

Worker Cooperative Practices in Training and Leadership Development

*Prepared for the Evergreen Cooperatives
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Overview

This document details training and leadership development practices in worker cooperatives. The first section distills my research into a set of elements common to all or almost all worker cooperatives, highlighting those that tend to create strong ownership culture within the cooperative.

The second section comprises my notes from selected cooperatives I interviewed and researched. Each cooperative is included for a specific reason: because it emphasizes or exemplifies at least one element of training or leadership development that is successful or effective, or that I thought might be of particular interest to Evergreen.

Finally, in separate attachments I include some sample and model documents from the worker cooperatives featured in this report.

A note: At some point it may be useful to distinguish between the training/leadership development programs of startup cooperatives and those of extant cooperatives, as they can be quite different. That is, we may want to hear from worker cooperative developers about their strategies and methods for creating a cooperative culture from the ground up. It may be of particular interest to Evergreen to explore the ways in which networked cooperative developers like WAGES and Arizmendi leverage the strengths of existing cooperatives in their organizations to help their startups take shape. I considered that question just beyond the scope of this project, and this report focuses on the structures and practices of existing cooperatives.

1. Common Training and Leadership Elements

2. Individual Case Studies

Equal Exchange: Focus on Education

Cooperative Home Care Associates: Industry-Specific Leadership Training

Alvarado Street Bakery: Ownership Culture Embedded in Management

Union Cab Cooperative: Customer Service and Peer Review

Rainbow Grocery: Autonomous Departments Feed a Larger Coop Culture

Green Worker Cooperatives: Training as Community Organizing

Note: cooperatives and developers for potential future study might be Isthmus Engineering, The Cheese Board, and WAGES Cooperatives

3. Separate Attachments

CHCA History of Cooperatives Powerpoint

Equal Exchange worker-owner documents

Rainbow personnel handbook

Union Cab Peer Review System

Common Training and Leadership Elements

Industry-Specific Emphasis

The most effective leadership development and education programs grow out of and are adapted to the industry in which the cooperative operates. They have a concrete component that links cooperative functioning to the actual work being done, and the concerns that arise from this work – from peer review and customer service in the cab industry, to the economics of fair trade in coffee roasting, to safety concerns in industrial baking. Training, education, and even member participation structures are most effective when they address not just the cooperative element but also the particular business and operations needs of the cooperative.

Values as Touchstone

Almost all worker cooperatives with strong ownership culture point to the development and consistent articulation of core values as a critical part of their training program. These values infuse communications and inform decisions; they are explicitly recognized as the motivation and reason for the cooperative's existence and success.

Orientation for New Workers

Nearly all worker cooperatives have an orientation and education program for prospective and new workers that includes:

- job training
- training in cooperative history, principles
- orientation to the structures and documents that govern the coop
- financial and legal orientation for owners
- basic communication and conflict resolution tools
- a buddy/mentor
- some form of experiential learning (observing/attending meetings)

Member Participation: Committees and Councils

Worker cooperatives typically have a variety of participation mechanisms for worker-owner members, outside of serving on the Board. Participation often takes the form of committees or councils. In their most general form, member committees' purview often includes one of the following: education, communication, grievance/peer review. These are seen as areas in which worker input is critical for effective functioning of the cooperative, and are often the areas in which worker-owners are most interested in participating.

Committees may also be formed to handle any part of the operations, management and governance work of the cooperative, and can work in concert with departmental and management structures. In non-management cooperatives, it is typical for much of the management work to be handled by elected committees (examples might be hiring and evaluation, finance, conflict resolution, etc.). In management cooperatives, committees are commonly formed to bring together management and workers, to advocate for worker-members within the cooperative structure, or to connect workers to the broader landscape of their industry or community. Committees and councils can serve as a ladder for Board service but need not be.

Almost all large cooperatives use some member participation mechanism to involve worker-owners in the work of vision and innovation. This may be a standing committee (elected or appointed), an ad hoc working group formed around a particular issue, a time of the week set aside for discussion and brainstorming, a defined part of certain job roles – these structures take myriad forms but their purpose is to foster dynamism in the workplace and worker investment in that dynamism.

Budget for Ongoing Training

Most cooperatives have a budget for ongoing cooperative education that includes some combination of conducting ongoing internal training and education, bringing outside trainers in, and sending worker-owners to professional development opportunities like seminars and conferences.

Participatory Management

Among the management cooperatives reviewed here (and almost all are management cooperatives), there is a strong commitment to effective participatory management, in which management's role is conceived as creating cooperative culture and developing self-management potential in worker-owners as much as it is managing the operations of the business. Management's ability to work in concert with other bodies, like committees and councils and even the Board of Directors, is seen as critical to the cooperative's success.

Several cooperatives noted the difficulty of hiring good management. What is interesting is the wide variance in ways they have addressed this problem: one cooperative concluded that the solution was an almost exclusively internal training and promotion process, while another concluded that it was most effective to hire managers from outside based on their experience with participatory management (and motivations and social skills) and to train them into the cooperative values. Whether recruited from outside or promoted from within, the General Manager in all cooperatives reviewed here is a member of the cooperative.

Creating Culture Intentionally

Taken together, the above practices would argue that ownership culture can and must be created and reinforced – through strong and consistent messaging about cooperative values, dedicated resources for training and education, thoughtful structures for participation that integrate the realities of the industry, and capacity-building training for managers and worker-owners. Every cooperative interviewed stressed that they never forget they are working with *people*, with a specific group of people, and that the culture lives in those people to a large degree, so successful structures must match the people operating in them.

Basic New Worker Cooperative/Cooperator Training Topics

- Worker Cooperative History
- Cooperative Values and Principles
- YOUR Cooperative's History, Values, Structures/Processes for Management and Governance
- Democratic Leadership discussion: what is leadership, why important and how different in a coop
- Legal Training: rights and responsibilities of worker-owners
- Communication Training
 - o Giving constructive criticism and feedback
 - o Peer evaluations
 - o Dealing with conflict
- Decision-Making Tools
 - o "data driven analysis"
 - o "Three hats"- worker, owner, manager and how to balance the three
- Meeting Tools
 - o Facilitation
 - o Meeting mechanics (meeting roles, agenda, ground rules, straw polls, testing for consensus)
- Business Training
 - o Industry background and analysis
 - o How to read and use financials
 - o Cooperative finances
- Job training (done in a manner that reinforces the cooperative difference and self-management)

Equal Exchange: Focus on Education

Equal Exchange expends a tremendous amount of resources on education not just of new cooperative members, but ongoing education for all worker-owners. They have an extensive worker-owner curriculum, as documented in a binder given to all new workers. Education programs encompass cooperative principles and structures, fair trade principles, EE's producer partners, the industry and international economic conditions, and the larger cooperative and fair trade movements. Education is structurally and financially supported in a variety of ways.

Requirements of Prospective Members

- Go through worker-owner orientation with worker-owner orientation leader.
- Attend at least one Board meeting and two worker-owner membership meetings. (EE has over 70% participation rates in member meetings, as they happen during work hours.)
- Mentor buddy program - every new employee has a mentor.
- Participate in Co-op Month Activity.
- Binder of resources – every new employee receives a training binder full of information
- Attend Exchange Time, a weekly 2- to 3-hour presentation and internal education opportunity on topics ranging from coffee prices to farmers to the banana market to cooperative movement updates, etc.

Ongoing Training and Member Participation Mechanisms

- Committee work is strongly encouraged after six months at Equal Exchange.
- Budget for workers to attend cooperative and fair trade conferences.
- After a certain amount of time working at EE, all worker-owners may take an all-expenses paid group trip to tour one of the regions from which EE gets its coffee and tea, and meet the producers.
- Education Committee and Worker-Owner Cabinet are the main operational bodies. See below for detail:

Role of Education Committee

- Education Committee (and the Worker-Owner Cabinet) falls under W-O body, however, the Education Committee helps to facilitate communication between all the governance bodies.
- Education Committee also fosters new leaders for other areas of governance.

Education Committee Structure

Education Committee

- 2 co-Chairs
- Coordinators:
 - Mentor-Buddy Coordinator
 - Library Coordinator
 - Worker-Owner Manual Coordinator
 - Orientation Coordinator
 - Exchange Time Coordinator
 - New: Events Coordinator

(Details of each Coordinator position listed below)

Worker-Owner Cabinet

- Worker-Owner Coordinator (elected by Worker-Owners)
- Education Committee co-Chair
- Cabinet Members

- **Education Committee and Worker-Owner Cabinet collaborate to meet co-op's needs:** such as, communicating important updates and information to W-O's; facilitating co-op elections; providing translation of Annual Meeting; identifying and fulfilling educational goals of W-O's (ex.: financial

training); guiding orientation for new W-O's; organizing community- building activities (ex.: Annual Co-op Month Activity); and, in general, empowering W-O's to be active and informed members.

- **10% Time:** W-O's dedicate 10% of their paid time to co-op related activities (ex.: 4 hours/week for every 40 hours/week of work). Challenge: support and use of 10% Time in midst of busy work schedules.

Education Committee Coordinator Positions Volunteer Positions (part of 10% Time)

- **Mentor-Buddy Coordinator**
 - New W-O track employee (=Buddy) is paired with W-O (=Mentor) to guide new W-O's through first year and toward becoming W-O
 - Regular check-ins to develop Mentor-Buddy relationship, discuss co-op, and track Buddy's progress through W-O Curriculum
 - Events: Annual Mentor-Buddy Breakfast
 - Challenges: Regional staff – when Mentor and Buddy work in different EE locations
- **Library Coordinator**
 - Maintain and expand library catalogue: books, DVD's, magazines on topics related to EE's business, co-operatives, language resources (ex.: tools to learn another language), etc
 - Available to all W-O's
 - Respond to requests by W-O's
- **Orientation Coordinator**
 - Present hour-long orientation to new W-O track employees
 - History of EE, Rights and Responsibilities of Worker-Owners, EE Structure, etc
 - Challenges: Regional staff- how to provide orientation when staff can't attend in person
- **Worker-Owner Manual Coordinator**
 - Creates W-O Manual (includes Curriculum) for new W-O track employees
 - Curriculum continually updated with input from W-O's
 - Challenges: continuing to update manual, both in content and layout, to be more engaging. Also hope to translate.
- **Exchange Time Coordinator**
 - Weekly hour-long educational sessions
 - Topics include: Fair Trade and other issues related to EE's business, co-operatives and workplace democracy, training sessions, reports from trips to visit EE's farmer partners, etc
 - Also fulfills Curriculum requirements
 - Goals: Better use technology to make Exchange Times available online to improve accessibility in regional offices.

Leadership Development and Ownership Culture

- Currently no Board training – this is something members are asking for.
- Currently no professional development (training for managers, for example) - a movement is afoot to do this. Education Committee is coming up with Leadership Development program.

Cooperative Home Care Associates: Industry-Specific Leadership Training

Home care work is traditionally low-wage and largely disempowered work, and CHCA faces the challenge of creating concrete participation mechanisms for workers who have little to no experience controlling the conditions of their work, much less participating in the operations, management or governance of their workplaces. Thus CHCA must intentionally create leadership ladders and other structures to foster participation. To prepare workers adequately, CHCA grounds its training and leadership development in the realities of the home health care industry.

Requirements of Prospective Members

- Mandatory 3-hour worker ownership orientation three months after starting employment. (Includes CHCA Powerpoint presentation for the new worker orientation: Cooperation throughout human history. See attached)
- New workers go through this hiring and orientation process with a cohort, to build bonds and relationships.

Ongoing Training and Member Participation Mechanisms

- Quarterly/regular orientations that are industry-specific.
- Worker Council - constituted out of people who ran for the Board but were not elected. It plays a communications role, gathering opinion from workers and also communicating Board decisions and discussions to the workers. This structure is unique to CHCA.
- The Board disseminates information and initiates discussions about surplus and patronage, but there is historically low interest and participation among worker-owners with regard to financial matters.

Leadership Development and Ownership Culture

- Board orientation: CHCA conducts a 2-day leadership orientation and training for new Board members.
- Labor-Management Committee with the union, SEIU 1199, is the major vehicle for leadership development, and experiential learning strategy. Introduces workers to the process of data-driven decision-making, also a way of getting people involved, and an opportunity to create new leaders.
- CHCA training philosophy combines training on cooperation and training on the context and issues facing the industry. Training typically frames a key organizational issue, giving everyone the same set of information at the same time. Labor Management Committee is the key mechanism for this. LMC and its workgroups is about 40-50 total. CHCA emphasizes "data-driven decision making" – members learn the problem, do research to collect data, analyze the data.

Alvarado Street Bakery: Ownership Culture Embedded in Management

Alvarado Street Bakery emphasizes the importance of wise hiring and fearless firing, as well as the role of management in the creation of an ownership culture. Their cooperative began considering the question of ownership culture around the issue of the safety record on the floor, years and years ago after a period of growth. They were faced with the challenge of changing the actual work culture and from here looked more broadly at management and governance, and how these did or did not help build an ownership culture.

Requirements of Prospective Members

All candidates must go through some training (cooperative, operations, etc) in order to become a member. But this formal training is actually the least important part of the ownership culture. What matters at ASB is the truly embedded cultural element. The GM distinguishes this as: "A culture of ownership versus a culture of people who really understand patronage." The general message from day one of employment is: "It's your place and

you have a say in it and you get the results of it performing well.” Ownership as a concept is more important than the formal trainings and the bulk of training effort is expended in educating and reinforcing this concept.

Ongoing Training and Member Participation Mechanisms

- Assiduous marketing of cooperative ideas and practices internally. ASB starts with the message and continually reinforces that message, with the GM and other management reiterating *who we are* (a coop) daily so they don't lose sight of it. They embed the message in the functioning and reasoning for why they do things a certain way. Some examples:
 - o Seasonal bonus - the GM has discretion in allotting a seasonal bonus, as uses this to reinforce a sense of ownership. Basically take half of Feb's gainsharing and pay it out in December. GM does a note to worker-owners that's a take-off on Christmas carols that ties into coops and why you get a bonus as an owner.
 - o Safety message: we have a culture of safety because you don't want to get hurt, but also because we don't want to pay lawyers and insurance people so we can pay ourselves more.
- Bring workers and managers to all industry events, conventions, cooperative conferences.
- Ongoing skills training for individuals, but also integrate training as part of the regular operations (equipment, safety, new production methods, etc.)

Leadership Development and Ownership Culture

- Leadership development relies on GM and team of managers. This is the mission of the management and it is codified. Some specifics:
 - o Identifying the need for ongoing training on a worker-by-worker basis happens informally and constantly – managers talk to people in their evaluations, get a sense if a worker needs more challenges. Managers are trained in this; identifying and meeting workers’ needs is understood as a management role.
 - o Managers are encouraged to use the power in the management role, to start conversations with workers about their engagement in the cooperative as related to their job performance. These conversations, and the ownership culture creation part of the management role is understood and emphasized but also largely informal.
 - o Managers are expected to effectively communicate the reasoning of the Board and management to the workers, and to maintain a dialogue between the informal (cultural) and the formal (communication conduit with the governance structures).
 - o GM says the key is to hire good managers – they must have a great social skill set. Interview: what intrinsic values motivate them? Are they motivated by more than compensation? It's all about the hiring. This is where you start creating your culture. New managers are chosen for their intrinsic motivations and their ability to do participatory management, and then they are inculcated in the mission. Philosophy: A good manager is a good manager – they don't need to come from a coop background.
 - o The goal is to build a culture of trust - managers are not out to get the workers and workers are not out there to do as little as they can and then go home. Managers spend their time planning how to make it better and not going around micromanaging.
 - o Hire workers and particularly managers from the culture, from the neighborhood. This builds the necessary trust.
- Change culture through turnover.
 - o It is critical to recognize when someone is not working out and is poisoning the pool. Alvarado used to give people a lot of chances - now they don't give so many. Change the culture to what you want it to be by hiring and firing. The people matter.

- The hiring process isn't over until the introductory period is over (at Alvarado it's 9 months) - people know they will be scrutinized. Not a lot of rope at the beginning. Once culture is established, it has to be carefully maintained.
- Strong accountability is part of ownership culture. Alvarado philosophy is that clear accountability practices is what creates positive cooperative culture. Inconsistent or loose accountability breeds resentment, mediocrity and disengagement.
- Having surplus and profit is critical to the development of a strong leadership culture. This surplus allows you to take the time and spend the money to really develop management. And receiving gainsharing and patronage is a strong reinforcement of ownership message. Shortage and scarcity can undermine the ownership/fruits of your labor argument.

Union Cab Cooperative: Customer Service and Peer Review

Union Cab, a 100% service industry business with a strong organized labor tradition, has coalesced an ownership culture around customer service and a peer review system that integrates customer feedback and worker accountability with strong protections for workers, using a shop steward model that evolved from the union background. This peer review process is one of the ways that Union Cab builds ownership culture an investment in its worker-owners.

Requirements of Prospective Members

- Normal job training - get people trained on the job to be cab drivers.
- Probation is 3-6 months.
- Attend a Board meeting or a committee meeting for at least an hour to see governance at work.
- Take a 2-hour course on democracy - go through bylaws, coop identity, talk about election process, how policy development works, disciplinary systems, use funny training movie as a tool.

Ongoing Training and Member Participation Mechanisms

- Union Cab is talking about creating a core curriculum: finances, policy, HR, mediation training, etc. This would amount to 4 or 5 courses after 1 or 2 years of membership. Proposal to tie people's seniority increases to taking one of these core curriculum courses. (This was hotly shot down as anti-worker.)
- Committees, supervisor roles, shop stewards, workers' council, directors' council.

Leadership Development and Ownership Culture

- Recruit management from within. No ladder. Management has been static. Seniority is main determinant. People can move into the organization and take different positions, learn more, step up to supervisor positions. No real process. Not a lot of openings.
- How Union Cab drivers treat customers and each other tends to be better than in industry - not written down or structural, but more embedded. They have just started to articulate this customer service and worker harmony as an ownership effect, in both marketing and internally.
- Process of developing core values in 1995 helped clarify and institutionalize ownership/service link.
- Being a bigger organization, coming out of labor union culture, having a somewhat transient workforce, all make ownership culture a challenge. Strong labor consciousness can militate against "ownership."
- Stewards and peer review system is where ownership culture lives and is actively created. Some pushback: people may say management is foisting their responsibilities onto membership. But in general, the protections afforded by the Peer Review process are point of difference and pride, and the opportunity to participate is highly valued.
- Key challenge for Union Cab: majority of workers work off-site. As a result, dispatchers and phone staff have an advantage in running for the board because more people know them, and more informal

(and/or perceived) power in cooperative governance/operations. In some ways dispatch is thought to be more of a management position. Different shifts also create tensions: night shift and night dispatch all get off at the same time, so they hang out socially more, and have more social cohesion. The day shift doesn't have the same cohesion. This allows/creates a certain level of Balkanization. Union Cab has no good answers for how to overcome that. Some solutions: Social events at various times. General meetings. They recently put up a wiki-style forum that people can access from outside the coop for discussions. And communication can take place on the bulletin board at work.

Rainbow Grocery: Autonomous Departments Feed a Larger Coop Culture

In a 250+ person workplace, with no hierarchical management, the department becomes the main unit of functioning, and for its worker-owners functionally Rainbow Grocery is as much a collection of 14 autonomous departments as it is one cohesive business. Participation and leadership development largely happens at the department level, with some elected committees and Board service at the cooperative level.

Requirements of Prospective Members

- Series of orientations on history and bylaws of Rainbow, worker cooperatives, food politics.
- New worker “buddy.”

Ongoing Training and Member Participation Mechanisms

- Budget to send members to conferences and trainings.
- Departmental participation: buyers, coordinators, hiring committee, etc. Many of these departmental positions have a storewide component to them (e.g. all department buyers meet together monthly).
- Storewide: various elected committees including Coop Committee, Public Relations Committee, Storewide Steering Committee (discipline and grievance), Conflict Resolution Team (Workers receive conflict resolution training, serve as mediators), others.
- Board of Directors: extensive nominations and elections process
- Monthly membership meeting
- Extensive member communications systems

Leadership Development and Ownership Culture

- As the cooperative has grown, maintaining a storewide ownership culture has become more challenging.
- Leadership development is informal, occurs most commonly at the departmental level, and at the storewide level is often a function in individual interest and motivation. Given the wide demographic range of worker-owners at Rainbow, this informality can often privilege those who are more motivated, educated, political, and comfortable the cooperative structures.
- There are several mechanisms by which departments communicate with and are accountable to one another – this keeps workers familiar with and engaged in the larger store beyond their own department, though the department is still the primary unit.

Green Worker Cooperatives: Training as Community Organizing

Included here is Green Worker Cooperatives, a cooperative developer, for their preparatory training/community organizing program called the Coop Academy. The Coop Academy is open to anybody in the neighborhood (funding limits the scope to the South Bronx), and grows out of the recognition that for many in the community in which it was developing cooperatives, the cooperative concept was totally foreign. Initially the

Coop Academy was a recruitment tool for workers in the coops GWC was developing; in effect it seeded the bed for GWC to do effective recruitment, and built interest, goodwill and relationships in the community. In this sense it functioned as both a community organizing program and a pre-recruitment educational tool. (As GWC shifted its focus to incubation, the Coop Academy became more about helping individuals develop their own cooperative/business plans.)

Commitment - 14 weeks - one class a week, plus graduation ceremony.

Monday nights - 5:30 dinner (free to participants). Class 6-8.

Business portion:

- Writing a business plan
- Bookkeeping and financials
- How to read financial statements
- Green business and sustainable practices

Worker Cooperative portion:

- History and philosophy
- Different structures
- Tools for decision-making
- Communicating across race, class and gender divides

Pedagogical style varies by presenter, but is generally more lecture than popular education. Trainers are a combination of GWC staff and outside trainers.

Graduation ceremony is a community event, a time of high pride and accomplishment for graduates.