

## **Co-operative Leadership and the Future**

**Edgar Parnell**

As a follow-up to the research project, Edgar Parnell led a workshop with the aim of sharing and discussing ideas about leadership in co-operatives and mutuals. He argued that the research confirmed the extent of the current crisis in the UK consumer co-operative movement and that this was, in fact, very much a crisis caused by inadequate leadership.

Consideration was given to: how leadership is changing, the special leadership needs of co-operatives and mutuals and what can be done to develop future leaders. It was regarded as important that a better understanding of the nature of leadership be achieved. This involved appreciating: the basis of a leader's power, how leadership needs to operate in a democracy; and the differing roles of primary, executive and conceptual leaders.

Many co-operative leaders were still operating a 'transactional' based form of leadership, whereas, in today's world 'transformational' leaders were needed. 'Transformational' or 'new century' leaders recognise what it is that members want and help them achieve it. At the same time, they articulate the needs of members and provide an attainable vision for the future. The 'new century' leader also: treat people as individuals, involve as many people as is practicable in decision-making, seek to empower people and promote the maximum degree of freedom, relate rewards to effort, and is concerned to develop both the collective and individual capacity of members. New century leadership involves: people taking more responsibility for own decisions, providing conditions for increased levels of creativity, fewer levels of leadership in organisations, and leaders concentrating on strategy rather than on executive actions.

Investor-businesses generally 'buy-in' their leaders but co-operatives and mutuals needed to 'grow their own' leaders. In all organisations the system of governance provides the framework for leadership; within UK consumer co-operatives this needs to be changed. 'Old style' structures were designed for yesterday's conditions and yesterday's leaders. Large-scale organisations need new models of governance. More people ought become involved in the development of strategy and fewer in the management of its execution. This would involve using: strategy forums or members'

councils and providing a role in the process for all key stakeholders.

Co-operatives now needed to make developing leaders a priority activity. This should involve: creating a pool of leaders, finding and involving people with the basic qualities required, widening the catchment for potential leaders, and supporting active leaders.

Programmes to develop leaders should be made available for existing and potential leaders. Such programmes should help in building personal capacity, increasing self-understanding, changing paradigms and life-centres, developing proactivity and focus, and in getting leaders to commit to lifelong learning.

The workshop concluded that there was a need to create a climate of awareness of the importance of effective leadership and a much better understanding of how power is exercised in co-operatives. Also, that action should be taken to attract many more 'new century' leaders into co-operatives, who are able to provide a new vision of our co-operative future. New structures of governance were needed to match the new basis of leadership now required for successful co-operatives. It was suggested that the Institute of Co-operative Directors ought to become an independent organisation, with the capacity to support highly effective new century members' leaders.