

A Co-operative Illusion?

by T.E. Stephenson

Dr R Briscoe's articles in recent editions of the Journal (*New Life for Co-operative Structures?* in No. 62 and *Traders and Idealists* in No. 63) are thought-provoking and, at the same time, disturbing. 'Traders and Idealists', in particular, raises many issues which call for comment.

1. A Misleading Dichotomy?

The dichotomy expressed in the title, 'Traders and Idealists', is misleading. Each of the groups subsumed under this title embraces a measure, however small, of the other. They both exist in the same organisations and absorb some of each other's culture. It is unfortunate that such labels are used in Co-operative discourse as they muddy the water of debate and oversimplify issues that are complex. Moreover, such categorisations, if accepted as explanations of real situations, lead to lack of understanding and incorrect decisions.

2. Sharing Needs and Problems?

Underlying the position outlined in the articles, is the assumption that everyone wants to participate in democratic organisations, to solve their problems together and to share their needs. If people do not exhibit these characteristics, the view is expressed that they ought to do so and that something is wrong with them, or the way the democratic organisation is structured, if they do not. There is a persistent refusal to accept that many people do not want to be involved in democratic decision-making in an organisational situation, because they have other interests and commitments which, for them, take priority. Even the Greek city state, regarded by many as the supreme example of democracy, found it difficult to involve all its citizens. Much later, Robert Owen's democracy involved a substantial element of paternalism.

Historically, participation in democratic organisations has tended to be restricted not by the rules, but by people's other interests and inclinations. Witness attendance at trade union meetings as described by the Webbs, at a whole range of Co-operative meetings in British retail societies, commented upon by many writers and working parties, and at a wide variety of members' meetings of different political, social or sporting organisations. In all of them the percentage of members attending has been small.

It may be argued that most democratic organisations are structured to produce this result, that those with power organise meetings so that no democratic

debate and involvement can take place. To deplore this state of affairs is to be unwilling to recognise that democracy is about power, and involves the manipulation of the political process by the powerful and the weak; the one aiming to retain power, the other to achieve it.

Individual Inclinations and Priorities

The assumption that people want to share problems has to be modified by the knowledge that some do not wish to do so and prefer to keep them to themselves. The reasons for this reluctance to open up are varied, but include the feeling that to admit to problems may be seen as a sign of incompetence, of moral failure and inability to cope. People sometimes hold back because they are conscious they expose their vulnerability and place themselves in other people's hands. Counselling, T-groups and other social interaction processes can encourage some problem sharing, but they also lead people to play games as they seek to retain their individuality.

The sharing of people's problems can lead some to false openness, to playing at being open, in order to get what they want; that is, acceptance by others while preserving their own self-respect. Readiness to come together to discuss problems can be a form of manipulation.

The argument for sharing needs brings forward a number of issues. First, the needs of individuals, except at a very general and almost meaningless level, can differ specifically and in terms of priority. There is no automatic method of adjustment. A co-operative group will not always be able to resolve a conflict of different needs when those needs are deeply felt. Second, there is the problem of defining needs and measuring them. How does a group measure the needs of one person against those of another, as those individuals feel them?

3. Politics and Power in Groups

It is necessary to recognise that a group is a political arena, in which power plays its part and where participants are involved in political activity, aimed at protecting or furthering their interests. In any group there will be differences of background, education, intelligence, commitment, expertise and personality. Those members who possess these characteristics more strongly than others are likely to hold more sway in the group. Alternatively, their power may lead to countervailing action in the shape of a coalition of weaker brethren.

Groups require information if they are to make progress. Those with necessary information, whether inside or outside the group, have power based on it, the form in which they provide it, the extent to which they supply it and the timing of its presentation.

Small groups, meeting to discuss problems and needs, have to be seen as part of the larger political system of the Co-operative society in which they operate, where conflicts over scarce resources play a significant part. The different departments of a retail society are often in conflict over the distribution of the scarce resources available to the society, and they will use whatever power they have to further their own position. This power/political dimension occurs not only in groups within societies, but also in inter-society relations, for example between national federations and individual retail societies.

4. Networks of Common Interests?

Dr Briscoe's advocacy of a Society network of members from which groups are to develop, assumes again that people want to participate. The reality is that a very small percentage of members are likely to wish to join the network and form into interest groups. Such groups will in no way be representative of the larger membership, if only for the reason that they are joiners with interests of their own. They are likely to project onto the wider membership their views of what the members' needs are. The greater the disparity between the views of the interest groups and the wider membership, the greater the danger that the society will move further away from that membership.

The coordination of these groups and the problems and solutions they provide, will be undertaken by some superordinate person or group, who will be engaged in a political activity. Those with power will have to decide priorities, allocate resources and exercise control over the implementation of their decisions. To execute these activities they will have to bargain, negotiate and compromise.

5. Co-operative Differences from Private Enterprise?

Throughout the articles there is a great deal of stress on the Co-operative differences from private enterprise. The style of the competition is described as ruthless, involving the passive, isolated individual being used to achieve the maximisation of profits and the promotion of the well-being of a small elite. This assessment oversimplifies the nature of competition and, while it may be a useful tactic for ensuring that active Co-operators remain united, it hardly provides a platform for coping with the competition. Co-operators need not only to know, but to understand, their competitors on a more or less rational level. They have to accept that Co-operatives are part of the market and that they have to obey some of its rules in order to survive. To do this they have to understand their competitors, and the pressures that surround them, such as the stock exchange, the financial press and commercial institutions.

6. Wholly Member-oriented Organisations?

“Everything about the Co-op, its organisation structure and management styles, its products and services, the kind of building it occupies and its location, the training and experience of staff, its member education programmes - all should be designed to address the key problems experienced by those who use the Co-op. We should not merely copy the practices of competitors, which have been designed, after all, for the benefit of investors and experts.

It is this feature of design for use which enables user-managed organisations to prosper in the face of wealthier and more powerful competitors.” (Journal 63 pp 25-26.)

This extended extract from Dr Briscoe’s article, while giving a strong flavour of a wholly oriented member organisation, does not take account of several important issues:

- historical decisions shape the current distribution of resources and build up *a strong element of rigidity*, which is unable to cope with shifting patterns of needs and problems.

- there is the possibility of *conflict over such issues* as store location - where stores are to be located, which stores shall be closed, where shall new ones be opened, what is to be the criterion for these decisions - member needs or economic viability? To say that meeting members’ needs will ensure economic viability is an unwarranted leap. A member group may vote to keep a loss-making store open, even though the resources released would be an overall benefit to the other members of the society. The viability of a store depends upon a great many factors; member loyalty is only one of these and not necessarily the most important.

- *the role of experts* in any organisation, especially a large one, can be an important ingredient in its success. The extent to which the purpose of an organisation is distorted by experts depends upon the power of the different groups within the organisation.

- decisions, whether on resource distribution and location, or on the role of experts, are influenced by the political skill and power of those involved in making them. To overlook *questions of power and organisational politics* is to miss an important ingredient in organisational behaviour.

- a fundamental question, which has to be faced, is the *relationship between lay members, experts and managers*. With the growth of professionalism, the

introduction of highly sophisticated technology and complex control systems, this relationship has undergone considerable change and cannot be thought of in the more simple terms of the past.

- concentration on member needs fails to take into account *customer needs*. In many large retail societies it is customers, rather than members, who provide the bulk of the economic activity.

7. Role of Management?

One striking feature of the article is the role given to management. It appears as a peripheral activity, not at the centre of the decision making process. It emerges as a facilitator, carrying out the wishes of the members expressed through the network of small groups. They are servants not creators. Such a view does not take into account the power and political dimensions mentioned earlier; it can only be regarded as part of the idealistic view of how member organisations work.

Consequences and Implications

The various points that emerge from the elaboration of this attitude to management include:

- the way the small group is conceived does pre-empt everyday management and at the same time makes it very difficult, if not impossible, to develop an overall strategy for the society.

- the technical aspects of management are embedded in the culture, power and politics of organisations. Technology, information and control systems are not neutral, they are chosen by managers with the power to select and influence.

- managers listen. To suggest that 'Co-op listening to members is a matter of life and death,' is to miss the fact that, given their responsibility for the overall society, managers have to listen to customers as well as members. They have to see what is happening in the market place. Faced with largely unrepresentative small groups and non-voting members, managers will look at the way customers and members vote with their shopping bags.

- for managers, their work in a Co-operative society is a career investment, very substantially exceeding that of even the most committed members. Managers are concerned with the trading success and survival of their societies, with their standing in the eyes of their peers and with protecting their unit's interests. These factors lead them to seek to influence if not control their situation.

- senior management is concerned with taking an overall view of their society, a view which is generally lacking to all members apart from the board of directors.

- management is an integral part of a Co-operative society; to reject this is to reduce managers to second class citizens.

Rhetoric and Reality

Dr Briscoe's articles outline what is essentially an idealistic view of the nature and practice of Co-operation, particularly in relation to the British consumer movement. In doing so he clarifies the rhetoric and reality of Co-operative action.

The Author

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