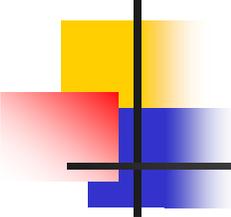


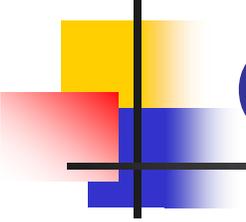
CWCF- 2013 CONFERENCE

- Good Governance: Governance Roles and Responsibilities in a Worker Cooperative
- Presented by: Lynn Hannley, The Communitas Group, November 8, 2013



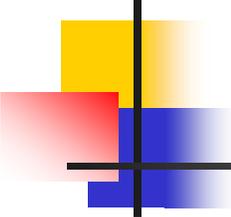
Good Governance

- Overview
- Characteristics
- Participatory
- Decision Making
- Transparency and Accountability



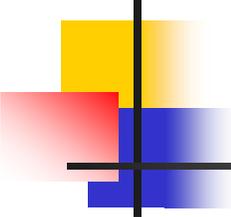
GOOD GOVERNANCE- COOPERATIVE CONTEXT

- Cooperatives are a business with a social purpose
- Business with a quadruple bottom line
 - Viable business
 - Social purpose/value
 - Environmental impact
 - Engagement/empowerment



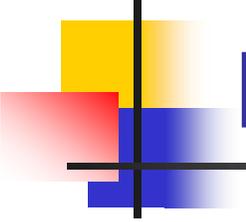
GOOD GOVERNANCE- GOVERNANCE

- *"Governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented)* United Nations Economic and Social Commission for Asia and the Pacific, Human Settlements, What is Good Governance
- *Governance is the task of defining the goals and standards of an organization and ensuring that there are effective management and other structures that will enable the organization to achieve these goals and standards* code of governance for housing co-operatives: Confederation of Co-operative Housing, February 2001,



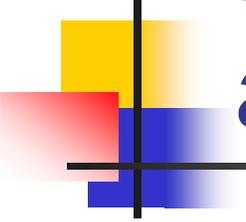
GOOD GOVERNANCE- CHARACTERISTICS

- it is participatory,
- there is a consensus oriented process for decision making,
- participants work together,
- there is accountability and transparency,
- there is a way to evaluate the effectiveness of the decisions and the process is efficient, and
- there is a built in capacity to be responsive to the present and future needs of the members and the organization



GOOD GOVERNANCE- PARTICIPATORY

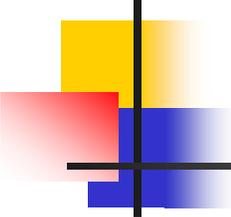
- Members at the Centre
 - clearly articulated definition of members rights and responsibilities
 - meaningful opportunities for members to participate in the governance of the organization - engagement



Participatory – members rights and responsibilities

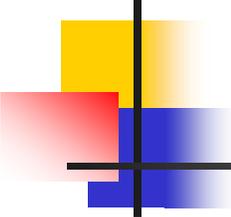
Members have the right to: -

- *Be involved in the democratic decision making within the society to:*
 - *Attend members' meetings*
 - *Vote in society elections;*
 - *Stand for election (subject to qualification) and participate in the democratic process*
 - *Voice an opinion and be consulted on key decisions affecting the society;*
 - *Make proposals to improve the society's activities.*



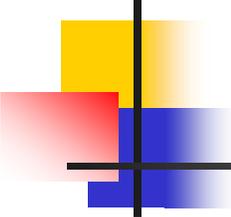
Participatory – members rights and responsibilities

- *Share in the benefits arising from the trading success of the society;*
- *Have access to member education and training opportunities;*
- *Have access to information which should be provided in keeping with co-operative values and heritage;*
- *Be informed of their rights; and*
- *Enjoy equal treatment with other members.*



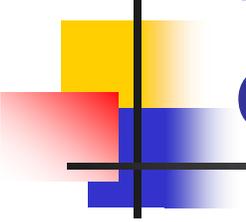
Participatory – members rights and responsibilities

- ***Members have a responsibility to:***
- *Abide by the rules of the society;*
- *Use the services of the society;*
-
- *Not act to the detriment of the society;*
- *Accept that their co-operative is a distinctive membership organisation;*
- *Acknowledge and subscribe to the values and principles set out in the Statement of Co-operative Identity of the International Co-operative Alliance;*
- *Ensure the continuance of their society as a co-operative organisation*
- *Hold the board to account by questioning and criticising where necessary its actions and decisions;*



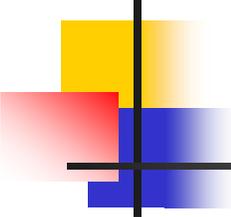
Participatory – members rights and responsibilities

- *Encourage others to join the society and use its services;*
- *Learn more about the society, its values, structure and aspirations;*
- *Take an interest in the governance of the society and vote in director elections and attend Annual General Meetings where possible;*
- *To seek and develop useful means of exchanging information with the society and make use of occasions or routes of communication to provide for this exchange; and*
- *Inform the society of local events, conditions and opportunities that might affect the operation of the society,*



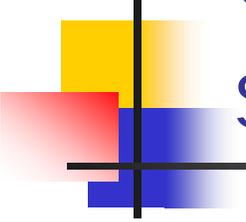
Participatory – meaningful engagement

- members need to know that they are a significant part of the organization
- members must have good information and knowledge for meaningful participation
- cooperatives should be intentional in their approach to engage members
- strategic plan to ensure membership engagement



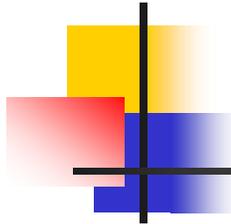
Oxford, Swindon & Gloucester Co-operative Society- overview

- Consumer Cooperative
- Covers a geographical area of 5 counties- 84,000 current members; 6,500 regularly take part in membership activities; 3,834 staff
- 85 food stores
- 8 motor dealerships
- 28 funeral homes
- travel business with 13 outlets
- property management
- child care - co-operative nursery
- It was the amalgamation of two failing societies, that were not responsive to their members- increased member involvement is central to the way the cooperative now does business



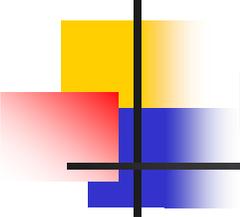
Oxford, Swindon & Gloucester Co-operative Society- participatory practices

- quarterly members meetings - held over three evenings at a different location each evening
- members are given an update and they have the opportunity to discuss the matters before voting
- other forms of communication include:
 - newsletter
 - member education council
 - member groups
 - web site
 - store based information
 - training seminars
 - conferences
- carries out broad range of consultation with members, staff and other stakeholders, including other co-operatives and suppliers



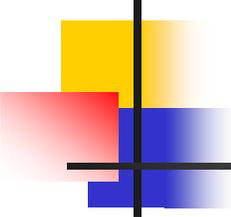
Prologue

- Oxford, Swindon and Gloucester Co-op and West Midlands Co-op merged to create The Midcounties Co-operative
- Introduced new brand and promoted the concept of consumers realising the importance of ethics in making their shopping choices
- Building on the strength of being a cooperative
 - 9,000 employees
 - Voted one of the 25 best companies to work for 3 years in a row
- Attracting new members and expanding



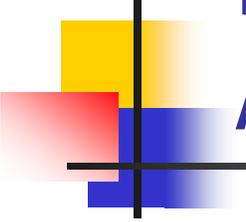
Ethical Consumer Research Association Publishing Ltd.-overview

- Worker - 12 workers (10 members, 2 on probation)
- Operated a successful business since 1987



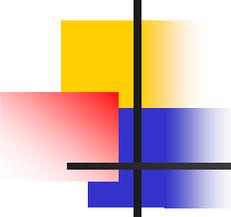
Ethical Consumer Research Association Publishing Ltd.- participatory practices

- different types of meetings to accommodate and manage the decision making process, this allows members to participate at various levels
- minutes of all meetings are circulated to all members
- members meetings start with open dialogue which allows members to raise issues and set the agenda
- if a member's participation is considered inadequate, the cooperative first considers the training needs of the individual - to ensure that the members has the knowledge, understanding and confidence to contribute to the decision-making process
- it brings in external resources to help members deal with issues they cannot resolve



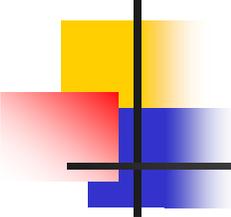
Ethical Consumer Research Association Publishing Ltd.-

- 2008 converted to a multi-stakeholder cooperative
 - Worker members
 - Investor members
- Reason was to access external capital and skills – while retaining their cooperative principals at its core



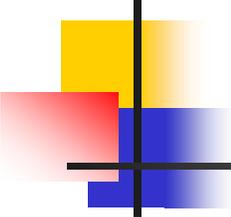
Homes for Change Cooperative - overview

- housing cooperative close to the Manchester city centre, which offers housing and workspace facilities for local people
- 75 housing units
- the cooperative also houses Work for Change, which has 26 on-site small businesses that employ 75 people, includes a theatre, café, artists studios, workshops and offices
- the housing cooperative is run by voluntary committees with support from a part-time staff person



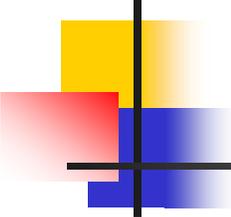
Homes for Change Cooperative – participatory practices

- the work of the cooperative is carried out on a voluntary basis through a number of working groups, with the assistance of a paid staff.
- the majority of members are actively involved in the working groups.
- all new members must be nominated prior to being accepted as a member - must attend at least three general meetings, participate in one working committee, and attend indoctrination sessions before they can be nominated.
- these sessions include: cooperative history, what is a cooperative, background on Homes for Change, working groups, the structure of the cooperative, overview of the work areas within the cooperative, working cooperatively, different working situations, skills required, and completion of a basic skills audit.



Homes for Change Cooperative – participatory practices

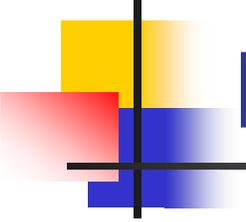
- the cooperative also provides training to its working groups on such things as: chairing meetings, participation in meetings, effective planning, managing volunteers and IT skills.
- with its focus on both cooperative education and skills training, the cooperative is able to *“harness the expertise and abilities of its members to effectively manage and govern the Co-operative”*



Consensus Oriented Decision Making Process

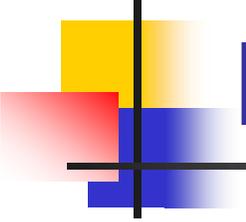
- *What makes consensus so good is that it allows everyone in a group to contribute to and own a decision, without it being dominated by those who shout the loudest.*
- *It is a better system than majority voting, as it tries to avoid the alienation of minorities that majority rule can create.*
- *It values everyone's opinion equally and works towards conclusions acceptable to all.*

(People & Planet - Groups Guide Consensus)



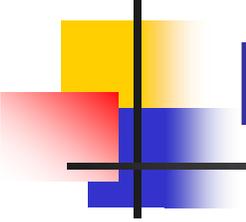
Consensus Oriented Decision Making Process

- Stresses group members working together to cooperatively develop a decision
- Goal is group unity, not majority of votes
- Every member is considered important



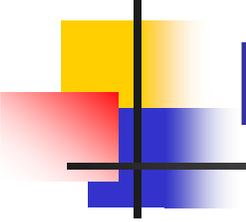
Consensus Oriented Decision Making Process

- Full consent does not mean that everyone must be completely satisfied with the final outcome. The decision must be acceptable enough, however, that everyone will commit to support the group in choosing it.



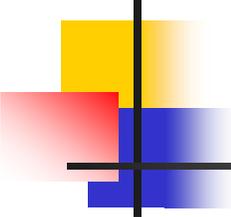
Consensus Oriented Decision Making Process

- Three Essential Ingredients
 - made with the community's best interest in mind
 - everyone takes responsibility to speak their point of view and to listen to others
 - everyone agrees not to hinder the implementation of the decision



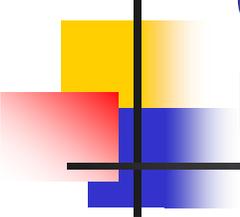
Consensus Oriented Decision Making Process

- Principles of Consensus
 - unity of purpose
 - cooperation
 - trust
 - differences are valued
 - feelings are valued
 - equal power, equal responsibility
 - common ownership of ideas
 - time & process
 - willingness to learn new skills



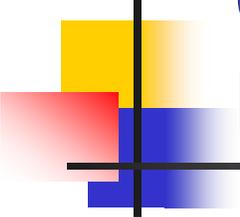
Consensus Oriented Decision Making Process – the card process

- Group Process -Colored Cards During Discussion
- Green- member wants to contribute to discussion
- Yellow- member needs to ask a question or get clarification
- Purple- member sees a problem with process or the need for a break



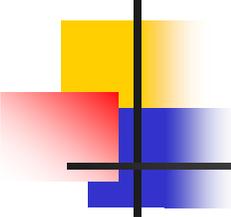
Consensus Oriented Decision Making Process – the card process

- Colored Cards During Decision Making
 - Green – agreement
 - Yellow - standing aside
 - Red – standing in the way or blocking the decision



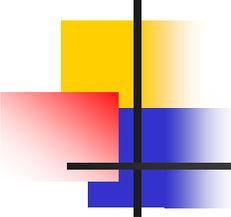
Consensus Oriented Decision Making Process – the card process

- Decision Making
 - all agree – consensus has been achieved
 - some agree and others stand aside-
 - few standing aside who could live with the decision and not hinder implementation – consensus has been achieved
 - Many standing aside – it is good to reconsider the proposal
 - one or more members stand in the way or block the decision – consensus has not been achieved and the proposal must be re-submitted



Consensus Oriented Decision Making Process – the card process

- Effective consensus decision making often requires:
 - a comprehensive proposal or background information to inform the discussion, which preferably should be circulated in advance of the meeting
 - a facilitator whose role is to facilitate the discussion, keep the meeting focused and moving
 - a timekeeper to ensure the meeting follows the time allocated for each item
 - a card-watcher to identify the order and priority of the speakers
 - a scribe or note-taker to record the decisions.



Transparency and Accountability

- Pre-requisites for transparency and accountability include:
 - an agreed to set of operating rules and regulations often referred to as bylaws and policies
 - clarity regarding the roles of the members, board, committees, and the staff
 - skilled and informed board of directors
 - a means of ensuring adequate information is available to plan, manage and govern the affairs of the cooperative.