

Book review

Davis, Peter 1999, *Managing the Co-operative Difference, a survey of the application of modern management practices in the co-operative context*, International Labour Office

Managing the Co-operative Difference, a survey of the application of modern management practices in the co-operative context, authored by Dr Peter Davis of the University of Leicester, and published by the International Labour Organisation (ILO), is a valuable guide to good management technique. It shows the common ground between a value-led business approach and co-operative values and principles. In addition, it is a reasoned, provocative, and tenacious advocacy of co-operatives and of their potential to provide for human welfare and well-being.

An exposition is given of the prerequisite tools and competencies that members should expect of their officials as sound administrators. The section on business process re-engineering reminded me of how Baron Eugene-Georges Haussmann, the 19th century Prefect of the Seine, widened, straightened, and opened up the thoroughfares, thereby remodelling the greater part of Paris. Dr Davis has similar ambitions for a model co-operative management. I understand him to be advocating that management is more than the challenge of making the probable possible, but that it should address to the membership the question of what it is we wish to make possible and by what means. "Modern management, modern markets and modern society are all looking for essentially co-operative solutions to the otherwise serious problems of injustice, poverty, destruction of environmental systems vital to the quality of life on earth and the fragmenting communities upon which the very definition of our humanity depends."

By concentrating on management Dr Davis does not seek to undermine democratic governance, but to strengthen it by delivering up to Boards real strategic options. Some may balk though at the suggestion that executive officials should sit on Boards, particularly in the UK, where the restructuring of the CWS Board in the 1960s, making it non-executive to revive decision making vigour, still casts a long shadow. However, if a class of organisations underperforms, we are entitled to ask what it is in their make-up that hampers them. In this book co-operative failure to innovate is addressed head on. Poor management practices may or may not be the cause, but they are part of the problem, whether or not one uses the analogy with a bureaucratic 'civil service' style. Management professionalism and a human-centred approach are offered as a solution: "Without the
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discipline of profitability criteria the co-operative needs to find other criteria to measure management performance against." So that performance might be judged according to co-operative purposes, seven principles of co-operative management are expounded: pluralism, mutuality, individual autonomy, distributive justice, natural justice, people-centredness, and the multiple roles of work. They provide the platform upon which policy can evolve and upon which sound human resource management can be built. Here lies an important issue: "the communication of culture to support the devolution of managerial responsibility for HRM and the achievement of operational objectives."

Dr Davis suggests a number of practical measures which he believes arise from his analysis. He is brave in doing so, for the action points read by themselves may lose some of their impact and risk criticism to the avoidance of the harder questions raised through the pertinence of his full analysis. One would not be expected to agree with all of Dr Davis' views. For example, an international co-operative brand licensed globally is fine in principle. A couple of years ago I raised a similar idea with a group of Latin American consumer co-operative managers to hear, with consternation, that the most logical brand identity would locally be associated with a previous society that had not done so well.

An important concept introduced is that of World Class Co-operative Quality. Uniquely it asks, "In operational terms have we built in those social, environmental, and ethical standards identified as important by our customers?" I am also taken by the suggestion that "Mutuality requires the customer to accept responsibility for quality as well as demand it from others"; it seems to add a new angle on participation. A conclusion is drawn that:

organisations operating on the basis of community and mutuality are best placed to *define* customer quality standards as they can situate the whole person in their community ... This provides a potential for identification of additional added value for the consumer and hence a competitive advantage for the co-operative.

Indeed, the successful transformation of the Co-operative Bank in the UK is given as a model of what can be achieved by conducting business through such means.

And so, we come back to the central premise, that mainstream thinking about society, discontent with a primitive ideology that the market is all, is returning to address the community issues of sustainable development, social justice and community

development. Not only do co-operatives have a purpose in modern society, they have an obligation to fulfil it through value-led enterprise. Co-operative management that champions this approach can and has a responsibility to lead the way.

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