribed to the set of co-operative values but internalized them as an organization. This, likely, has much to do with the founders' intentions, one of which was to incorporate sociocracy into the governance of the co-operative.

Loyalty Effects, Attitudes, and Outcomes

In considering the overall effects of the sociocratic model within a co-operative, dimensions aligned with attitudes and outcomes provide an understanding of the effect of managing the co-operative identity in a democratic governance structure. The specific dimensions of "Responsibility" (Figure 54) and "Self-realization" (Figure 55) provide direct connection to the co-operative values of "Self-help" and "Self-realization" (Figure 44 and Figure 55 respectively). Workers and staff generally accept responsibility of their agency within the organization (scales #101, #161, and #170).

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Responsibility

171. My co-workers find me reliable.

170. I take my co-workers' well-being into account.

161. When making decisions, I take their ecological consequences into account.

101. I take into account ethical trade issues in my purchasing decisions.

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Positive
■ Negative
■ Null
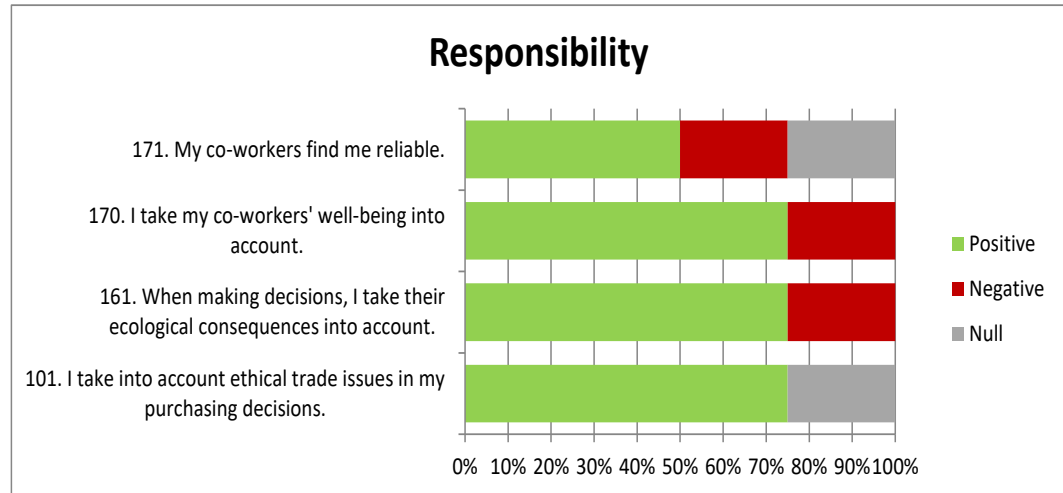
Figure 54. Responsibility Scales (McNamara, 2015)

The members also display a high agreement with the co-operative's role in developing self-realization among the staff as seen through personal development in terms of skills (scales #105, #81, and #51) along with human development (scale #53) and a sense of fulfillment through their engagement with the organization (scale #19).

Self-Realization

105. My work experience increases my capacities to meet my personal goals and responsibilties.

81. My skills, knowledge and abilities have increased through my work in the past year.

70. I manage to keep a balance between work and my personal life.

53. I am a better person thanks to the work at this co-op.

51. I am satisfied with my professional development in the co-op.

19. I feel fulfilled while working in the co-op.

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Positive
■ Negative
■ Null

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Figure 55. Self-Realization Scales (McNamara, 2015)

Likewise, the sense of "Satisfaction" (Figure 56) as measured through scales #11, #66, #82, and #99 suggests a workplace in which people enjoy meaningful work and take pride in being part of a workplace that engenders satisfaction among the workers' network of family and friends.

Satisfaction

99. My family and friends are satisfied with me being a co-op employee or member.	
82. I enjoy my work.	
66. My work makes sense.	
11. I am satisfied with the way I am treated by my coworkers.	

Legend: ■ Positive ■ Negative ■ Null

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
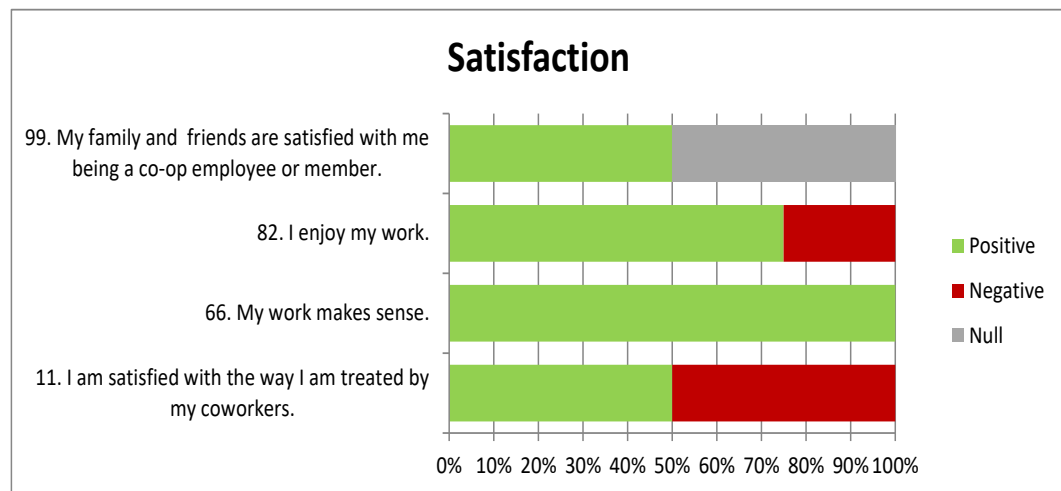
Figure 56. Satisfaction Scales (McNamara, 2015)

"Identification" (Figure 57) provides a measure of loyalty within the organization that mitigates the exit threshold. Identity plays an important role in the worker's ability to make sense of their work by associating their identity with the co-operative. Sense-making around one's identity plays a powerful role in organizations and in the behaviour of individuals within an organization (Weick, 1996). As Weick discusses in his analysis Mann Gulch Disaster (1993), in which members of the United States Forestry Service were unable to outrun a quickly moving fire because they would not drop their tools, the power of identity may affect the ability of individuals to act, even when it might be in their best self-interest. The sense-making tools can also play a unifying role in an organization through interactional practices that socialize workers, build knowledge, and

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create strong sense of identity (Tracy, Myers, & Scott, 2007) within the co-operative that can forestall people leaving for minor conflicts or remuneration issues because they have bound aspects of themselves with being a member of the organization (even if not at the ownership level). In the case of Bakery Co-op, the risks of identity do not rise to survival, but provide a strong basis to engage voice in the co-operative and work for improving the organization rather than exiting.
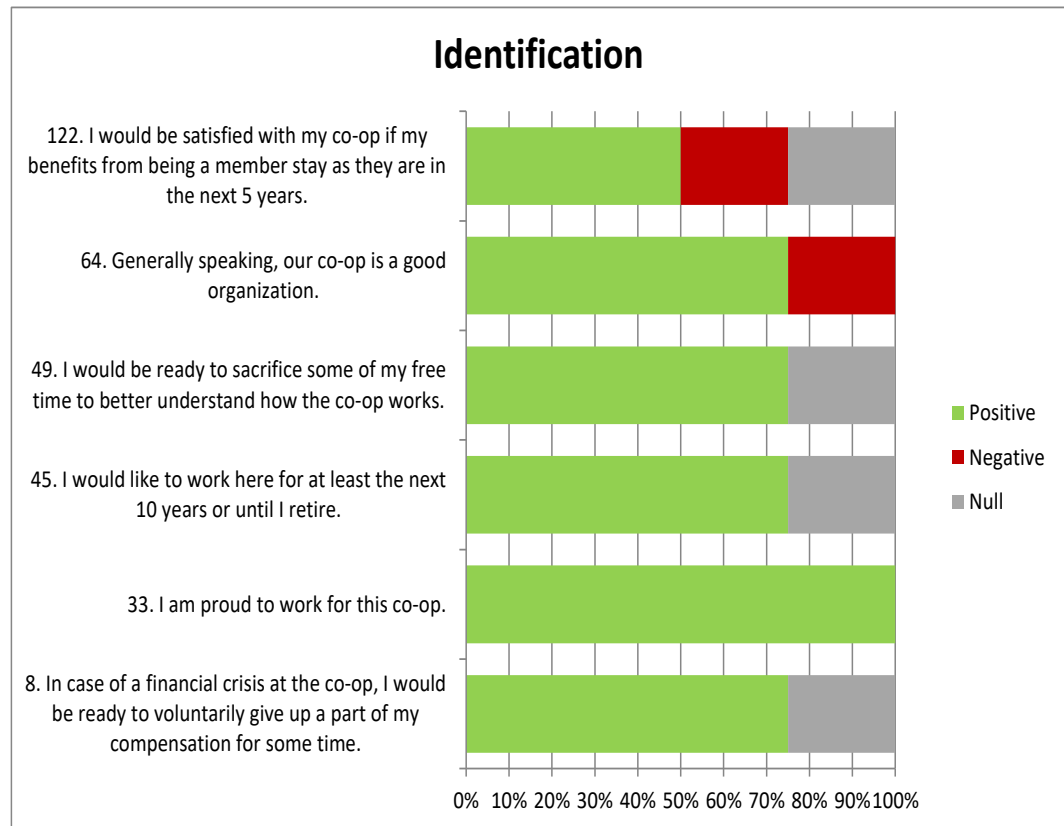
Figure 57. Identification Scales (source: McNamara, 2015)

Discussion

In reviewing the Co-op Index survey results, the Bakery Co-op appears to be a very mature co-operative in terms of its engagement with the values and principles of the

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co-operative identity. The engagement of this identity was assisted through the incubation of the co-operative within a small collective format for several years prior to expanding and converting. However, the role of sociocracy should also be an influencing factor. The process of asking people to help identify problems and solutions appears to be valuable in building trust and loyalty. Using interlocking circles seems to allow people with specific expertise (bakers) to have autonomy within their department. The dual linked circles (from top-down and bottom-up) arguably provide two-way communication to balance the macro needs of the organization with the micro needs of each department. The double linkage also prevents aspects of isomorphism because the emphasis of meeting industry "best practices" creates a dialectic with the specific experience of those practices on the shop floor. Workers experiencing the "practice" may see it as a practice aimed at producing profit, not necessarily creating a meaningful or healthy workplace. Through double linking, the board hears multiple perspectives from managers and rank-and-file staff. The multiple viewpoints create a more complete picture of the co-op's operations and the way those operations connect the economic needs of the business to the values and principles of the co-operative.

Bakery Co-op scored incredibly well on the Co-op Index. This score suggests that the system of governance and management (sociocracy) used by the co-op works well to operationalize the values and principles of co-operatives. However, the co-op membership did provide negative responses in some critical areas that suggest structural weaknesses. In a small proportion of cases – 9 of the 178 scales – there were negative scores in 75 per cent of responses and only 25 per cent positive, which may ultimately undermine the co-op's continued success:

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- Members pass on important information to others (affected by that information) on time.

- Members and employees receive required information on time.

- I am satisfied with the process of evaluating my work.

- I get clear instructions and training about how to do my job.

- I can rely on people in our co-op to be self-motivated and take initiative.

- Leaders (informal or formal) show respect to all employees.

- The recruitment process seeks out a wide diversity of people to do the job.

- The pay allows me to cover living expenses and save or pay off debt.

- Our co-operative is a model for other businesses in our industry.

The co-operative needs a policy book or some method of making both current and past decisions easily accessible to all members and workers of the co-operative. The communications systems also need to be formalized. Solving these systemic issues would likely alleviate some of the other negative variances from the indices base line. Using diverse recruitment tools for vacancies will also create a greater sense of community and even provide an expanded consumer base as well. Likewise, as a production and service enterprise, Bakery Co-op would do well to think about how to make the rush periods less stressful and the downtime less boring. Creating an ethos of a fun and engaging workplace in which the slow times mean friendly conversation about improving the co-op

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and the busy rushes get celebrated for the success of the co-operative would also alleviate issues in the co-op. Perhaps the most difficult area to counter involves paying a living wage. However, part of this may also be to work with other co-operatives and groups to help effect more affordable housing, other living expenses such as health care, educating about relative pay scales in the industry as well as finding ways to increase volume during slower periods (without cannibalizing the rushes) so as to increase revenue without adding new labour costs.

Conclusion

This chapter examined a relatively young co-operative using a decision-making model that has only recently transported from the world of intentional communities and permaculture organizations (Rios, 2011). Through implementation of a sociocratic governance structure, the co-operative has been able to embrace the co-operative identity and the principles of worker co-operation at a mature level. The sociocratic model is meant to build a foundation of trust (J. Rau, 2017; Rios, 2011) through the institutionalization of voice. Bakery Co-op has strong outcomes as a co-operative organization. The narrative of the Co-op Index survey results shows a strong belief by the workers (owners and employees alike) that the co-op operates within the co-operative identity, putting the values and principles of co-operation in to organizational practice. While there are some systemic weaknesses in the co-operative, the efficacy of the management structure does not seem unduly diminished. In areas of weaknesses that suppress remuneration, the co-op could engage in greater education and training while also adding experts to its board or hiring specialists with knowledge of the industry and a willingness to work in a democratic environment. While a traditional command and control structure might provide quicker market effects, the sociocratic model does not

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preclude making these decisions; the co-op only needs to provide time and space to allow workers to construct proposals and reach agreement.

Sociocracy provides powerful tools for participants to engage in voice within the organization. The participants include members-owners of the co-operative, non-member workers, and community supporters. Through sociocracy, Bakery Co-op creates a success chain that engages voice to build loyalty among workers and customers. This structure can overcome some of the economic pressures that may lead to exiting the organization.

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Chapter 7 – Comparative Analysis of Three Cases

The three cases studies examined in the previous chapters provide an opportunity to examine the degree to which management (hierarchy, collectivity, and sociocracy) may hinder or enhance a co-operative's ability to embrace the co-operative identity. The co-operative identity, the internationally agreed upon definition of a co-operative along with a set of values and principles (ICA, 1995), creates a purpose for economic co-operation to exist as a form of economic commons. As discussed in Chapter 1, the management and governance of the co-operative commons have been treated as separate things, with the role of management generally not being seen as something unique to the co-op model. Co-ops in the United States and Canada follow the experience of the United Kingdom: the role of board exists to protect the interests of the owners of the organization by overseeing the agents (management), who do the work of the organization (Gevurtz, 2004). The separation of management from governance has allowed many co-operatives to simply borrow the management practices at use in a particular co-op's industry while using the co-op governance as a means of engaging members and promoting a co-operative advantage through a sense of trust and community engagement (Spear, 2000). Management, however, plays a key role in the ability of the co-op to meet its mission in that the managers have a powerful role in interpreting the will of the board and implementing policies. In a co-op owned by the workers or where the organization operates through democratic control by the workers, the separation of governance and management becomes more complicated. Workers cannot split themselves into two persons (one owner and one employee).

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The management of worker co-operatives and labour-managed co-operatives requires a more nuanced concept of management and governance. The discussion on exit, voice, and loyalty (Hirschman, 1970) along with Elinor Ostrom's (1998, 2000) framework for management of the commons provides a construct to enable co-operators to create a management system that centers on the human beings in the organization. While profit-driven enterprises measure success by the return on investment, co-operative measure success through meeting social missions or a return on labour ((Dworkin & Young, 2013). A management system aimed at expressing co-op values and principles should look and act different than a management system aimed at maximizing the return on investment for owners. Such a human-centric system should engage in minimizing exploitation of labour, embrace social justice within the workplace, and encourage agency among the workers.

To understand the ability of co-operatives to meaningfully embrace the values of worker ownership and co-operation requires an analysis of how the management operates within those values and principles. The Co-operative Index Tool provides a means to connect the beliefs of the workers of a co-operative to the co-op identity. As discussed in Chapter 2, the CIT examines the organizational systems, climate, and outcomes of a co-operative while also scoring the personal attitudes and actions of the workers. Most importantly, the CIT expresses the ability of the co-op to create a workplace centered on human dignity (Ryszard Stocki & Hough, 2016). The CIT illuminates the lived experiences of the workers and the workers' perception of how well their co-op operations incorporate the co-op identity. The three cases studies, in addition to providing an analysis of co-operative management, also help illustrate the ability of the CIT to measure the efficacy of management in terms of co-operative values and principles.

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The first case study, Coffee Co-op, uses the most familiar model, in which the governance of the co-operative and management of the co-operative operate in different lanes. The board sets policy and supervises the general manager, who has the authority and responsibility to implement the policies established by the board of directors. The second case study, Western Food Co-op, also separates the management from the governance; however, the staff operates through a collectivist model without hierarchy. The workers of Western Food Co-op collectively decide how to implement board policies and meet the mission of the co-operative. The third case study, Bakery Co-op, utilizes sociocracy. Sociocracy combines the role of governance with management. The board consists of elected directors from the membership, directors selected by the board from stakeholder groups, and staff positions to provide a holistic view of the organization. To make decisions, the three co-ops offer different methods as well: Coffee Co-op uses parliamentary procedure, WFC uses consensus, and Bakery Co-op uses consent. These distinct models of governance, management, and decision-making provide an opportunity to consider the relative efficacy in the expression of the values and principles of worker-controlled organizations and the co-operative identity.

Each co-op scored at various levels of "organizational maturity" using the narrow analysis of the co-op index (Table 20). The index scores tell one part of the story. The traditional hierarchal model scored in the middle of the third quartile of the OMI, CVI, and CPI, and OTI, which is identified as a "developing" co-operative on the scale. The collective model scored under 50 per cent (identified as "immature" in the diagnostic language of the Co-op Index Report) on the OMI, CVI, and CPI but had the highest score for Organizational Trust with 100 per cent. The sociocratic model scored in top quartile (identified as a "mature" organization within the CIR construct) for all four indices.

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Despite being the newest of the three co-ops studied, it scored at a mature level for

organizational maturity and with regards to the expression of values and principles.

Table 20—Comparison of Co-operative Index Report Indices

Co-operative	Organizational Maturity Index	Co-operative Values Index	Co-operative Principles Index	Organizational Trust Index
Coffee Co-op	66.5%	69.45%	68.51%	86.36%
Western Food	43.79%	49.69%	48.50%	94.47%
Bakery Co-op	73.12%	78.20%	90.55%	95.45%

Note. Co-operative Index Reports for Coffee Co-op, Western Food Co-op, and Bakery
  Co-op (Hough, 2012; McNamara, 2015a, 2016)

Each co-operative used the Co-op Index Tool to help understand the internal

dynamics of its organization and measure the expression of the worker co-op identity

(Hough, 2015; Novkovic et al., 2012). This tool measures, to a large extent, the ability of

the workplace to create a culture of human dignity (Ryszard Stocki & Hough, 2016),

overcome isomorphism present in the specific industry (Ryszard Stocki, 2015), and

create a management of the commons through worker control that allows workers

meaningful voice and ownership over the means of production. The comparison of the

case studies provides answers to the research question of this study that considers the

relative value of the management styles in expressing the values and principles while also

examining the ability of the Co-op Index Tool to effectively measure the role of

management in expressing those values. The CIT provides a picture of the co-op at a

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specific point in time. The three studies were completed between January 2013 and

September 2016 during a relatively stable economic period of recovery from the

recession of 2008.

This comparison of the case studies will involve three specific aspects. First, this

chapter examines the underlying theoretical considerations of worker control and

ownership as expressed in the different co-operatives by considering that overall

narratives created by the Co-op Index Reports as they relate to the logic of collective

action, labour process theory, isomorphism, principal-agent dilemma. Second, the

examination of the relative management efficacy in terms of the ability of the different

models to effectively manage the commons, engage the dichotomy of voice and exit, and

encourage loyalty in a healthy expression of the workers. The third aspect assesses the

ability of the CIT to provide an analysis of the ability of the co-op to create an

environment based on human dignity, including its strengths and weaknesses. This

chapter also considers the relative limitations of the approach of this comparative case

study involving three worker-controlled co-operatives and presents questions for further

study using the co-op index and understanding the role of governance, management, and

stakeholder engagement in the modern co-operative movement. Finally, the question of

appropriate management and governance structure based on the results of this

comparison will be discussed with an argument for how worker co-operatives and

democratic workplaces can engage the principles of worker co-operation in a meaningful

manner.

The comparison of three different management and governance models in

contemporary co-operatives provides a lesson in co-operative management and the ability

of management structure to engage co-operative principles and avoid the pitfalls of

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isomorphism imposed upon the co-operative economic model by the more dominant market economy of capitalism. Collective action by workers can upset the tropes of the need for traditional management and the value of capitalists in the economy. Traditional hierarchies developed as a means of controlling workers to increase efficiency and profitability of the corporation. Management exists to organize labour to the benefit of the stockholders, not the needs of other stakeholders except where those needs may overlap. In a company designed to meet other bottom lines (social and environmental deliverables), the form of management may look and act quite differently.

Managing the Commons

Co-operative management, in a worker-controlled setting, can succumb to the "tragedy of the commons" (Hardin, 1968) if the organization does not distribute the benefits and costs among the membership in an equitable manner. The management structure must engage the membership in a way that limits the ability to freeload. The CIT scales within the dimensions of Organizational Systems and Organizational Climate provide two means of comparing the different co-operative management models.

Collective action in a co-operative economic model looks different from the capitalist model. Capital, within a co-operative, operates as tool for the benefit of humans and any growth of capital tends towards achieving goals for the human owners of the co-operative. In a worker co-operative, or worker-controlled space, these goals may include financial wealth through higher wages, but may also consider a number of other ends such as safe and humane working conditions, sustainability throughout the supply chain, solidarity with other social movements, and other aspects of a dignified work life that may not have a direct monetary aspect. The co-operative economic model creates an economic commons for workers through collective ownership of the enterprise. The co-

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operative model creates a collective voice for the workers while also creating a space for the individual voices of the workers.

Through the expression of voice, the co-operative creates a management of the commons in the best interests of the members while sharing the costs of the enterprise among the workers. Collective action also allows workers to engage the marketplace on an equal footing with their capitalistic competitors. Collective ownership provides both advantages and disadvantages. Advantages include being able to channel capital to efforts other than accumulation of wealth by taking the money that might normally return to stockholders as dividends and using it for other purposes (better working conditions, competitive pricing, support for other worker owners, community development writ large).

During downturns in the economy, worker-owned and-controlled business can take measures to ease the burden on themselves through shared cuts in benefits and pay. On the downside, the general lack of co-op businesses in a specific industry may lead to those co-ops that do exist to succumb to "best practices" in their industry that benefit shareholders but hurt workers and thus cause a departure from the practice of the organization and the values and principles it espouses. Without careful planning, the workers may set wages and benefits too high as Polanyi (1944) and others (Perlman, 1928; Webb & Webb, 1920) have worried. High wages may hurt their competitive advantage by forcing prices too high and also cause adverse market conditions to create more dramatic effects on the workers.

The overall logic of the collective action depends on management of the commons. The tragedy of the commons works off the arguments of Polanyi (1944), Perlman (1928), and the Webbs (1920) that insist workers will act from a position of self-

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interest. The self-interest decisions of the workers will lead to an anti-competitive environment that will ultimately cause the commons to fail. Mimicking the capitalist competitors, however, will lead worker co-operatives to reifying the very forms of oppression that led the workers to form their own business. Further, by acting as collective capitalists the workers recreate the very structures that only see worker value through a transactional lens. This may lead to engagement in the marketplace, where price acts as the only discernable difference between the co-operative and an investor-owned competitor. The workers will be working harder to simply be capitalists without any of the other benefits of ownership (Pobihushchy, 2003). Proper management of the commons may lead to a very different outcome (Ostrom, 1998) that establishes rules of the commons that seek to maximize benefit to the members while holding each accountable for the costs of maintaining the commons.

Traditional hierarchy provides a means to manage a commons environment. While modeling similar capitalist organizations, the method of management can be adjusted to provide stakeholder voices, managerial accountability, and other measures to make it more adept at meeting the goals of the workers. This model relies heavily upon the ability of the general manager to act in a conscientious manner as almost all organizational power resides with this key position. A general manager focused on the social mission of the co-operative, can largely succeed; however, the opposite also holds forth. A general manager may also feel pressure to manage along market and institutional pressure undermining the social mission (Dart, 2004). In the case of Coffee Co-op (Chapter 4),the success or failure of the co-operative to meet its mission, the needs of the membership, and the expression of co-op values and principles rests primarily upon the

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awareness and ability of a single person. (although room for significant staff input may help mute this authority).

At the other end of the spectrum of management, the collective model offers a different model of managing the commons and expression of collective action. Each member of the collective has voice in the control of the organization. The chapter on the Western Food Co-op examined a consumer co-operative with a staff collective. Collective management of the commons works to mitigate aspects of freeloading through group decision-making and group accountability. Each member of the collective shares equally in the cost and benefits of the commons. Collective engagement limits the ability of one person to undermine the commons in the way that a general manager might. A drawback on collective management is its scalability to larger organizations, such as the one engaged in this analysis. Collective action by a group of 10 or 20 people may be substantially easier than with 40 people (Esteban & Ray, 2001). Larger organizations may be stymied by the ability of systems to function in this environment, which may lead to informal hierarchies within the organization that belie the transparency of the model (House & Powers, 2002). This can undermine the co-op values and principles, especially with regard to openness and 'democratic member control.'

Sociocracy provides a third model of managing the commons and speaks to the logic of collective action. Sociocracy operates through a hierarchy of work (or some may say "power with" instead of "power over") (J. Rau, 2017) with the consent of those doing the work. This model disengages from the power relationships of traditional hierarchy while also creating autonomous areas within an organization to mitigate some of the weaknesses of collectivity. It creates ease of direction though group leaders, but also provides accountability to the value and principles of organizations to keep the

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organization balanced on the needs of the collective group and the individuals within the group.

In considering the relative models in terms of the logic of collective action, the meta-analysis provided by the index score provides useful comparisons. The high level of trust in both the sociocratic (Bakery Co-op) and collective (Western Food Co-op) creates a solid foundation for these models to operate. While the Coffee Co-op Trust Index scores in the fourth quartile (mature), the OTI for Coffee Co-op scores 15 per cent lower than the other co-operatives in this study. The level of trust may relate to the overall ability of staff to express themselves and feel safe doing so. The role of traditional hierarchy is reflected in the OTI. This score measures the relative security that respondents feel with regards to engaging further in a way that will expose their participation to the leadership of the co-operative. Since the general manager occupies such a powerful position, the score may reflect the general manager's relationship with the staff of the co-operative. Trust plays a role in loyalty. If workers generally trust the management of the co-operative, the workers may be able to abide other issues in the co-operative.

Exit and Voice

This study has engaged the concepts of exit and voice to gain an understanding of the effect of management in a worker-controlled business. The results of the Co-op Index survey provide a glimpse at how those forces play out. The limitations to this discussion will be discussed separately in this chapter. For now, the comparison of the three cases provide a means of thinking about the ability of the co-op to operationalize the co-operative identity and the role that management format plays in the co-op's ability to reach that operationalization.

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Voice. Of the three case studies, the workers using the sociocracy model scored a much higher expression of voice than either collective-consensus or traditional hierarchy (Table 21). While the scores for Bakery Co-op do not present causality of the sociocratic model (it may be that the workers chose the model of sociocracy based on pre-existing attitudes), the structure of sociocracy, which blends governance and operations, provides for a higher level of participation by the workers. The double linking of top-down and bottom-up hierarchies creates greater transparency in the model along with greater trust in leadership, feedback systems, and a sense of participatory management.

The traditional hierarchy case of Coffee Co-op outperformed the collectivist case of WFC in this comparative study. The dimensions related to voice generally received high scores from the members and non-member workers of Coffee Co-op. While the scores were not at high as Bakery Co-op, the scores of most dimensions, values, and principles still achieved more than fifty percent, which represents fairly strong support for this model in the creation of a dignified, value-driven, principled workplace. Coffee Co-op's biggest stumble from strong agreement occurred in the dimension of Transparency. Given the top-down nature of the organizational model, the low score for transparency should not be a surprise.

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Table 21 – Comparison of Dimensions, Values, and Principles Related to

Voice

Dimension OMI	Coffee Co-op 66.5%	Western Food Co-op 43.7%	Bakery Co-op 73.12%
Communication	63.5%	44.5%	63.12%
Transparency	49.5%	45.8%	75.12%
Feedback Systems	67%	48.0%	75.12%
Development of Members	69.5%	51.0%	81.12%
Mutual Respect	77.5%	49.7%	74.12%
Trust in Leadership	72.5%	48.2%	85.12%
Participatory Management	62.5%	48.3%	81.12%
Co-op Values CVI	Coffee Co-op 69.45%	Western Food Co-op 48.5%	Bakery Co-op 78.2%
Self-Help	61.95%	41.2%	71.2%
Self-Responsibility	69.95%	46.1%	70.62%
Openness	60.95%	46.7%	71.2%
Honesty	59.95%	59.8%	64.2%
Democracy	49.45%	55.8%	90.7%
Co-op Principles CPI	Coffee Co-op 68.51%	Western Food Co-op 49.7%	Bakery Co-op 80.1%
Democratic Member Control	47.51%	50.6%	74.1%
Member Economic Participation	47.51%	32.6%	92.6%
Autonomy and Independence	65.51%	45.0%	82.1%
Participatory Management	64.01%	48.1%	82.6%

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Labour Control	66.01%	49.6%	85.6%

Note. Co-operative Index Reports for Coffee Co-op, Western Food Co-op, and Bakery Co-op (Hough, 2012; McNamara, 2015a, 2016)

In this comparative analysis, the representative co-op using the collective-consensus model fared poorly in comparison to the other models. Not only did WFC score the worst of the three cases, but with only a few exceptions, the dimensions, values, and principles scored under 50 per cent. The scores for "communication" and "transparency" seem to run counter to the ideal of collectivism in which all members of the collective should be engaged with the decision-making process and part of the discussion. The low scores suggest that collective members may not feel that they receive key information or receive it in a timely manner. WFC may exhibit a key critique that collectives do a poor job of managing informal hierarchies (J. Freeman, 1972). This could be part of the problem being exposed through the Co-op Index Report.

Exit. When considering the aspects of the Co-op Index related to "exit," a similar story emerges. The sociocratic model tends to outperform the other models and the collective-consensus model fares the worst (Table 22). These aspects effectively identify internal barriers to exit as opposed to external barriers. The external barriers include those things that may lead to a person exiting that are beyond the control of the organization (family obligations, external opportunities, etc.). Even then, some dimensions, such a remuneration, may reflect the relative health of the local economy, which is not entirely within the control of the co-operative.

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Table 22 – Comparison of Dimensions, Values, and Principles Related to Exit

Dimension OMI	Coffee Co-op 66.5%	Western Food Co-op 43.7%	Bakery Co-op 73.12%
Remuneration	63.5%	46.7%	72.12%
Development of Members	69.5%	36.4%	81.12%
Leader Competence	67.0%	42.5%	75.12%
Mutual Respect	77.5%	37.7%	74.12%
Trust in Leadership	72.5%	39.2%	85.12%
Relations with Co-workers	79.5%	49.9%	79.12%
Trust Among Co-workers	70.5%	45.2%	53.12%
Fun	72.5%	33.5%	55.12%
Co-op Values CVI	Coffee Co-op 69.45%	Western Food Co-op 48.5%	Bakery Co-op 78.2%
Equality	71.95%	59.4%	84.2%
Equity	61.95%	25.9%	70.62%
Solidarity	73.45%	47.4%	90.2%
Co-op Principles CPI	Coffee Co-op 68.51%	Western Food Co-op 49.7%	Bakery Co-op 80.1%
Voluntary, Open Membership	66.51%	42.4%	69.1%
Education, Information, and Training	73.51%	45.2%	79.6%
Concern for Community	87.51%	22.1%	84.1%
Payment Solidarity	64.01%	48.0%	79.6%

Note. Co-operative Index Reports for Coffee Co-op, Western Food Co-op, and Bakery Co-op (Hough, 2012; McNamara, 2015a, 2016)

The expression of "solidarity" within the co-ops varies widely within the model. 90 per cent workers at the Bakery Co-op found agreement or strong agreement with the statements related to this value. Many of the related scales are outward facing (focusing

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on connecting and sharing with other co-operatives); however, the internal focused scales speak to the willingness of workers to support each other through mentorship and the willingness, in times of economic duress, to make personal sacrifices for the benefit of the group. Coffee Co-op, the traditional hierarchical model, comes close to finding two-thirds of its workforce supporting these statements. The collectivist model, however, falls just short of 50 per cent. Not surprisingly, the collectivist model also scored low in terms of "mutual respect" and "trust in leadership." The collectivist model seems to have created a workplace that is generally acceptable and decent for people, but has enough problems that, if times get tough, people may leave for greener pastures.

The fact that remuneration scores well in both the Bakery Co-op and Coffee Co-op may also reflect the industries that they exist within. Bakery Co-op operates a bakery and café, which have notoriety as low-paying businesses. The co-op model, without a primary owner, may allow enough wealth to be distributed to offset the lack of compensation and benefits seen elsewhere in the industry.

The relatively low exit threshold for the food co-op may be the result of poor self-promotion by the co-operative. For example, the co-op value of "concern for community" scored quite low despite this co-op's efforts to provide quality food at low prices and extensive discounting for people who self-identify as seniors, with a disability, or low-income. The discount applies to the membership fee as well as products. Additionally, prices at Western Food Co-op post lower than surrounding grocery outlets and, comparatively, other grocery co-ops for comparable items. The additional discount for being a volunteer "working member" adds more value to co-op membership and operates as a further means of engaging the community. Of course, as discussed in the case study, WFC participated in a boycott policy of items that have come under regional, national, or

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international boycotts. These community engagement strategies by the co-op seem to run at odds with the response to the scales related to "Concern for Community," and this may be related to the communication and feedback systems discussed in the expression of voice within the co-operative.

Role of Loyalty. All three organizations have a high loyalty to the organization as measured through organizational trust and external facing values such as "concern for community." The loyalty to the organization has more to do with the nature of economic co-operation. People support the ideal of co-operative identity. Defining "loyalty" can be a difficult prospect. Were the actions of the workers who unionized at Coffee Co-op an act of betrayal or an act of loyalty? Were the members of Western Food Co-op who sued over the boycott decision (see Chapter 4) acting as loyal members trying to hold the board accountable to its own policies or people trying to hurt the co-operative? It could be argued that disloyal members would simply leave the co-op. Is a member who remains and fails to raise a concern acting out of loyalty or disloyalty? In the United States, surveys show a high level of loyalty to co-operative businesses with the most recent survey suggesting that almost 80 per cent of respondents would choose a co-operative business over a non-co-operative business (Cumpston & Graf, 2012). This high level of loyalty to the co-op model that exists in the larger community likely reflects within the workforce of co-operatives. The question around loyalty among the workforce centers on specific aspects of loyalty that may create a higher level of exit threshold and a secure space for expressing one's voice.

The co-ops represented in this dissertation all express co-operative values and principles and operate within the co-operative identity. Even Western Food Co-op, with relatively low scores on the OMI, CVI, and CPI, still has strong organizational outcomes

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especially with regard to satisfaction, community, environment, and external relations. The most obvious measure for loyalty, the value of solidarity, received positive responses on related scales above 50 per cent at each co-op. Loyalty within a co-operative may go beyond the binary dynamic of voice and exit. The CIT does not effectively measure loyalty from a worker's standpoint because it only creates a score from those people who have chosen to remain at the co-op. While some differences on the co-op index scores exist between the co-ops, the differences may arise from a host of issues unique to each co-op's place and timing of the study.

Theoretical Considerations

The analysis of this dissertation engages theoretical considerations related to worker ownership and the expression of human dignity. The specific areas of consideration include labour process theory and isomorphism. While the role of exit, voice, and loyalty play a key role in the management of a worker co-operative, these other aspects help to further distinguish how the co-operative model in general and worker control in particular engage workers in their lived experiences. The ability of a co-op to create a human-focused enterprise that subjugates capital in a market economy can be a challenge. The overwhelming market power that capitalism exercises in the world can also undermine the ability of worker co-ops to build a better form of business. The Co-operative Index Tool, as the case studies illuminate, demonstrates that management plays a key role in creating the human centered operations.

Labour process. In a discussion of the relative efficacy of management in creating a workplace aligned with co-operative values and human dignity, labour process, as discussed by Braverman (1974), plays a major role. The three models engage the labour process in fundamentally different ways. Coffee Co-op follows a traditional

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approach of governance and management that divides labour between its conceptualization and execution. Western Food Co-op separates the functions of governance and management, but largely defers operational decisions to the staff collective. Bakery Co-op organizes policy decision-making based on who the decision affects and seeks the consent of the governed.

While Coffee Co-op, at the time that workers participated in the Co-op Index, engaged advisory teams, the voice of workers remained limited. The ability of the general manager to effectively oversee a co-op with multiple locations proved difficult, and resulting conflicts with mid-level management led to a unionization drive at one location (Report, 2013a). At Coffee Co-op, the hierarchy clearly distinguishes between the intellectual work of management and the physical work of subordinate staff.

At Western Food Co-op, the workers are members of the co-op; however, the membership of the workers rests in their identity as a co-op consumer, not as a worker. The consumer members of the co-operative, through their decision-making body, the board of directors, have elected a collective management model for the co-operative. While WFC has attempted, through collectivization, to merge the conception and execution of labour, the nature of membership within the organization, the presence of "working members," and a controlling board of directors composed of consumer-owners, creates a model in which the lines between ownership and control tend to be murky. As long as conflict between the two bodies (the consumer-controlled board of directors and the worker collective) remains minimal, the system works reasonably well. This form of détente between owners and workers forms an aspect of Gramsci's passive revolution refers to change within social institutions without a strong social process or revolution, but it can also be a warning that the change occurring may be artificial in nature (Morton,

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2007). For example, the workers of Western Food Co-op have the appearance of control

with some ability to engage control[21]. As long as the owners of the co-op engage only in

the formal subsumption of labour (legal ownership without controlling the labour

process), the workers have most of the benefits of worker ownership. Likewise, as long

as the workers do not attempt to usurp the authority of the co-op's owners, the board has

little reason to engage in real subsumption (exerting greater control of the labour

process). The role of Working Members mitigates tension between the owners and

workers of WFC. The presence of Working Members that outnumber paid staff by almost

4:1 also place the workers in a weakened position of power since the active owners of the

co-operative know how to not only manage but engage in the daily operations of the

workplace. Alternatively, the presence of such a high percentage of volunteers may also

limit the ability to control the workplace since volunteers enjoy greater power to withhold

their labour than paid staff members since they only lose potential discounts and not

actual income.

Bakery Co-op attempts to blend the conception and execution through the process

of sociocracy. This model creates a means by which autonomous circles agree through

the process of consent on the process of work. After consenting, the members of the

circles then engage the work process in the manner to which they consented. This does

not stop the co-op from engaging in forms of management, (deskilling work, creating

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[21] The Bylaws of WFC acknowledge that staff will be "collectively managed" but

otherwise do not define how much control the "collectively managed" staff actually have

and in practice it has been a staff collective that manages the co-op.

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metrics to promote efficiency, and creating wage systems to further mechanize the relation of work to the human); however, the workers engage in a discussion about the process and have the power to block decisions that run counter to the aims of the organization.

Labour process explains the relationship exchange between labour and capital and the means by which labour power transfers into labour through the organization of the workplace. The formal concept of the labour process, as Braverman (1974) discusses, is the sale of labour by the worker and the purchase of the worker's labour by the employer. A more real format involves the control of the labourer during the work period controlling the worker's movements and actions to maximize efficiency and productivity to the benefit of the business owners (Gupta, 1980). The existence of the wage labourer only began to become dominant in US and Canadian culture after the US Civil War when the industrial revolution took hold in North America (Braverman, 1974; Jacques, 1996). During this time, a national discussion occurred on the nature of work with competing efforts. The Knights of Labor and other early labour unions, sought worker owned and controlled factories (Leikin, 2005) seeking to offer an alternative to capitalist production. The collapse of this effort occurred for a number of internal and external reasons outside the scope of this discussion; however, the worker co-operative model has generally struggled with some of the same issues that the Knights of Labor engaged in terms of effective management, education, and training. The rise of managerialism expresses the scientific method and, in terms of labour process, follows the principles of scientific management (Braverman, 1974): dissociation of the labour process from the skills of the workers, separation of execution from conception of labour, and managerial control over the labour process and mode of execution.

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Some observers of Coffee Co-op suggest that the co-operative model used by Coffee Co-op is more of a "managerial co-op" than a worker co-op (Doe & Doe, 2014). The managerialism of Coffee Co-op's model embraces a command and control structure in which a general manager holds the ultimate decision-making authority for operations. Ultimately, Coffee Co-op creates a workplace focused on human dignity. However, it does not challenge the capitalistic paradigm with regard to the labour process. The benevolence of the workplace has more to do with the individuals occupying positions of power than an inherent expression of co-operative principles related to labour sovereignty and subordination of capital. The reliance of benevolent leadership creates an unstable foundation for building human dignity as future leaders may not share the same zeal for the expression of co-op values and principles.

Western Food Co-op operates as a collective in which the staff meets to formulate and approve agreements related to the labour process. It creates a rather muddled form of the labour process. While there is not a formal hierarchy, workers are specialized into areas or work that become separated from the whole. This creates privileged areas of knowledge to which not all workers have access. While the group of workers, as a whole, may meet to discuss policies, those without the operational knowledge of a department may not have the ability to challenge proposals in a meaningful way. While there is not a "managerial control" of the labour process in the traditional sense, aspects of scientific management still find an expression in the collectivist structure of the co-op. As mentioned, the conception and execution of work remain separated even if the workers of the collective do not always comprehend it in that manner. The board of directors has ultimate control over the functioning of the co-operative with the caveat in the bylaws that the co-op operates through a "collectively managed. . . organization that relies on

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consensus decision-making" (W. F. Co-op, 2007b). The decision on sourcing products provides one example of the board's power to conceptualize the work over the will of the workers. While one could argue that the sourcing of products or supplies does not engage controlling work, it does control the expression of worker solidarity and movement solidarity. Solidarity operates as a core value of both the labour movement and the co-operative movement. While sourcing may be seen as a non-labour issue, the ties of the labour movement go beyond a single workplace. For a radicalized work environment, such as a workers' collective, the connection to the social and labour issues that surround the products sold by the workers may challenge traditional boundaries of governance and management. As Marx argued (Harman, 2009), modern capitalist production engages "living labour" to add value to "dead labour" with the surplus value the difference between the price and the cost of living and dead labour. In creating worker solidarity co-operative, especially in a globalized economy, supply chain management becomes a concern for workers and consumers.

The presence of "Working Members" in the co-op also creates a dynamic where the knowledge of work continuously passes from the workers to owners. The working members (see Chapter 4) are owners of the co-op who volunteer labour in the store (directors of the co-op are considered working members as well). They work side-by-side with the paid staff learning every detail of the job. Some specific departments utilize only working members. The labour of working members (compensated through discounts on purchases) provides significant economic advantages for the co-operative, but also reduces the overall power of the paid staff in that the knowledge and skills of work pass to the owners on a daily basis.

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The sociocratic method upends the labour process model in that the knowledge of the work remains with the workers; however, that knowledge also becomes shared throughout the members of the circle. The labour process never become dissociated from the skills of the workers. Through a double-linking of circles and autonomy of circles, sociocracy also prevents the separation of execution and conception. The autonomy of the circles mean that workers keep their knowledge and make decisions on how to engage that knowledge. Only when a decision effects more than one circle (or work unit) does the labour process engage those located outside the immediate circle. Finally, the work circles maintain collective managerial control over the labour process and mode of execution. This control occurs through the process of consent. The individual workers maintain the right to withhold consent in the decisions of the circle. Sociocracy challenges the foundations of capitalistic control of the labour process. Sociocracy creates a method of management that fundamentally makes labour sovereign and capital subordinate. The value of each worker's individual voice in the co-operative does not depend on membership. It only depends on their status as a worker. The high scores for voice, especially with those related to participatory management and worker control (see table 21) reflect this dynamic.

In terms of labour process theory, the sociocratic model combined with worker ownership seems to create a model more in line with pre-industrial revolution formats of labour. Sociocracy democratizes scientific management in that the workers socially construct ways to achieve efficiencies and measure the results. Through the democratization of hierarchy, sociocracy may help subordinate capital. The autonomy of workers in a sociocratic model does not rely on their owning capital, instead autonomy relies on participation as a human being that protects their autonomy. The sociocratic

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model presents a clear expression of the principles and values related to worker ownership and control. Through the sociocratic management model, capital may be subordinated even in an organization in which the shareholders do not engage as workers as long as a majority of the shareholders maintain a commitment to human dignity and labour sovereignty. The sociocratic model, however, in an investor-owned, business exists only at the pleasure of the investors. The sociocratic process of decision-making and management, by itself, does not subvert the power of capital. Outside of a collectively owned organization, the power of the investors could simply dictate the areas of decision-making to the workers. In this instance, the role of sociocracy operates as a secondary form of Gramsci's passive revolution in which the hegemony of capitalism engages forms of revolutionary change without the material forms of labour control (control over distribution of residual income) (Morton, 2007).

Isomorphism. Isomorphism refers to the different forces within the society, economy, and regulatory environment that move organizations to similar behaviors (DiMaggio & Powell, 1983; Kanter, 1968; Ryszard Stocki, 2015). "The major institutions of our society, such as educational institutions, combine to reinforce ways of thinking, feeling, and acting that are congruent with capitalist bureaucratic life and incompatible with collectivist orientations." (Rothschild-Whitt, 1979). In the United States, with about 2560 co-operatives nationwide, there are few role models for co-ops in the same industry (Anonymous, 2018). Left to themselves, co-operative management may find themselves embracing work practices that focus on market based solutions instead of the social mission of the co-operative (Dart, 2004). The forces of isomorphism don't only exist within the industry. Governmental regulations rarely understand the nuance of ownership and management models forcing co-operative businesses to look and act like investor

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owned enterprises. In the financial industry, rules designed to protect depositors apply to banks and credit unions alike without regard to the transparency and openness of the credit union. Credit unions end up merging to achieve economies of scale in order to meet regulatory demands, not member needs. As the credit unions become bigger, they begin to look and act like the competing for-profit financial institutions (Samaad, 2005). The Co-operative Identity provides an alternative isomorphism, in a sense, and through this worker co-operatives can avoid the pitfalls of choosing market solutions over social mission.

The worker co-op of Union Cab of Madison, a taxicab service in Madison, Wisconsin presents another example of isomorphism. With approximately 200 workers, Union Cab offers a model of how isomorphism plays out. Most worker co-operatives in North America have a relatively isolated experience in their industry. For many years, Union Cab of Madison Co-op, was one of the only worker co-ops in the taxi cab industry in the United States. This meant that its leadership had no models on how to manage a taxi company as a co-operative. The lack of care towards taxi drivers in the industry served as a key driver in creating Union Cab, but once in existence, it had to model its management on the industry best practices that worked against the dignity and humanity of the drivers. In terms of accounting, the mission of Union Cab states "to create living wage jobs in a safe, humane, and democratic environment, by providing quality transportation to the greater Madison area."(Anonymous, 2014). The first four items of the Union Cab mission statement classify, in a traditional profit and loss statement, as expenses. Union Cab transfers the equity of ownership into healthy working conditions, governance, and decent wages, which cause its financial statements to look meager with only one or two percent margins. The dominant accounting system only counts equity in

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the form of profit or surplus leaving worker co-ops to choose between posting strong

financials and meeting their mission. Finally, the ideal of growth of organizations plays a

role in forcing worker co-ops to engage in growth. In Madison, the cab companies must

provide city-wide service. This essentially means that every time the city adds a new

subdivision or neighborhood, Union Cab must adjust to meet the new service area

requiring more vehicles. Likewise, as the city population grows, the volume of calls for

the cab company also grows as the City of Madison also mandates that cab companies, as

a public conveyance, cannot deny service. Thus, the growth of Union Cab has been tied

to the growth desires of real estate developers and the City's economic growth plan

regardless of its desire to grow in size or scope of area. From the example of Union Cab,

the role of isomorphism can be seen as a force that undermines the co-operative model

through a hegemonic dominance of the much larger capitalist politico-economic

paradigm.

Isomorphism impacts each of the three co-ops under consideration. For purposes

of discussion, the easiest examples involve the supply chain management of each co-

operative. The supply chain for natural and organic foods in the United States underwent

significant consolidation in the 1990s. This resulted in only one or two national

distributors. At the same time, the rise of Whole Foods essentially forced co-operatives to

combine efforts under the National Co-op Grocer's Association (NCG). This

organization negotiated a discount from the major distributors. To receive that discount,

Western Food Co-op must comply with financial rules and controls determined by NCG

and the distributors. This essentially forces WFC to yield a certain level of autonomy and

independence in exchange for keeping prices competitive with other retailers as organic

and natural foods become more mainstream. Coffee Co-op, as a coffee importer, must

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conform to Canadian import treaties and regulations and international agreements of fair-trade organizations. As a small importer, Coffee Co-op has little ability to lobby in Ottawa compared to larger food importers. Bakery Co-op relies on an ever-consolidating egg market that results in shortages or price hikes in a key ingredient. While other bakeries face the same issues, those other bakeries can choose to reduce their organic offerings whereas Bakery Co-op's business model relies on access to free range organic eggs.

As a means of working against isomorphism, the co-operative identity provides key values and principles for co-operative to engage. The ability to use these values and principles depends largely on the governance and management structure of the co-operative. The values and principles have limited legal effect (with some exceptions regarding voting rights and equity management). Contrasting the Co-op Index Reports against the public face of the co-operative allows insight into how well each management model engages the values and principles thus pushing back against isomorphic tendencies.

Coffee Co-op presents publicly as a socially committed organization engaged in the Fair-Trade movement and other social justice efforts. Coffee Co-op does not follow a profit-driven model as much as a social purpose of supporting agricultural producers in developing countries. The organization may face isomorphic forces on two fronts: competing for-profit coffee roasters and not-for-profit organizations practicing social missions. Both models have strong association with hierarchy and command and control models. For-profits in the pursuit of investor return and Not-for-Profits in the pursuit of mission.

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In either case, Coffee Co-op's hierarchy follows traditional corporations, which suggest a higher level of risk in succumbing to isomorphism or both the capitalist model of production and the specifics to operating a coffee roaster and café. The notable presence of who has authority to publicly speak for the organization presents one notable aspect of the public facing discussion. The General Manager, a founder of the co-operative, operates as the primary, if not sole, public representative. This provides a view of the co-operative through their point-of-view. Given the scoring on the Co-op Index Report, the comments from interviews, and the events that occurred shortly after the completion of the Co-op Index Tool survey and interviews, the view of the General Manager differs substantially from the membership and staff of the co-op. This suggests that the structure of traditional hierarchy may lead to organizational blind-spots. These blind-spots, in turn, create openings for isomorphic forces to exude pressure on the organization to engage in certain behaviours. That may undermine the co-operative identity for a worker owned business. The co-op scores well on the values of "social responsibility", and "caring for others", but much weaker on key values that can help create a bulwark against the hegemony of corporate culture such as "democracy", "openness", and "equity". The scoring on principles shares a similar message. Outward facing principles (Co-operation among co-operatives", "Concern for Community", and "Concern for the Environment") score high and fit with modern concept of Corporate Social Responsibility, but the internal principles related to co-operation ("democratic member control" and "member economic participation") and worker control ("participatory management", "labour control", and "payment solidarity") post far weaker scores. These scores should not paint the Co-op as a poor example of co-operation; however, Coffee Co-op may have some structural obstacles to fully embracing

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the co-operative identity resulting from the structure of its management model that tends to mimic traditional corporations.

At the other end of the spectrum, Western Food Co-op operates without formal hierarchy through a staff collective. This model of management would seem to create a true barrier to isomorphic forces and allow the values of and principles of co-operation to flourish. The scores for the values and principles show a considerable disconnect with the co-op identity. Where the public face of Coffee Co-op appeared through the management and founders, at WFC, the public face of the co-op shows in an anonymous format on its web site or through the consumer-owner board members. The public face of WFC provides a strong commitment to social justice, community events, and sustainable practices. It would be difficult to mistake the Western Food Coop for a conventional grocery store or even a conventional consumer co-operative grocery. The co-op has largely resisted the pressures to create an upscale shopping experience in keeping with its commitment to affordable food. The collectivist nature of the WFC co-op creates, in itself, a strong identity among the workers such that even if the organizational systems and climates do not score highly, the personal attitudes and organizational outcomes do score highly and suggest a potential weakness of the Co-op Index in that it may assume a normality of co-ops based on traditional hierarchy. Ultimately, the workers at WFC make the organization work along co-op values even if the systems and climate seem unconnected.

The last co-op, Bakery Co-op, operates using sociocracy. The logo on their web site offers the first sense of difference. It consists of four pairs of hands grasping each other and the forearms to those hands create a lattice of a pie crust. A powerful sense of humanity and community exudes through the web site. Public commentary about the co-

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op comes from different segments of the co-op. Granted most of the commenters have a leadership role, but they all recognize the power of the collective. The website discusses the role of labour in their community, "To us a strong community means creating a kinship among ourselves, as workers, and with the community we serve with our labor." (B. Co-op, 2012). The co-op decides its hours and service levels through a process of consent. This allows the workers to decide collectively about issues related to growth, product sourcing, and almost all other management decisions. While they may still be subject to macro-economic forces, such as commodity shortages related to the baking industry, they have the ability to respond to those forces through consent.

Co-op Index Tool Lessons

A secondary question on the research of the three co-ops engages the overall usefulness of the Co-op Index Tool to analyze management of co-operatives. Assisting co-ops with understanding the engagement of the co-op values and principles formed the original purpose of the Co-op Index Tool. This study uses the results from three separate Co-op Index Reports to undertake a comparative study of co-op management. Using the CIT in this process provides a new purpose for the CIT and the CIR for researchers and co-operative developers. The development of the CIT grew out of the work on Total Participation by Ryszard Stocki (2010). Total Participation considers a wide range of organizational dimensions and those dimensions form the Organizational Maturity Index. The OMI may not seem especially related to the co-op values and principles, although the scales do overlap in several instances. The OMI, in conjunction with the CVI and CPI, provides a means for research to assess the relative strengths of management in terms of engaging the co-operative identity.

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Human Dignity. At the core of worker ownership and worker control lies the concept of human dignity. As mentioned in Chapter 3, the ownership of a workplace should mean more than simply a better pay check and benefits. Ownership and control also provide a means to create a workplace that elevates the person. The elevation of the human provided a crucial social goal to the Mondragón co-operatives and a key part of the teaching of Don José Arizmendiarrieta (2000, p. 14):

> "Knowing if we can live with dignity is what it is all about. Living with dignity means being able to take care of ourselves. In this aspect, we cannot be satisfied with any paternalism, just like we cannot be pleased, as free human beings, with any paradise that is walled in."

Human dignity operates as an antenarrative. Antenarrative is a pre-narrative that may develop into various narratives. People have a general idea of what human dignity means to them (and Arizmendiarrieta's suggestion is apt), but the concept of human dignity must be collectively produced (Yolles, 2006). In this discussion, the narrative of worker emancipation operates from an alliance with the antenarrative to create a powerful story of success based on more than only monetary or transactional achievements. Stocki and Hough (2016) argue that human dignity lays at that heart of the co-op model and that through measuring the co-op values and principles, the Co-op Index provides an assessment of twelve components with either internal or external dynamics (see Table 22). The review of the tool considered used the complete responses of the survey from all of those who had responded in the several uses of the Co-op Index Tool since its creation. The authors did not identify the definition of "positive" used in their analysis, which may have an effect on the results. If they included answers of "somewhat agree" as positive,

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percentage of positive answers increases dramatically as was shown in the comparisons

of narrow and broad results for each case study in their respective chapters.

Table 22 – Component Analysis of Co-operative the Index

Internal Components	External Components
Human Dignity	Solidarity with Other Co-ops
Development	Social Responsibility for the Community
Fairness	Social Responsibility for the World
Solidarity within Our Co-op	Foundations of Democracy
Security	Caring for Others in the World
Self-Responsibility	
Caring for Other Within Our Co-op	

Note. Co-operative Index Reports for Coffee Co-op, Western Food Co-op, and Bakery Co-op (Hough, 2012; McNamara, 2015a, 2016)

Specifically, they identified thirteen scales clustering around the components of

human dignity which provide and ability to consider the relative expression of human

dignity in the three co-operatives examined in this study. The results (See Table 23)

provide a mixed message in some respect. The scales are listed in order of relevance to

the component of Human Dignity with the strongest effect beginning with Scale #13 and

the weakest with Scale #133.

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Table 23 – Comparison of Co-op Index Scales for Human Dignity

Human Dignity Scales	Value/Principle	Coffee Co-op	Western Food Co-op	Bakery Co-op
13. When making decisions my co-workers and supervisors take my welfare into account.	Self-help	71%	68%	50% (100%)
165. My contribution to discussions is respected.	Participatory Management	75%	73%	75% (100%)
16. The effort of individuals is honestly appraised.	Feedback Systems	57%	54.5%	50%
37. I trust people in our co-op.	Trust Among Coworkers	78%	73%	75%
87. People in our co-op respect each other's opinions.	Openness Participatory Management	72%	59%	75%
23. My supervisor consults me about the tasks entrusted to me.	Participatory Management	81%	32%	50% (67%)
42. I have the opportunity to influence which tasks I perform.	Process	72%	68%	100 %
56. Members and employees are more important than capital to our management.	Labour Control	65%	41%	100 %
3. I am willing to participate in the evaluation of my coworkers' work.	Self-responsibility and Feedback Systems	79%	81%	100 %

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118. Different points of view are welcomed by my coworkers.	Openness	64%	41%	75%
67. Experienced employees assist in the professional development of their junior colleagues.	Solidarity Education, Information, and Training	72%	41%	75%
123. Our co-operative is a model for other businesses in our industry.	Social Transformation	72%	45%	25%
133. All cultures are equally respected in our co-op.	Voluntary and Open Membership Mutual Respect	81%	55%	100%

Note. Co-operative Index Reports for Coffee Co-op, Western Food Co-op, and Bakery Co-op (Hough, 2012; McNamara, 2015a, 2016)

The low scores for Bakery Co-op and Western Food Co-op on the 123rd scale (a model in the industry) may have a number of causes. This scale also scores high as a reflection of the components "Solidarity with Other Co-operatives" and "Social Responsibility for the Community" which are more outward facing components of the CIT. In co-operative development circles, co-operative members often see themselves and their co-op as unique in their industry and often even within the co-operative world. The novel approach to governance and management that both co-ops utilize may not be seen by the members in terms of being a role model, but as being unique to their organization. This dynamic among worker co-ops leads them to a more internal facing world. Coffee Co-op, on the other hand, engages the globalized economy through its Fair-Trade initiatives and direct dealing with coffee farmers in the developing South. As

a worker co-op with direct business relations to foreign producers, one expects stronger responses on the outward facing components of the index.

The scores for human dignity, as a whole, seem to favour a management structure that seeks to be as inclusive and transparent as possible. The higher scores for the sociocratic management model would be expected by the nature of Sociocracy as a more democratic, transparent, and accessible governance model.

Analysis of Management. The Co-op Index Tool measures the ability of a co-operative to express the co-op identity. The CIT operates as an internal tool for the membership and the elected leaders of a co-op to understand how the policies of the co-operative engage co-op values and principles. The use of the CIT for an external analysis rating the efficacy of its management and governance model offers a new use of the tool for co-operatives, developers, and researchers. This study set out with a goal of understanding how worker co-operative and worker-controlled organizations alter the forms of management and governance to meet their needs as worker-owners and if the form of management assists or hinders the effort to engage in meaningful worker control.

The three co-ops selected have differing managerial and governance process. The Coffee Co-op offers the most traditional with a firm division between board governance and hierarchal managerial operations. The Food Co-op uses consent decision-making with a collective management structure while separating policy from operations with a consumer-controlled board of directors. Bakery Co-op blends the governance decision and managerial decisions while using sociocracy. The latter model allows a voice to non-members who have a stake in the success of the co-operative (either as workers in the café or as interested community members on the board of directors). While it would be difficult to draw strong conclusions from this comparison, as many variables exist, the

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data does suggest that the manner and method of management in a co-operative does have an effect on the co-op's ability to develop a work-place based on the co-operative values and principles and create social equity and human dignity in the workplace.

The sociocratic model seems most suited to worker ownership and labour control as the model incorporates the conception of labour with the expression of labour. Further, the model allows the workers equal input regardless of their capital investment in the co-operative. This may seem contrary to the notion of co-operative's third and fourth principles ("Member Economic Participation" and "Autonomy and Independence"); however, it clearly engages the values of solidarity, democracy, equality, and equity.

The ability of workers to have a voice in the method and manner of their labour serves as a fundamental aspect of worker control. The sociocratic method ensures that workers have a voice in all issues that affect them. This operates the worker co-op principle of labour supremacy and participatory management. While all co-ops argue for subordinating capital, Bakery Co-op expands this to providing an equal voice to workers on the shop floor regardless of membership.

The challenge for the other models develops from the separation of governance and management in worker-controlled places. At Western Food Co-op, the division between the ownership and the workforce effectively subordinates labour to capital. The ability of the consumer owners to override the collective staff (as seen in the board decision to honor a supply line boycott without staff consensus) on operational issues undermines the collective management model. At Coffee Co-op, the attempts to flatten the traditional hierarchal model demonstrate the co-op's own uneasiness with mirroring the coffee importer/roaster industry in form.

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Both the collective and hierarchal models limit, to some extent, the voice of workers in the workplace by privileging subsets of workers or other stakeholders in the decision-making process. This dynamic ultimately undermines the ability of the co-op to create a workplace centered on human dignity and the co-operative identity. While this should not be construed as creating poor working experiences for staff, the management models have a limitation in the full expression of the co-op model and this can lead to conflict with the principles of worker co-operation and disagreement within the co-operative around its mission. The case studies document such conflict at both Coffee Co-op and Food Co-op. These conflicts ultimately engaged the management structure. At Coffee Co-op, after several years of disappointing results with traditional CEO model, the co-op incorporated "team management" as an internal worker advisory council to the general manager. Even this more nuanced hierarchy had its challenges as a unionization drive at one of the cafes caught the general manager and board completely by surprise. The hierarchal model requires a delegation of authority while retaining formal power at the top. As mentioned earlier, this dynamic may create significant communication black holes and blind spots within an organization. It may leave workers feeling unheard and unappreciated while creating a false sense of well-being within upper management. At Western Food Co-op, a more complicated conflict occurred with regards to managing the store's mission in terms of product selection. The consensus process seeks agreement among all participants in the decision-making process. Finding agreement on a politically charged issue among 80 staff members can be difficult and take significant time for each member to express their opinion. Due to the smaller size, a nine-member board of directors offers a much easier pathway to achieve the goal.

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Limitations of the Study

This study considered the effect of management method in the operationalization of the co-operative identity by utilizing the results from the Co-operative Index Tool for three co-operatives with different management methods and comparing those reports through a comparative case study using the Co-op Index Report produced for each co-operative and accompanying information for each co-operative. As mentioned in the previous section, the co-ops in this study vary in ownership structure as well as management. At Coffee Co-op and Bakery Co-op, the worker-owners represent a minority of the total workforce. At Western Food Co-op, all workers have membership in the co-operative, but that membership rests on their status as a consumer of the co-operative, not as an employee of the co-operative. These differences in ownership structure create some limitations in that the language of the Co-op Index survey speaks to worker-owners and this may have created some variances in the answers of the co-op staff. A cleaner analysis would include three worker co-operatives in which all workers are members and all members are workers. This would allow a better discussion about the division of governance and management especially in a collectively managed worker co-operative. In a collectively run co-operative owned by the workers and only using member labour (no volunteers), the meetings of "governance" bodies and "management" bodies would include the same individuals.

A more significant limitation within the study results from the varied level of completeness of the Co-op Index Report. The Co-op Index engages a high level of flexibility with those taking it; this can create some problems when making comparative analysis. The demographic data differed from study to study with the exception of gender. This made it difficult to compare demographic trends within the results. In

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addition, Bakery Co-op and Food Co-op chose not to pursue interviews after the

completion of the survey that further limited the overall effectiveness of the CIT. Staff

interviews can greatly assist an analysis of the data provided by the survey. The latter two

co-ops also do not have extensive policy manuals. In the case of Bakery Co-op, the job

descriptions consist of agreed upon task lists at each work station. While this format of

engaging work expresses the control that the workers have over the knowledge of their

labour, the lack of documentation of policies prevented the triangulation of the survey

results with the stated policy related to the scales of the survey.

This study only considers one co-op from each type. This limitation results from

only finding one co-op using sociocracy that has also engaged the CIT. This is an

important limitation. The Eastern Food Co-op, organized almost identically to Western

Food Co-op, posted scores on the survey similar to Coffee Co-op. This suggests that the

scoring for Western Food Co-op may have been the result of unique issues within WFC

rather than with the managerial structure of a staff collective in a consumer co-op. By

combining multiple examples from each managerial type, the individual variances could

be smoothed out and a more realistic picture of the managerial efficacy could be

understood.

A final and related limitation involves the size of each co-op. An ideal situation

would have been to create index scores by combining the results of all three co-

operatives. However, the relative size differences of the co-ops would have resulted in an

artificially lower index that would unfairly benefit the scores from the Bakery Co-op. The

sociocratically managed co-op also had the smallest workforce and number of CIT

responses (less than half the size of the other two co-ops). Combining the scores would

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have unfairly weighted the indices in the favour of Bakery Co-op and would have created a faulty analysis.

Areas for Further Research

This comparative study considers the role of management in the expression of the co-operative identity of worker control through the Co-operative Index Tool. As the discussion of limitation in this and other chapters suggest, there are several areas for further research. While this discussion itself will not be exhaustive, the role of the Co-op Index can be expanded beyond internal analysis of individual co-operatives. The Co-op Index Tool provides a means for considering larger questions about management and the co-operative paradigm.

Replication. This study should be replicated as more worker co-operatives in Canada and the United States adopt sociocratic-style management models, including sociocracy 2.0, Halocracy and other similar models. Rainbow Grocery Co-operative, for example, does not use sociocracy, but does engage in a link network of autonomous collectively managed departments to manage a 245-worker grocery store in a major urban community (Kauffman, 2015). A more engaged study of multiple co-op management formats could help provide a deeper analysis of the role that management structure plays with regards to the expression of co-operative values.

Co-op values in non-co-ops. Researchers and adherents of the co-operative model often connect its values and principles to human dignity, suggesting it is an inherent part of the human identity. Co-operation, economic or otherwise, clearly plays a role in human development. Do enterprises need to be legal co-operatives to express the co-op identity in a meaningful way, and by meaningful, that is to say, that the expression does not occur because of a beneficial major stockholder, but as a fundamental existential

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aspect of the organization? Would, in other words, a sociocratically run business score well on the Co-op Index Tool even if it were not a co-operative?

Comparative Summary

This chapter attempts to connect the case studies to one another and to the theoretical considerations underlying this research. It cannot argue for causation as this analysis offers only a limited snapshot on the practice of management in worker co-operatives and worker-controlled co-operatives. However, the research does suggest that management may play a role in the overall ability of a co-operative to embrace and express the co-op values and principles. The dramatic difference between the three models, if nothing else, suggests that the day-to-day lived experience of workers in the workplace (an experience well within the role and responsibility of management), forms a fundamental connection of the workers towards to organization and its values. Further research, especially as more co-operatives opt for a sociocratic model, may help researchers and co-operative members understand how the management structure that they use helps them be a co-operative. Further research on sociocracy may also show that it has the ability to create an isomorphic effect in the opposite direction; for example, research might demonstrate that investor-owned organizations express several co-operative values and principles when using sociocratic management, such as the values of self-help, self-responsibility, democracy, and equality, openness, and honesty as well as the principles of participatory management, and education, information, and training. A reverse isomorphic effect would suggest that a second pathway to achieving some of the goals of co-operation could be obtained through management.

A second consideration involves the ability of the Co-op Index Tool to serve as a research tool. The CIT initially served the purpose of providing co-operative membership

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with an analysis of their co-operative. The initial analysis used by the co-operatives involved conducting an external analysis of the data collected by the CIT for the purposes of improving the co-op's adherence to its values and those of the co-operative identity. The second use of the CIT, by this researcher, does not focus on the betterment of an individual co-op but considers the larger structural issues of co-op management. Using a comparative case study with the CIR as the primary narrative has also proved a useful tool to engage questions of co-op management. Repetition of this work in terms of other co-operatives could create a stronger body of analysis that could help better inform a management paradigm focused on economic co-operation. Such a co-operative paradigm could be seen as a divergent model from McGreggor's "Theory X" of Taylorism and "Theory Y" of Human Relations (Jacques, 1996). The co-operative economic model has held a position in between the planned economies of the regimes inspired by Marxist-Leninism and the globalized market capitalism developed after WWII through the Bretton Woods Agreement. However, the co-op economic model has always been crippled by either the political hegemony of government control in the planned economy states or the economic hegemony of the capitalist economy. It has largely borrowed its management and managerial analysis from other economic models (capitalist or collectivist). A fresh approach through the CIT could provide the means to develop a management platform in-line with the co-operative values and principles. From this minimal analysis of three co-operatives sociocracy offers some promise of such a platform, but a more thorough study of co-operative management through CIT could provide greater detail and development of a co-operative management paradigm.

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Conclusion

Worker control of an enterprise provides a different way of conducting business. The ownership of the means of production allows workers to collectively decide on the rules by which the organization meets its mission. In the case of worker co-operatives, workers comprise two significant stakeholder groups: the employee and the employer. This combination of stakeholders allows the focus of the organization to center on the human needs over a quest for increased profits. The management practices utilized by worker-owned and worker-controlled businesses do not necessarily differ from their capitalist-oriented competitors. The use of management methods designed to increase operational efficiency and raise profitability seem to undermine the co-operative identity of the organization.

The co-operative identity (ICA, 1995) presents a set of values and principles that co-operative business adhere to in order to help create a human-focused economy seeking to solve problems for members (such as access to food and housing or humane employment). The co-op identity creates a market advantage in that co-operatives enjoy a much higher level of trust among consumers by the alignment of co-op values and principles with societal needs and building community relationships (Cumpston & Graf, 2012; Spear, 2000). For workers in a worker-owned co-operative or a worker-controlled co-operative, the co-op advantage also builds resiliency into the organization since workers have the control to weather economic downturns through shared sacrifice. Worker-controlled organizations promise to provide a strong voice to the workers in how the organization meets its mission and the needs of the workers.

In analyzing the CIT, this study utilized the concepts of voice and exit put forth by Hirschman (1970) along with Ostrom's (2001) arguments for successful management

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of the commons. Co-operatives operate as a form of an economic commons. Members

engage each other with an equal voice in the organization, share resources, and receive

benefits based on their inputs. The values and principles of co-operation complement the

principles of Elinor Ostrom's (2000) framework for management of commons. Both

Ostrom's framework and the co-operative values and principles speak to member

participation, accountability of members, effective management, and benefit allocation

based on inputs. Co-operative management has a track record of managing common

resources well (Pompe & Rockwood, 1993), but co-op management of workers has a

more checkered history (Brogan, 2014; Burger, 2011; Haiven & Haiven, 2008).

How co-ops manage their enterprises has been subject to considerable debate.

Attempts to include a principle on co-op management in the Statement on the Co-

operative Identity fell short in the early 1990s (Böök, 1994), and efforts to create a

management paradigm consistent with co-operative values and principles has been at the

forefront of co-operative academics (Birchall, 2005; Côté, 2005; Novkovic et al., 2012).

This has resulted, among other initiatives, in the creation of the Co-operative

Management Education program at Saint Mary's University. Through managing the co-

operative in alignment with the Statement on the Co-operative Identity, these people-

focused organizations may realize the "Co-operative Advantage" – something that

provides a value difference for consumers beyond marketing strategies. To fully

implement such an advantage, the management and operations of a co-operative must

also embrace the values and principles of economic co-operation along with the

governing body.

The Co-op Index Tool provides a means to measure the co-operative difference.

The version of the tool used for this dissertation measures the values and principles of co-

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operation implemented in a co-operative in addition to the organizational systems, organizational outcomes, personal attitudes and actions of workers, and the organizational outcomes. CIT, designed for worker co-operatives, provides a means of understanding how workers engage the co-operative as both owners and workers. It provides a means for the membership of a worker co-operative, or, in the case of Western Food Co-op, the workers of a worker-controlled consumer co-op, to better understand how the management of the co-operative can help co-operators embrace the co-operative identity.

Underlying the arguments of Hirschman, the engagement of co-op values in a worker-owned or controlled co-op also provides the ability to truly control the labour process operationalizing the principles of worker co-operation developed by the Mondragón Co-operative in Spain (Ormaechea, 1993). The principles of worker ownership (subordination of capital, primacy of labour, participatory management, and payment solidarity) seeks to create a workplace in which the worker's well-being operates as the existential purpose of the organization (as opposed to the creation of wealth for external investors). Worker ownership promises to create an equitable financial relationship in which the worker receives the surplus value created by their labour while overcoming the legacy of oppression in society based on non-materialist characteristics (gender, race, ethnicity). The needs of a business committed to worker dignity and humanity go beyond a decent paycheck and benefits; it must also include a management system that honors the voice of the individual worker. A business focused on the worker as a human being needs to create a process that overcomes the traditional command-and-control formats of managerialism that uses labour to create wealth. A collectivist structure may succeed at material levelling, but also must prevent against the

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reification of societal oppression (J. Freeman, 1972). This study considers how well each model of management engages with the co-operative identity to achieve balance between individual worker autonomy, meeting the needs of the organization, and succeeding at creating a value-based, human-centric workplace.

The organizations included in the analysis within this thesis operate within the co-operative paradigm. All the organizations presented a level of engagement with the values and principles of co-operation. While each organization utilizes a unique management approach, each operates as a value-based organization. The analysis presented here considers how well a management model enables a worker-managed organization to operationalize the co-operative identity by engaging with the worker-ownership principles within the larger co-operative community. Each co-op scored well on the Co-op Index Report in terms of organizational outcomes and each demonstrated high levels of organizational trust. The similarities demonstrate the intrinsic nature of the co-operative identity and the commitment of members in a worker co-op to each other and the values and principles of co-operation.

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Chapter 8: Conclusion

This dissertation examines the role that management plays in the expression of the co-operative identity in worker co-operatives and labour-managed co-operatives. While all businesses organized through co-operative values and principles, the worker-owner model of co-operation creates a workforce that both owns and controls the workplace. This combination of capital and labour provides opportunities to understand how the decision-making in the workplace (whether by board, management, or work teams) expresses the values and principles of co-operation or if the form of decision-making hinders expression of the co-operative identity. Working from the concepts of exit versus voice articulated by Hirschman, this dissertation creates a model to analyze worker co-op management practices in terms of creating a co-operative difference in the workplace.

The Co-operative Index Tool, designed to compare worker co-operatives to an imagined ideal, measures co-operatives in terms of its expression of co-operative values and principals, operational systems, operational climate, the personal attitude, and organizational outcomes. The CIT for each co-op comprises a case study of the co-op's management model. The attitudes and opinions of the co-op workforce (members and non-members) reflect the overall connection of work practice to the values and principles of worker ownership and human dignity. Through a comparative case study of these three co-operatives, this dissertation illuminates how workers engage with the co-op's application of values and principles as well as dimensions related to organizational systems and organizational climate that support voice among workers and reduce the desire to exit.

Chapter 8 Conclusions

Research Questions

The first research question for this dissertation asked: Does the type of management utilized in a worker co-op or worker-controlled co-op facilitate or hinder the ability of the organization to express the co-operative identity? The results show that the three types of management studied (hierarchy, collective, sociocratic) each presented different levels of operationalization of the co-op identity and expression of the co-operative values and principles. The sociocratic model fared best with high scores on all of the indices, the traditional hierarchy model fared well with index scores in the mid-sixty percentile range. The collective model scored poorest with index scores barely crossing the fifty percent threshold although it achieve a high trust index.

The second research question for this dissertation asked: Does the Co-operative Index Tool provide an adequate means of examining the relative efficacy of the type of management? The CIT provided a clear means of comparing co-operative practices in terms of organizational systems, organizational climates, personal attitudes and actions, and organizational outcomes. This allows a co-op a clear view of how the lived experience of the worker-owner and the employees of the co-op match up to the values and principles of co-operation. In Chapter 7, a second use of the CIT provided a means of comparing each co-op to each other in terms of the development of human dignity in the workplace based on the work of Ryszard Stocki (2016).

The Coffee Co-op (see Chapter 3) utilizes a relatively traditional hierarchal model with contemporary influences of team management practices. Hierarchy creates a top-down command-and-control structure in which the general manager retains ultimate authority to implement board policy. The co-op scored relatively well in the CIT, with the

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Organizational Maturity Index (OMI), Co-operative Values Index (CVI), and Co-operative Principles Index (CPI) in the "mature range" or positive responses in the narrow analysis showing agreement with the scales in the upper 60 percentiles to the lower 70 percentiles. However, non-members in the co-operative's cafes provided the weakest scores and a small group of these workers led a unionization drive shortly after the co-op completed the CIT process. The actions of the co-op to flatten its hierarchy, along with the actions of non-members to unionize, reinforce some of the weaknesses of the hierarchal model in an organization based on worker ownership and the co-operative principles of "equality," "equity," and "solidarity." The CIT for Coffee Co-op suggests an organization focused on worker rights that the organization's commitment to international fair trade further supports. However, the CIT also uncovered areas in which the co-op could improve its abilities to engage the principles of worker ownership. These areas of improvement include openness, transparency, democratic member control, member economic participation, and participatory management (see Chapter 3, Figure 5). These specific values and principles of worker ownership seem to run counter to a hierarchal model in which an individual worker at the top of the decision-making pyramid makes decisions that those at the bottom of the pyramid must obey. Although a team management scheme provides for worker input into those decisions, the traditional hierarchal model creates a power relationship between the top of the pyramid and the bottom.

In Chapter 4, the Western Food Co-operative (WFC) provides an example of the collective model. In the collective model, the co-operative operates as a consumer co-operative and contracts with the staff. The staff organizes as a collective using a committee (or team) structure to organize work, but most staff decisions require the

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consensus of the entire staff. WFC scored the lowest of the three co-operatives analyzed

in this dissertation. The OMI, CVI, and CPI scored just under 50 per cent on the narrow

analysis of the CIT. The scores placed the co-op in the "immature" range of scoring

suggesting that even after almost 40 years of operation and a mission statement that

incorporates much of the co-operative identity (W. F. Co-op, 2007b), the co-op still

struggles to live up to the values and principles of co-operation within its work practices.

The collective model operates best when the body consists of a small group of individuals

and a single work environment. With 80 workers and 300 volunteers spread out over

three separate work sites, the co-op may be simply too big to operate through a collective

process (Rothschild & Whitt, 1986). Collective structure tend to work best when the

population of the group remains small, under 40 people (House & Powers, 2002). The

ability for people to meaningfully participate shrinks with an increase in the size of the

group. The collective model provides a means of worker engagement in the operations

and management of the co-operative. The consensus-based decision-making process

provides opportunities for the co-op workers to engage their voice in the organization and

builds loyalty to the co-operative; however, the management model may also make it

difficult to effect change and allow meaningful voice from the workers of the co-op.

  The third management model under scrutiny in this dissertation engages

sociocracy (Chapter 5). The Bakery Co-op, a worker co-operative, uses the principles of

sociocracy to operate the bakery and café. Sociocracy operates under the core principle of

consent. Consent-based process incorporates a scientific method of decision-making

(that sets a date to review and measure the efficacy of the decisions) with democratic

structure that asks members to consent to a proposal (Buck & Villines, 2007). Bakery

Co-op scored the highest marks of the three co-ops in this thesis. The OMI, CVI, and CPI

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all placed in the "mature" category or the top quadrant of the scoring. Even the strongest

deviations from the indices scored into the mid-60 percentiles. The sociocratic method

allows member and worker voice in the operations and governance of the co-operative.

Sociocracy provides specific protocol for engaging the voice of community members

(regardless of ownership) (Buck & Villines, 2007). Sociocracy engages the co-op values

of "equality" and "equity" in the decision-making process at both the operational and

governance level. Sociocracy employs hierarchy and structure that collective models may

tend to reject. The hierarchy, however, operates as a means of collectively organizing

work, not formalizing power. The people who engage the work make the decisions about

their work.

Of the three co-operatives studied in this analysis, the one using sociocratic

methods scored the highest on the Co-op Index. However, comparisons between Co-op

Index scores require several caveats. This dissertation only considered a single

representative of each management model. Other co-ops with similar models may score

differently. As mentioned in Chapter 5, Eastern Food Co-op, with a similar structure to

WFC, scored closer to Coffee Co-Op. Co-operatives, as human-based organizations,

reflect that diversity. As a result, the Co-op Index, while useful in understanding the co-

operative dynamics at play within the co-operative, cannot fully incorporate the specific

cultural and environmental dynamics of the lived experience of the membership. Any

analysis using the Co-op Index needs to incorporate the environment in which the co-op

and the workers live. Nevertheless, the CIT does provide a means to understand how the

management of the co-operative operationalizes the set of co-op values and principles

within a worker co-operative framework. Further analysis may allow researchers to

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develop a stronger theory about the relationship between co-op management and the co-op identity.

Worker co-operatives and worker-managed co-operatives offer a unique model of the economic commons. Workers, unlike other stakeholder groups, have a powerful interest in the success of the co-op. Members of consumer co-ops may be able to find the same or comparable products at conventional investor-owned grocery stores, but workers employed by a consumer co-op may not so easily find employment (let alone employment with the same level of pay, benefits, and voice). In worker co-ops, the combination of two stakeholder groups (worker and owner) into a single person creates a powerful stakeholder model for co-operation.

The most common management models in use today tend to focus on one stakeholder group (owners) controlling another stakeholder group (workers) for the benefit of the ownership and a third stakeholder group (consumers). Co-op management, because of the focus on ownership, tends to follow other corporate models with top-down hierarchies centered on power. This model may be effective for meeting the needs of the ownership, but top-down hierarchies may also work against the co-operative values of equity, equality, and democracy. The traditional response to hierarchy tends to be a form of collective management. Collective management, however, works best when the group to be managed remains small (under 40 people) with schedules that allow for all members of the collective to engage each other to make decisions on the work.

Sociocracy, a relative newcomer to the management schemes in co-operatives, provides a mix of the two other forms of management studied in this dissertation. Sociocracy creates a hierarchy of work not power. Rather than a strict separation of governance and operations, the sociocratic model provides each circle with a different

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focus based on the aims of that circle. Strategic, long-range decisions (often considered governance) happen at the "top circle" while tactical (often considered operations) occur at the circles designated to manage specific tasks. The circles, however, link into each other to provide two-way information through the system.

Each system of governance and operations in the co-operatives seek to express the co-operative identity. The relative efficacy of the efforts to express the values and principles of co-operation vary widely between the three samples. While sociocracy offers a lot of promise, few co-ops use this model and more research will be needed to create a greater argument for causation. The other models appear useful, however, as both structures empower key individuals with the flow of information and control limiting their ability to embrace the co-op identity.

The co-op model centers the human being in the enterprise over the dollar, and the co-operative movement has always had a social component. The writings of Arizmendiarrieta suggest the purpose of Mondragón and the co-operative model that he supported should be to assist people in becoming the best human that they can be (Arizmendiarrieta, 2000). Co-operation promotes human dignity and the results of this dissertation suggest that the manner of management effects the co-operative's ability to look and act like a co-operative. The management choice of co-operators does not have to be limited to either hierarchy or collectivism. Sociocracy provides a variation of the hierarchy/collective dichotomy. Further research on the viability of management models to express co-operative values and principles can provide co-operatives with a broader range of options for aligning both governance and operations with the co-op identity and creating a model for managing that averts the tragedy of the commons.

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Appendix A: Statement on the Co-operative Identity

The Statement on the Co-operative Identity was adopted by the International Co-operative Alliance in 1995 to provide a clear understanding on the co-operative organizational model (MacPherson, 1996). It includes a definition, set of values, and a set of principles.

Definition:

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values:

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles:

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st principle: voluntary and open membership. Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2nd principle: democratic member control. Co-operatives are democratic organizations controlled by their members, who actively participate in setting their

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policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3rd principle: member economic participation. Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: autonomy and independence. Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th principle: education, training, and information. Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives.

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They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th principle: co-operation among co-operatives. Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7th principle: concern for community. Co-operatives work for the sustainable development of their communities through policies approved by their members.

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Appendix B: Co-operative Index Tool Scales

The Co-operative Index Tools consists of a series of statements that connect to organizational systems, organizational climate, personal attitudes, organizational outcomes, co-operative values, and co-operative principles as follows:

	Question text	Dimension	Value	Principle
1	Workers pass on important information to others (affected by it) on time.	Communication Systems	None	None
2	I am satisfied with the hiring process in our co-op.	Personnel Policies and Recruitment	None	None
3	I am willing to participate in the evaluation of my coworkers' work.	Feedback Systems	Self-responsibility	None
4	Co-op workers have a final say on key decisions.	Independence	Democracy	Labour control
5	I respect the people in my workgroup for his or her competencies.	Leader Competence	None	None
6	Government is not directly involved in our co-op's decision making.	Independence	Democracy	Autonomy and independence
7	Our co-op is engaged in environmental initiatives in the community.	Environment	Social responsibility	Concern for the environment
8	In case of a financial crisis at the co-op, I would be ready to voluntarily give up a part of my compensation for some time.	Identification	Solidarity	Member Economic Participation
9	I have an influence on how particular tasks are	Participatory Management	None	None

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	performed in the co-op.	Style		
10	If I had to, I would be able to pass on important information to the CEO within a day's time.	Communication Systems	None	None
11	I am satisfied with the way I am treated by my coworkers.	Satisfaction	None	None
12	Compensation is fairly calculated in the co-op.	Remuneration	Equity	Payment solidarity
13	When making decisions my co-workers take my welfare into account.	Participatory Management Style	Self-help	None
14	I have influence on hiring in my area of the work / co-op.	Participatory Management Style	None	None
15	Our co-op promotes co-op culture in society.	Community	None	Social transformation
16	The effort of individuals is honestly appraised.	Feedback Systems	Equity	None
17	All workers express their opinions about what is happening in the co-op.	Feedback Systems	None	None
18	Our co-op issues regular communications in a timely fashion.	Communication Systems	None	None
19	I feel fulfilled while working in the co-op.	Self-Realization	None	None
20	I trust my immediate co-workers.	Trust in Leadership	None	None
21	I am satisfied with the quality of products and services offered to customers/clients.	Products and Services	None	None

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22	I would be willing (according to my ability) to increase my investment in the co-op if needed.	Ownership	Solidarity	Member Economic Participation
23	My co-workers consult me about the tasks entrusted to me.	Participatory Management Style	None	Participatory management
24	Workers have an influence on the compensation system.	Remuneration	Democracy	Democratic member control
25	I am satisfied with the scope of independence in my job.	Processes	None	None
26	There is a friendly atmosphere in the co-op.	Fun	None	None
27	I have confidence in our senior managers.	Trust in Leadership	None	None
28	Dismissals are always justified.	Personnel Policies and Recruitment	Equity	None
29	Suggestions I made that would improve the operation were implemented.	Process Improvement	None	None
30	Workers discuss amongst themselves how to improve the co-op's efforts.	Process Improvement	None	None
31	The pay allows me to cover living expenses, and also to save or pay off debt.	Remuneration	Self-help	None
32	The co-op benefits from all workers' knowledge to make improvements in its functioning.	Process Improvement	None	None
33	I am proud to work for this co-op.	Identification	None	None

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34	Management are honest with workers, even when it comes to difficult and controversial issues.	Trust in Leadership	None	None
35	I have a fair share in the co-op's surplus (profit).	Remuneration	Equality	Member economic participation
36	Management in our co-op know how to deal well with people.	Leader Competence	None	None
37	I trust people in our co-op.	Trust Among Co-Workers	Honesty	None
38	While working, I feel like the co-op's owner.	Ownership	None	Labour control
39	Everyone who works here can be a member of the collective.	Ownership	Equality	Voluntary and open membership
40	Nobody is bored at work in our co-op.	Fun	None	None
41	The recruitment process seeks out a wide diversity of people able to do the job.	Personnel Policies and Recruitment	None	Voluntary and open membership
42	I have the opportunity to influence which tasks I will perform.	Processes	None	Participatory management
43	I am willing to have my coworkers evaluate my work.	Feedback Systems	None	None
44	I know what qualifications I should possess to change my position within the co-op.	Participatory Knowledge	None	None
45	I would like to work here for at least the next 10 years or until I retire.	Identification	None	None

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46	All workers enjoy working toward the success of the co-op.	Fun	None	None
47	Our co-op makes decisions in a collaborative way.	Participatory Management Style	Self-help	None
48	I am satisfied with the process of evaluating my work.	Feedback Systems	None	None
49	I would be ready to sacrifice some of my free time to better understand how the co-op works.	Identification	None	None
50	I understand the bylaws and rules that govern our co-op.	Participatory Knowledge	Self-responsibility	Democratic member control
51	I am satisfied with my professional development in the co-op.	Self-Realization	None	Education, training and information
52	I like my colleagues.	Relations with Co-Workers	None	None
53	I am a better person thanks to the work at this co-op.	Self-Realization	None	None
54	Workers do their best to make the development of the co-op possible.	Mutual Respect	None	Participatory management
55	The co-op supports workers in their development.	Development of Co-op Members	Self-help	Education, training and information
56	Workers are more important than capital to our management.	Mutual Respect	None	Labour control
57	I have influence on how surplus (profit) is distributed in the co-op.	Ownership	Democracy	Member economic participation

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58	Workers here are guaranteed decent and safe work conditions.	Processes	None	Labour control
59	I have a significant financial stake in the co-op.	Ownership	None	Member economic participation
60	A sense of humor is valued in the co-op.	Fun	None	None
61	Workers receive required information on time.	Communication Systems	None	None
62	Leaders (informal or formal) shows respect to all workers.	Mutual Respect	None	None
63	Co-op culture is an important part of doing business for our co-op.	Relations with Co-Workers	None	None
64	Generally speaking, our co-op is a good organization.	Identification	None	None
65	The co-op does its best to recognize the needs of its customers/clients.	External relations	None	None
66	My work makes sense.	Satisfaction	None	None
67	Experienced workers assist in the professional development of their junior colleagues.	Development of Co-op Members	Solidarity	Education, training and information
68	I come up with innovations in my job.	Process Improvement	None	None
69	Ongoing training is a part of my fundamental responsibilities at work.	Development of Co-op Members	Self-responsibility	Education, training and information
70	I manage to keep a balance between work and my personal life.	Self-Realization	None	None

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71	We celebrate successes in the co-op.	Fun	Caring for others	None
72	I regularly receive feedback about my work performance.	Feedback Systems	None	None
73	I know how to improve work effectiveness in the co-op.	Process Improvement	None	None
74	I get along with the person(s) responsible for my area.	Relations with Co-Workers	None	None
75	Workers are honest in their dealings with the co-op.	Trust Among Co-Workers	Honesty	None
76	My compensation is adequate, taking into account my competencies and duties.	Remuneration	Equity	Payment solidarity
77	I am aware of the strategic challenges the Board of directors currently face.	Transparency	None	None
78	The future of the co-op is a topic for discussion among the members, the management and the workers.	Strategy	Democracy	None
79	I have an impact on the strategy of the co-op.	Participatory Management Style	Democracy	Democratic member control
80	Workers can make many important decisions without consulting first with entire collective.	Processes	None	Participatory management
81	My skills, knowledge and abilities have increased through my work in the past year.	Self-Realization	None	Education, training and information

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82	I enjoy my work.	Satisfaction	None	None
83	It is important to workers that the co-op maintains a sustainable business.	Viability	None	None
84	Workers are treated fairly in the co-op.	Mutual Respect	Equity	None
85	Workers are treated equally regardless of their gender.	Mutual Respect	Equality	None
86	Everyone, regardless of their gender, age, race and cultural background, is able to become employed in our co-op.	Personnel Policies and Recruitment	None	None
87	People in our co-op respect each other's opinions.	Relations with Co-Workers	Openness	Participatory management
88	The co-op seeks out new ways to improve its operations.	Innovations	None	None
89	Workers are able to communicate their ideas effectively	Communication Systems	None	None
90	I get clear instructions and training about how to do my job.	Processes	None	None
91	I have full access to all relevant information about our co-op.	Transparency	Openness	Democratic member control
92	The information I receive about our co-op's performance is relevant to me.	Participatory Knowledge	None	None
93	Workers of the co-op understand the requirements for making the business successful.	Participatory Knowledge	Self-responsibility	None

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94	I would volunteer some of my time to strengthen our co-op's position if needed.	Ownership	Solidarity	None
95	Our co-op cares about keeping wage differences small between workers.	Remuneration	Equality	Payment solidarity
96	Nobody outside of our co-op has an impact on important decisions about the direction of the co-op.	Independence	None	Autonomy and independence
97	Our co-op believes that the best way to develop our business is to not compromise on our values and principles.	Products and Services	None	None
98	Our co-op is focused on creating an environmentally sustainable business.	Environment	Social responsibility	Concern for the environment
99	My family and friends are satisfied with me being a co-op worker.	Satisfaction	None	None
100	Our co-op supports other co-ops.	Co-operation with other Co-ops	Solidarity	Co-operation among Co-operatives
101	I take into account ethical trade issues in my purchasing decisions.	Responsibility	Caring for others	Social transformation
102	Our co-op is earning enough to cover its operations and workers' needs.	Viability	None	Autonomy and independence
103	The training I have received gives me the confidence to fully participate in the co-op.	Participatory Knowledge	None	None
104	The co-op provides	Development of	None	Education,

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	opportunities for professional development.	Co-op Members		training and information
105	My work experience increases my capacities to meet my personal goals and responsibilities.	Self-Realization	None	None
106	Our co-op seeks business links with other co-ops.	Co-operation with other Co-ops	Solidarity	Co-operation among Co-operatives
107	Our co-op has the strategy to ensure achieving its goals.	Strategy	None	None
108	Our co-op is organized well enough to maintain the business's viability.	Viability	None	None
109	I am satisfied with our co-op's financial situation.	Viability	None	None
110	Our co-op has regular access to funds required for its business activities and growth.	Viability	None	None
111	My share in co-op's risks is fair compared to other workers.	Ownership	Equality	None
112	Our co-op is strong enough to provide me with long-term employment.	Viability	Self-help	None
113	Economic development of our local community is important in our decision-making process.	Community	None	Concern for community
114	Co-op values make the way we deliver our products / services different from those of non-co-op competitors.	Products and Services	None	None

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115	The market for our product/service is sustainable in the long run.	Viability	None	None
116	Our directors understand the bylaws and legislation that govern our co-op.	Leader Competence	Self-responsibility	None
117	Our co-op is concerned about the well-being of the community where it operates.	Community	Social responsibility	Concern for community
118	Different points of view are welcomed by my coworkers.	Relations with Co-Workers	Openness	None
119	Promotions are determined on the basis of employee expertise in the job.	Development of Co-op Members	Equity	None
120	I have all the information I need to make sense of what I do here.	Participatory Knowledge	None	None
121	I know what actions have to be undertaken in order to secure our co-op's success.	Strategy	None	Participatory management
122	I would be satisfied with my co-op if my benefits from being a member stay as they are in the next 5 years.	Identification	None	None
123	Our co-operative is a model for other businesses in our industry.	Community	None	Social transformation
124	Workers of our co-op exchange experiences with representatives of other co-ops.	Co-operation with other Co-ops	Solidarity	Co-operation among Co-operatives
125	Our co-op has a clear succession strategy.	Strategy	None	None

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126	Membership in our collective is open to all persons willing to accept its responsibilities.	Personnel Policies and Recruitment	None	Voluntary and open membership
127	Our co-op keeps the hiring of new people and the promoting of those already employed in balance.	Personnel Policies and Recruitment	None	None
128	Workers and members are engaged in strategic planning.	Strategy	Democracy	Democratic member control
129	I am satisfied with key policies established by our co-op.	Processes	None	None
130	Our co-op has mechanisms that ensure an independent appeals process in case of controversial decisions.	Transparency	Equity	None
131	I promptly pass important information to those affected by it.	Communication Systems	Self-responsibility	None
132	Workers act according to strong ethical values.	Trust Among Co-Workers	Honesty	None
133	All cultures are equally respected in our co-op.	Mutual Respect	Equity	Voluntary and open membership
134	Workers in the co-op work to make it an innovation leader in its field.	Innovations	None	None
135	Our co-op has a system to manage consumer complaints.	External relations	None	None
136	I understand the financial statements well enough to recognize their implications for the future of the co-op.	Participatory Knowledge	None	Participatory management

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137	I have a good understanding of co-op values and principles.	Participatory Knowledge	None	None
138	We always search for candidates for new openings among co-op workers/working members first.	Development of Co-op Members	Solidarity	None
139	Our co-op makes a fair provision for retiring workers.	Remuneration	Equity	None
140	Members and workers make suggestions for ways to improve the business on a regular basis.	Innovations	Self-help	Participatory management
141	Our co-op recognizes that innovation involves some risk.	Innovations	None	None
142	Our organization measures its performance on a regular basis.	Feedback Systems	None	None
143	Workers meet regularly.	Communication Systems	None	None
144	I can rely on people in our co-op to be self-motivated and take initiative.	Trust Among Co-Workers	None	None
145	I receive regular reports on the co-op performance.	Feedback Systems	None	None
146	I have a good understanding of the various co-op roles - worker, working member, member, manager, director, officer.	Participatory Knowledge	None	Democratic member control
147	The co-op is managed according to a clear vision.	Strategy	None	None

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148	I am well informed about board's decisions.	Transparency	Openness	None
149	I know what has to be done to make my co-op fulfill its goal for the next 5 years.	Strategy	None	None
150	I regularly take on new challenges or learn new skills for my job.	Process Improvement	None	None
151	I am satisfied with our co-op's contribution to making the world a better place.	Community	None	Social transformation
152	Our co-op is focused on raising consumer awareness about the real value of our products and services.	External relations	None	None
153	I am satisfied with my benefits at the co-op.	Remuneration	Equality	None
154	Our co-op is showing leadership with respect to environmental issues.	Environment	Social responsibility	Concern for the environment
155	Our local community perceives our co-op as a valuable asset.	Community	Social responsibility	Concern for community
156	Nobody from outside of our co-op members sits on the board of directors because they own/invest capital in the co-op.	Independence	Democracy	Autonomy and independence
157	When making decisions I take the welfare of the co-op into account.	Ownership	None	None
158	I am well informed about management's decisions.	Transparency	None	None
159	We undertake some actions to support our community.	Community	Social responsibility	Concern for community

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160	Our co-op participates in efforts to develop the co-op sector.	Co-operation with other Co-ops	Solidarity	Co-operation among Co-operatives
161	When making decisions, I take their ecological consequences into account.	Responsibility	Caring for others	Concern for the environment
162	Members of the management team are good in managing our co-op's finances.	Leader Competence	None	None
163	Our co-op ensures that hours available for work are shared fairly.	Remuneration	Solidarity	Payment solidarity
164	Our co-op is not unduly influenced by external stakeholders.	Independence	None	Autonomy and independence
165	My contribution to discussions is respected.	Participatory Management Style	None	Participatory management
166	All of our business partners are treated fairly.	External relations	None	None
167	Our co-op is socially responsible.	Products and Services	Social responsibility	Social transformation
168	Everyone in the co-op is familiar with the specific characteristics of our industry.	Transparency	None	None
169	Fair prices for our products are more important than extra profit.	Products and Services	None	Concern for community
170	I take my co-workers' well-being into account.	Responsibility	Caring for others	None
171	My co-workers find me reliable.	Responsibility	Honesty	None
172	I have confidence in our	Trust in	None	None

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	Board of Directors.	Leadership		

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