



# CWCF- 2017 Webinar

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- Good Governance
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November 21, 2017



# Good Governance

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- Overview
- Characteristics
- Participatory
- Decision Making
- Transparency and Accountability
- From Good Worker to Member Owner



# GOOD GOVERNANCE- COOPERATIVE CONTEXT

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

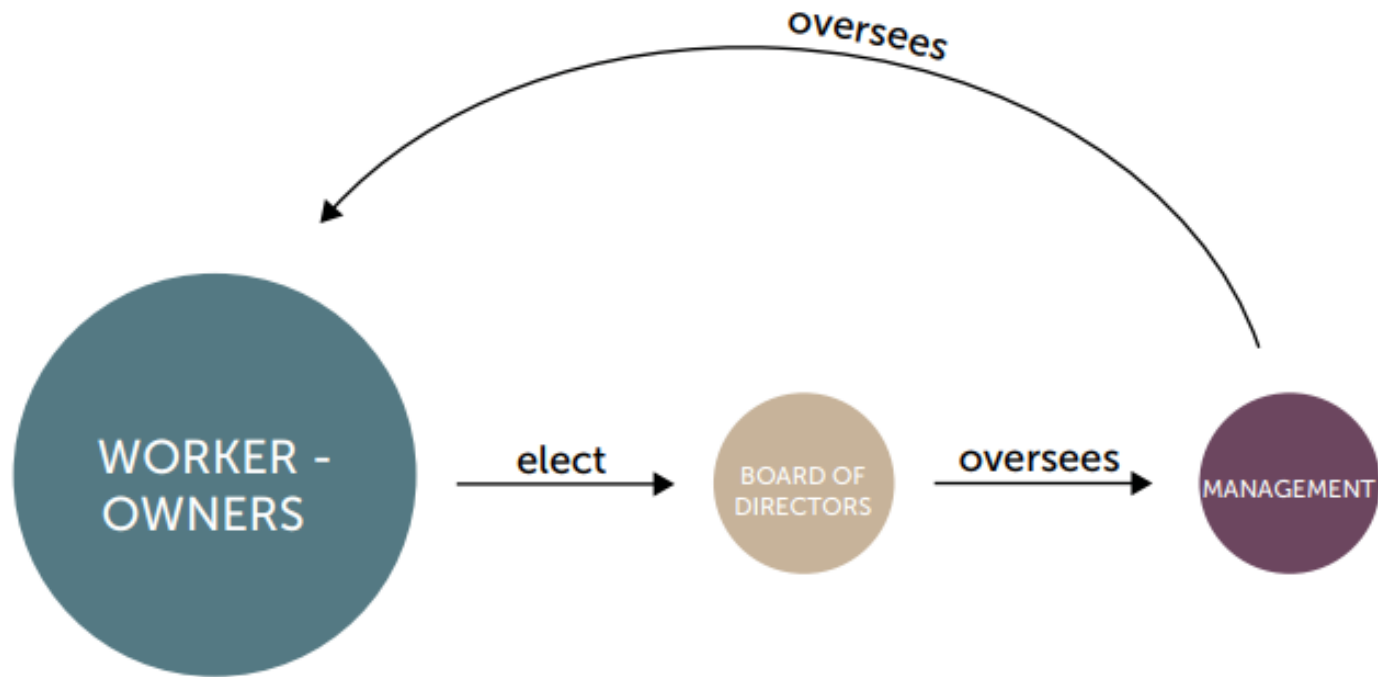


# GOOD GOVERNANCE- GOVERNANCE

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- *"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,

# WORKER CO-OPS – AN OVERVIEW





# GOOD GOVERNANCE- CHARACTERISTICS

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- 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

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- 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



# Rights of the Worker Owners

## Financial Participation

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- Members have the right to:
  - some of the co-op's profits as laid out by the bylaws.
  - decide allocation of co-op's money including investments, buying new equipment or materials, and more (in some co-ops this can fall into the responsibility of the board of directors, president, coordinator, a committee, etc. ...)

(Source: Cultivate.Coop -a library of information about cooperatives.

[http://cultivate.coop/wiki/Membership\\_Rights\\_and\\_Responsibilities\\_in\\_Worker\\_Cooperatives](http://cultivate.coop/wiki/Membership_Rights_and_Responsibilities_in_Worker_Cooperatives))





# Rights of the Worker Owners

## Speech and Vocal Participation

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- Members have the right to:
  - propose agenda items to be discussed at co-op meetings
  - speak at meetings of the worker-owners
  - raise issues in public and communicate opinions in forums, conferences, and other avenues of discussion about co-ops.
  - participate in co-worker annual evaluations (not all co-ops have this).



# Rights of the Worker Owners Education

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- Members have the right to:
  - educational opportunities that will enable them to be responsible worker-owners who can effectively govern the co-op.
  - education on how the co-op works and their role in it.



# Rights of the Worker Owners

## Voting

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- Members have the right to:
  - Participate in all discussions that happen before all-worker votes.
  - vote to add to, delete portions of, or change the bylaws.
  - vote on candidates for the Board of Directors (some co-ops do not have a Board of directors or all worker-owners are automatically members of the Board. However, in those co-ops with Boards that have elected officials, they must be elected by the worker-owners).
  - vote on the hiring or firing of new members (in some co-ops this is left in the hands of the president or a committee).

Members have the  
right to:



# Rights of the Worker Owners Governance

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- **Members have the right to:**
  - be the highest power in the co-op. This pertains to the worker-owners as a cooperative body, not to each individual member.
  - run for the Board of Directors (again, in some co-ops all members automatically make up the Board and in others there is no Board. However, for co-ops that do have an elected Board of Directors, all members do enjoy this right.)
  - run for the co-op president or coordinator. (Not all cooperatives have presidents or coordinators, but for those co-ops that do, all members enjoy this right.)
  - issue resolutions to the Board if approved by a co-op vote (this applies only to co-ops that have elected Board members).



# Rights of the Worker Owners Information Access

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- Members have the right to...
  - obtain and hold onto the co-op's bylaws.
  - access all Board Resolutions, Personnel Policy, and every document explicitly ratified by the Board or Worker-Owner body
  - timely and relevant information about the workings of the co-op business



# Rights of the Worker Owners

## Overall Rights

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- Members have the right to...
  - Right to one non-transferable share of the worker cooperative.
  - Right to health benefits decided on by the co-op.
  - Right to some holiday and vacation time.
  - Right to refuse to carry out work they find morally objectionable.
  - All workers have the right to due process if accused with an offense and if facing a reprimand or punishment from the co-op (including being fired). Members must be informed of their accused offense and also be given a fair hearing and an opportunity to appeal to the rest of the membership. However, members can be discontinued as workers and owners for cause. Here, “cause” means that the individual’s membership in the co-op interferes with the smooth operations of the business.



# Responsibilities and Obligations of the Worker Owner-Financial

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- Members have the obligation to...
  - buy one member share (or stock) of the cooperative.
  - take on some of the cooperative's net losses (if no surplus is made).
  - make allocation decisions with the best interests of the cooperative and its long-term health in mind.



# Responsibilities and Obligations of the Worker Owner-Participation

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- Members have the...
  - Obligation to attend meetings of the co-op.
  - Obligation to work in the co-op.
  - Responsibility to participate in co-op votes
  - Responsibility to review materials provided as background to discussions or votes
  - Responsibility to participate in co-op activities
  - Responsibility to mentor new staff





# Responsibilities and Obligations of the Worker Owner- Conduct Responsibility

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- Members have the...
  - Responsibility to act with mutual respect and courteousness toward their fellow co-op members.



# Responsibilities and Obligations of the Worker Owner- Education

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- Members have the...
  - Responsibility to educate oneself about the cooperative and governance structure of their co-op.
  - Responsibility to educate oneself about the business and other operations of their co-op.



## Responsibilities and Obligations of the Worker Owner- Overall

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- Members must work in the co-op a set number of hours approved by the co-op before becoming a full worker-owner.



# Responsibilities of the Cooperative

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- The cooperative as a whole also has responsibilities to the members. These include:
  - The responsibility to create a business based on the equalization of work and member participation.
  - The responsibility to implement a pay ratio policy. This is a policy that limits how much one worker can make compared to another. Some co-ops prohibit one worker from making two times more than any other worker (a 2 to 1 pay ratio), while others institute higher ratios (7 to 1, etc.).
  - The responsibility to make sure that the business retains its cooperative values and practices.



## Responsibilities of the Cooperative

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- The cooperative as a whole also has responsibilities to the members. These include:
  - The responsibility to respect and carry out the decisions made by the worker-owner body.
  - The responsibility to a healthful workplace in accordance to the standards set forth by the members.
  - The responsibility to not discriminate on the basis of gender, religion, sexual preference, race, ethnicity, or physical ability.



# Participatory – Meaningful Engagement

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- 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



# Participatory- Decision Making Process

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- Members:
  - identify issues or problems
  - generate solutions
  - select specific solutions
  - plan and implement the solution
  - evaluate the result.



# Consensus Oriented Decision Making Process

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- *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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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
  - an informed membership
  - a means of ensuring adequate information is available to plan, manage and govern the affairs of the cooperative.



# FROM GOOD WORKERS TO MEMBER OWNERS

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- Mindset shift
  - Worker to member/worker owner
- Take on the worker-owner rights and responsibilities
- Take on the culture of the cooperative