

Co-operative Values, Principles and Future – a values basis to building a successful co-operative business

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Introduction

Following his appointment as the Co-operative Wholesale Society (CWS) Chief Executive in 1996, one of Graham Melmoth's first actions was to commission the Co-operative College to design and implement a package of training for all staff in the Values and Principles of the Co-operative Movement in partnership with the Society's own training and development team. Based on the new Statement of Co-operative Identity, ratified by the International Co-operative Alliance (ICA) in 1995, it was intended to enable the whole of the CWS to look to the future with confidence grounded in a common knowledge of and commitment to the fundamental tenets of Co-operation. Melmoth's vision is neatly summarised in his statement of the purpose of the CWS: to be a Successful Co-operative Business. With the honourable exception of the Co-operative Bank, this is believed to be the first systematic training programme of its kind since the days of the Co-op Union's evening class material in the 1930s.

The programme began with a series of two-day courses at Stanford Hall for senior management followed by a one-day version delivered locally to unit managers. A video and workbook were then produced to allow a rollout to shop floor staff from their managers in a short seminar format in the work place. This article draws upon research investigating the 'Values, Principles and Future' programme to elicit lessons from the experience for the benefit of others considering a similar training process, as well as feeding back conclusions to both the CWS and Co-operative College. The research covers the period from January 1997 to July 1999. Since that time much has happened within the CWS, perhaps the most significant being the merger with the largest independent society CRS. This article focuses on the research period to give a detailed account of what happened at that time. A postscript is added to bring the outcomes up to date and illustrate how the initiative has evolved in current practice.¹

Research Method

The data collection began with the compilation and editing of a

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questionnaire for senior managers who attended the 2-day residential phase of the course. Drafts were compiled by the UK Society for Co-operative Studies (SCS) Research Committee and widely circulated before piloting with 25 course participants. Amendments were made in light of their feedback, and copies mailed out to every manager who attended the courses in 1997-99. In its final form the survey runs to eight sides of A4 and includes 15 questions which record data both quantitatively (ie multiple choice, tick boxes etc) and qualitatively (ie comment boxes and questions requiring a written response). All respondents were given the option of remaining anonymous although the vast majority chose to reveal their contact details which allowed the research team to further contact some of them (see below)². As these returns were received, a basic analysis of the qualitative data was undertaken to try and establish common themes identified by respondents, which allowed an interim progress report to be delivered to the SCS Annual Conference during September 1999. This informed the construction of a 10 question verbal questionnaire which was conducted by telephone with a sample of store managers provided by the CWS personnel department. A number of the respondents to the written survey were also contacted by telephone to clarify and get further details of issues raised in their original responses. One hundred and thirteen returns were received and entered into the database by Christmas 1999 and the telephone follow-ups were undertaken during January.

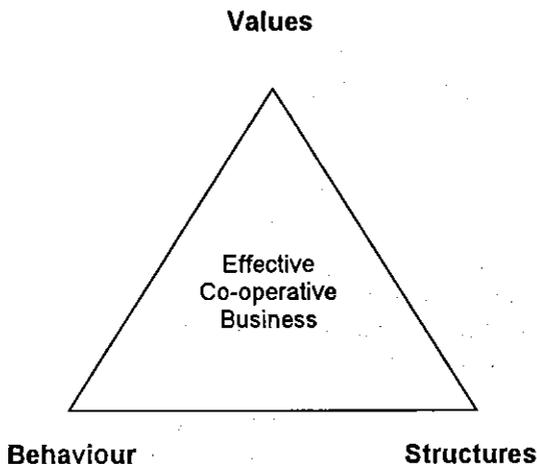
The database was used to interrogate the results in two ways. The numeric results were converted into percentages to allow cross analysis of the answers to different questions and to the same question from different groups of respondents. The written responses were printed out and coded for common features, which allowed patterns in peoples' comments to emerge. This process is by its nature somewhat subjective, but it does allow trends to be identified and compared with those from the quantitative data. Quotes were also identified to illustrate this report. The main limitation of the data collected was inherent with the sampling method for the unit managers' survey. This was based on lists of names and telephone numbers faxed from local area managers to the CWS personnel department and it is not possible to verify how randomly they were chosen. Therefore, it may be that in some cases the names of managers known to be enthusiastic or approachable were deliberately chosen over the others. It also only included the managers of food stores. It should also be borne in mind that some respondents to both surveys had completed their values training much more recently than others.

Results of the Analysis

Format

The structure for presenting the findings is based on Alan Wilkins' Co-operative Triangle model which shows how a successful and bona fide Co-operative Business needs to have three mutually re-enforcing elements: Values, Structures and Behaviour (Fig.1.). Each section begins by defining the specific issues to be addressed and each sub section begins with a brief summary of findings.

Fig. 1. The Co-operative Triangle Model

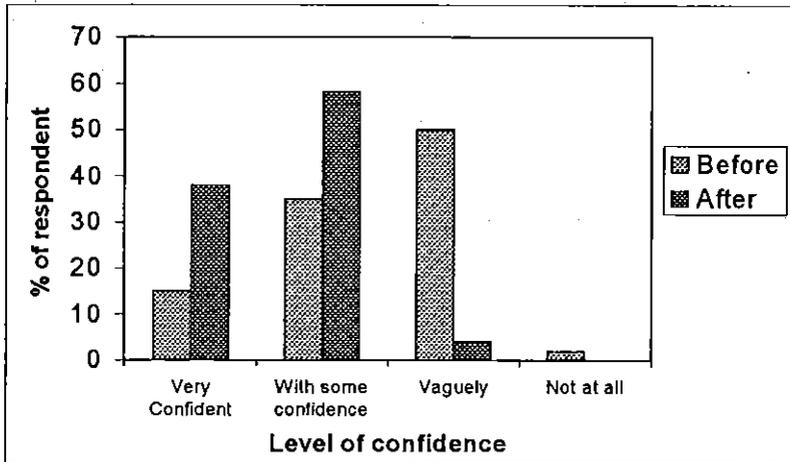


Values

Explaining Values to other people:

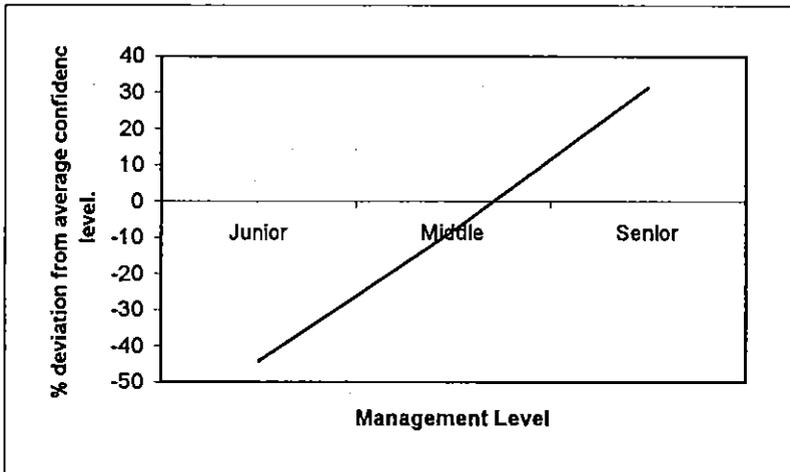
The first question of the management survey concerned the ability of participants to explain Co-op Values to other people. Figure 2 shows a dramatic shift from 52.21% of respondents being able to explain CWS's Co-operative Identity only vaguely if at all before the course to 95.58% being able to do so with some confidence or very confidently after it. These results were cross-analysed to find out how the profile (age, gender, length of service) of the people who changed from being less confident to more confident compares with that for the whole sample. This showed that before the courses were run there was a broadly positive correlation between seniority, length of service, age and confidence in explaining values (see below).

Fig.2. Bar Chart showing how confident management respondents were in being able to explain CWS's identity as a Co-operative to the wider public before and after the course.



In this context, the courses are shown to have been beneficial in empowering all staff with information about the Society's basic purpose thus enabling them to make a more informed contribution to future policy developments.

Fig.3. Graph showing how likely respondents were to be confident or very confident about explaining CWS's identity as a Co-op to the wider public before the course.

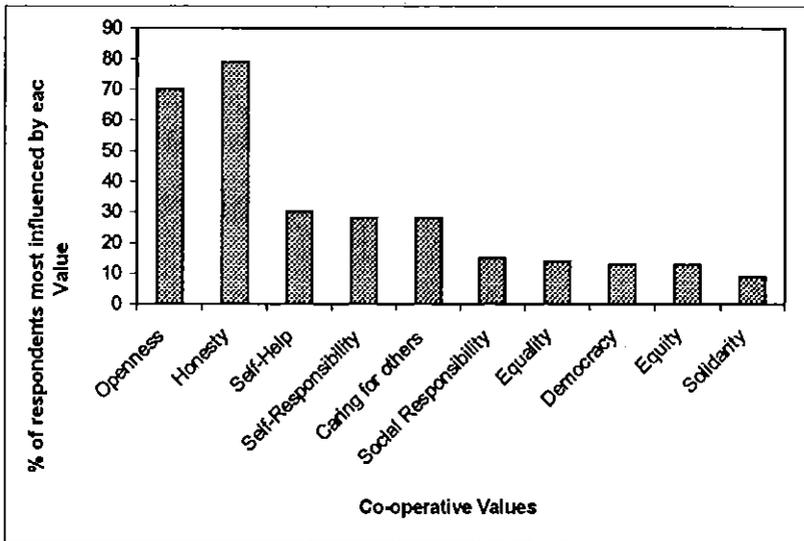


Unit managers were also asked how the course affected their ability to explain values to other people. Of the 27 surveyed, 25 reported a positive benefit with 3 praising the in-store video and 3 the written material produced to support the rollout to other staff. A further 3 also highlighted the co-benefit of the Better Performance Process and the Investors in People initiative. However, 3 identified difficulties: with understanding, explaining and remembering such a complicated model; with the lack of materials for in-store training and the difficulty of squaring values with the need for staff redundancies in their store.

Personal significance of Values

When asked which three values were most important to them, the total 'votes' from the senior management survey were distributed as follows:

Fig.4. Bar Chart showing percentage of respondents voting for each Value



With 70 and 79 per cent of respondents identifying them as one of the most important values, Openness and Honesty are clearly by far the most important values for CWS managers. Given that the Statement on Co-operative Values and Principles is a coherent whole this may seem surprising or even worrying to some.

However, bearing in mind that for many staff in central departments the most relevant application of values to their role is in the way they interact with colleagues, it can be seen how vital these values are for building effective communications and trust during day-to-day activities. For example, "[Values are] not easy to relate to taxation. Wherever possible try to be honest and open with departmental staff".

Respondents were then asked what significance Co-operative Values now have for them. The table below presents the grouped results followed by quotes:

Fig.5. What significance do Co-operative Values have for you now?

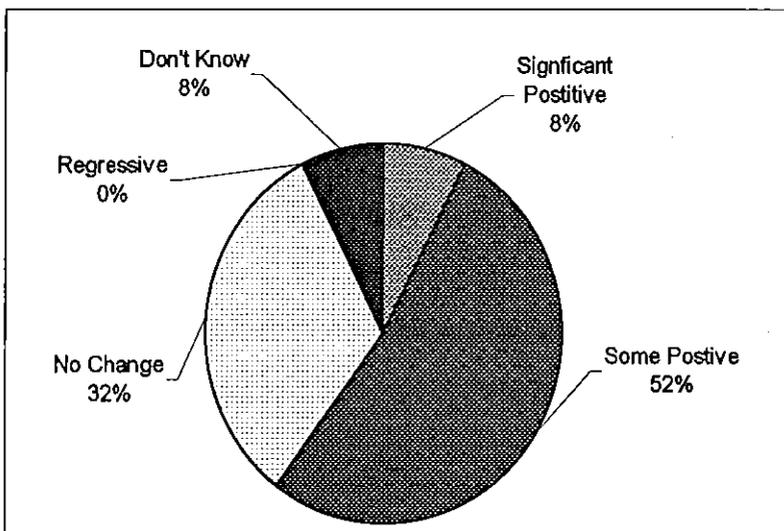
Response Category	No	%
Problems		
Hard to relate values to my role	2	4
Focus on Values and Principles slips with time	1	2
Inconsistent emphasis from management	3	6
Difficult to change things without management support	4	8
Sub-total	10	20
Positive Factors		
Always tried to practice values	3	6
The practice of openness and honesty has improved internal communications	7	13
Existing commitment to values reaffirmed	6	11
Internal attitudes and behaviour are changing	4	8
Changed my perspective on what we do & why.	6	11
Provides individuals in groups with a clear vision	17	32
Sub-total	43	53
Total	53	100

Similarly the Unit Managers were asked how Co-operative Values related to their own personal Values, which revealed a similar pattern of results.

Business significance of Values

Respondents to the Management Questionnaire were asked what impact the application of Values had had on the commercial side of their part of the business and the basic results were as follows:

Fig.6. Pie chart showing the commercial impact of applying Values to management respondents parts of CWS.



As can be seen, 60 per cent thought that there had at least been some positive impact and no-one thought that the impact had been negative. Examples of positive commercial impacts of Values grouped as follows:

Fig.7. Table showing management respondents experiences of the positive commercial impact of the application of Co-operative Values to respondents' parts of the CWS

Response Category	No	%
Enabling effects		
Ethics, community and business objectives reconciled	4	10
Openness and honesty/communications help	6	15
Appraisals	1	3
Inclusion in induction/training programme	1	3
Focus on objectives now clearer	1	3
Team working together	1	3
Investors in people (IIP)	1	3
Staff more focused on customers	1	3
Sub-total	16	43
Practical experiences		
Suppliers will work with us on this	3	8
Customers support community divi, labelling etc	5	13
Considered trusted partners by other divisions	2	5
Sub-total	10	26
Concrete improvements		
Data production time-scales reduced	1	3
In store losses reduced by staff understanding	1	3
Increased turnover/bottom line	3	8
Better terms from Lotus and Microsoft when working with Co-op Bank	1	3
CRTG reducing distribution costs for all	1	3
Staff given self-responsibility drive up sales and profits	1	3
Centralisation of meat & produce buying required trust & sensitivity to people	1	3
Sub- total	9	26
Problem: Ethics/Values not advertised enough	2	5
Sub-total	2	5
Always used Values in role	1	3
Sub-total	1	3
Hard to measure but it should be positive	1	3
Sub-total	1	3
Total	39	

Suppliers understand where we are coming from, how we are different and why we want to be. (Co-op Brand, Manchester)

It is easier to come to an agreement in meetings when operating in an open/honest way. (Non-food marketing)

Staff given self-responsibility have driven sales up and made their part of the business much more profitable. (Area Manager, Food Retail Operations)

Similarly, Unit Managers were asked whether they thought that promoting and practising Values had affected the bottom line of their part of the business. Their responses again reflected those of senior management with good examples as follows:

We take more money, 7% up on last year despite new local Tesco. Better Performance Process (BPP) makes things happen. Changed style of management, listens more, values peoples' input. (South East co-op)

Staff understand how to distinguish us, focus on the customer and enjoy the job more. (Greater Nottingham Co-op)

**Structures:
Enabling and blocking factors**

To try and identify enabling and blocking factors, in the management questionnaire, respondents were first asked how a number of factors affected their ability to apply the Values and make changes.

Fig.8. Table showing the significance of various influences on managers' ability to apply the Values and make changes.

	% Actively encouraged	% Positively assisted	% None	% Negative attitude	% Tendency to block
Line managers' support	20	73	4	3	1
Colleagues' support	5	87	2	3	2
Corporate strategy	22	74	2	1	0
Code of business conduct	20	71	4	3	1

This appears to paint a rosy picture where the vast majority of those surveyed found all these factors to be positive. Some identified as further positive examples; the Chief Executive, the development of team objectives, personal belief, the family of businesses document, the need for differentiation, the Co-op's image and the Better Performance Process. However the comments show that there are also still some issues to be addressed:

I still believe there is an element of 'manager knows best' throughout the CWS. Hopefully the Better Performance process with help dissipate this. (Financial Advisor)

Environmental and ethical issues often given less priority due to the price sensitivity. (Non-food Manchester)

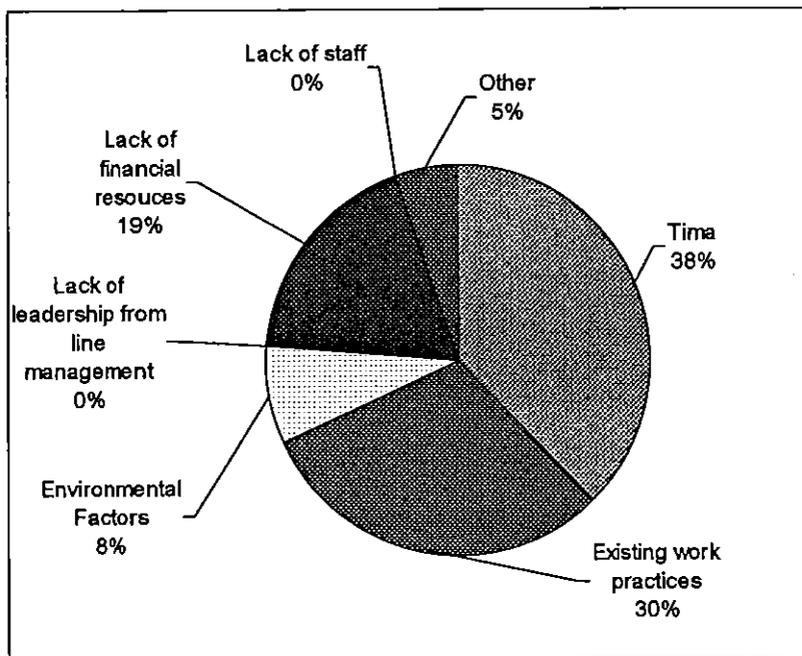
Middle and Junior management are more receptive to applying values – tendency to block still comes from Senior Management. (Food Retail, Manchester)

I think we are hopelessly inconsistent in some areas – but starting to improve (remuneration/benefits spring to mind. (IT, Food Retail, Manchester)

Values and Principles represents a laudable ethical stance and could be a useful marketing tool but in terms of influence on day to day business activities there really is a large gap between theory and what is possible in practice. (Food Retail, Manchester)

Respondents were also asked which of 6 specific factors they had found to inhibit change, related to Values:

Fig.9. Pie chart with key to show factors not picked by anyone as well as those picked which management respondents had found to inhibit change related to Values.



The interesting difference between these and the unit managers' results is that, while broadly 1/3 cited a lack of resources in one form or another, the other 2/3 of the unit managers split equally between the pressures of the store environment (long opening hours and the pressures it brings) and the perception that there were senior managers, but interestingly not their own line managers, who were actively blocking changes from taking place.

Behaviour

How behaviour has changed across the Society since the courses began

This issue was tackled in the management survey by asking both an open-ended and specific question about perceptions of change. The former showed, perhaps unsurprisingly, that there is a general trend for the policy-led initiatives, both internal and public, to be identified with the more senior levels of the hierarchy and the cultural changes affecting the way individuals relate to one another to be more

personal. The fact that some public initiatives such as the Food Co-ops Project are cited more than others is probably because of the timing of the questionnaire in relation to the timing of their introduction.

However, as has already been shown, one of the results of this training programme has been that the knowledge and understanding of Co-op Values necessary to instigate such policies is now widely distributed in the workforce. Complexity theory in applications to business situations teaches us that in a fast moving society command and control models of hierarchy can no longer be expected to have an 'all seeing eye' necessary to make timely decisions in all pressing matters. If, in contrast, employees are given a set of principles to apply as they see fit much more can be achieved without leading to unco-ordinated chaos. It will be interesting therefore to see whether co-operative organisations use their values in this way and if, at the CWS, innovation begins to be encouraged at all levels.

The common themes which emerge are that the best examples of 'Values into practice' – expressed both in terms of personal behaviour and policy initiatives – are attempts to work on increasing openness and improving communications. This trend was also reflected by the responses to 3 similar questions for the Unit Managers. They show a significant improvement in all the factors investigated regarding store managers' direct contact with their managers. However, once again the perceived isolation and inflexibility of central departments in Manchester are clearly a problem for staff in the shops.

The theme of cultural change was also explored in a management question about how changes in colleagues were perceived:

Fig.10. Chart showing the main changes respondents to the management survey noticed in colleagues since the introduction of the Values programme

Changes observed	Extent of Change %		
	More	None	Less
Consultative decision-making	52	45	3
Motivation and commitment	50	43	8
Clear focus on departmental purpose	60	38	3
Clarity of own goals	62	35	3
Pride in association with the Co-op	60	37	3
Empathy with members	27	71	2
Contact with members	20	80	0
Co-operation between departments	50	48	2
Co-operation between divisions	42	57	2
Openness	51	43	6
Active listening	39	54	7
Involvement in projects/work teams	56	41	3
Knowledge of Co-operative movement	80	19	1
Customer related focus	68	32	0
Emphasis on command and control	8	55	38
Leading as well as managing	52	47	1
Participation and Trust	57	54	9
Challenging practice not compatible with Values	41	56	3
Average	49	48	5

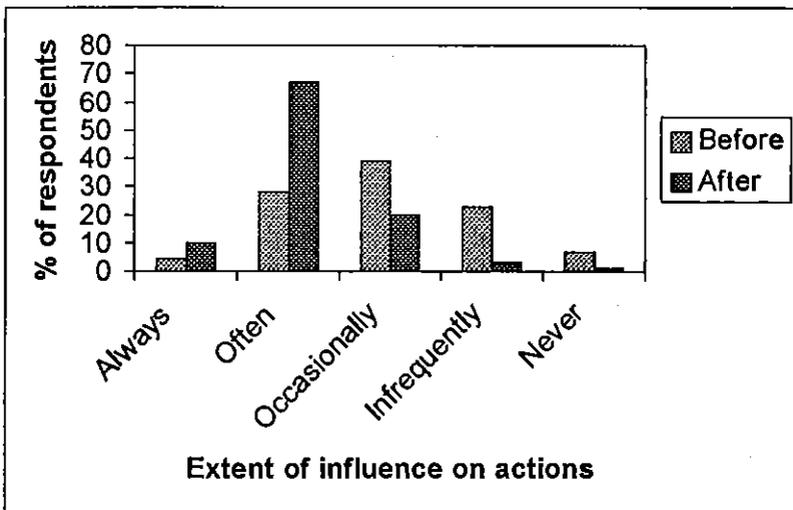
The 80% who reported improved knowledge of the Co-operative Movement shows that the course achieved one of its aims. Furthermore, the three of the four factors noted as improved by 60 per cent or more - Clarity of own goals, Customer related focus and Clear focus on departmental purpose – demonstrate a commercial business benefit for this kind of training. The low scores for contact and empathy with members somewhat explain each other in that managers in the hierarchy of CWS have little chance for contact with members and therefore little empathy with them. The changes in emphasis on command and control present an interesting picture. There is a clear trend of decline for this style of management but more than half of the sample report no change. This shows that there is still some way to go.

How employees have applied Values to their work:

This issue was explored with a number of questions, firstly regarding how management respondents succeeded in making the changes they planned on the course on their return to the workplace. This showed that, both compared with all the strategies mentioned and with those which were fully implemented, the most successful innovation were those which concerned people changing their approach to managing others. This trend is born out by the more than 60% of surveyed Unit managers who believed that both senior and middle manager's treatment of them and the quality of internal communications had improved since the courses were run. In following up some of the concrete examples quoted, it was found that further efforts have recently been made to organise store visits for central departmental staff which may partly be the result of the process of following up course participants for this research project.

This was investigated further with a question about how much Co-operative Values had influenced respondents actions before and after the course. The results can be seen presented in Figs.11 and 12 below and present a very similar picture to that seen in Fig.2 regarding managers' knowledge of Values and ability to explain them to other people.

Fig.11. Bar Chart showing the extent to which Co-operative Values influenced managers actions before and after the course.



The major trend found in the specific examples offered was that progress is being made in the areas of openness, communications

and improved team work. One important feature was the significance attached to better cross-departmental links which reiterates the examples of positive commercial applications of Values. However, these were mainly identified as being led from departmental level and, therefore, despite the 'Family of Businesses' initiative, questions must remain about real practical commitment to these developments from senior management. The main difference between these results and those of the unit managers was the far greater proportion of store managers who report having their own perspective and attitude changed by the courses. This could well reflect the greater contact shop staff have with the ordinary shopping member where values are most clearly relevant compared with the relative isolation of New Century House. It may though reflect possible bias in the sampling of respondents for this part of the survey.

How the image of the CWS has been changed

Management respondents' perceptions of how the image of the Society had changed since the courses began was tackled with a quantitative question, the results of which are presented in Fig.12:

Fig. 12. Table showing managers' opinions of how the image of the CWS as a Co-operative have changed from various standpoints since the courses began in 1997.

Category	Extent of Change %		
	Better	No change	Worse
Individual members	56	44	-
Corporate members	47	52	1
Employees	25	69	6
Customers	6	94	-
Suppliers	5	95	-
Communities	4	96	-
Wider Co-operative Movement	8	92	-
Average	22	77	1

This presents a picture of the greatest changes having been internal. While this may seem inevitable, bearing in mind that the programme was an internal staff training one, it should not be forgotten that other very high profile events such as fighting off a hostile take-over bid also took place during this period. However the

comments presented below (Fig.13) may help to explain this scepticism - the fact that the Co-op Movement still presents a muddled image to the public and that some managers perceive change to have been cosmetic as shown by the high level of 'No change' options selected.

Fig.13. Comments on responses to Fig.12

Category of response	No	%
Some Progress eg Customer care, premises, product ranging, the media and professionalism.	9	43
Customers and suppliers still find the way that the Co-op works hard to understand.	6	29
Progressive rhetoric and change at the grassroots not reflected in head office	4	19
Sceptical about the operational benefit of the course, thought improved image attributable to the power of advertising.	2	10
Total	21	

When compared with Fig.14, showing unit managers' perceptions, a further answer is suggested

Fig.14. Table showing how Unit Managers perceive the image of the CWS to have changed both within the Co-operative Movement and to the wider world.

Category of response	No	%
Progress		
Fresher approach with TV ads, divi, labelling campaign and the Welcome format gives us a quality, younger image	15	54
People are talking us up	1	4
Reporting general improvement in image	6	21
We now get groups coming to talk to us, should use Bank on courses	1	4
Now have a much clearer direction	1	4
Slowly changing, more younger customers have come in lately	1	4
Better image to co-op movement, yet to be seen in wider world	1	4
Sub-total	26	93
No Progress		
No change	1	4
Not to the customer – still perceived as an old people's shop one	1	4
Sub-total	2	7
Total	28	100

This is the contrasting view of people on the ground who have day to day contact with the customers and have seen tangible changes - investment in their stores, high profile advertising and the continuation of campaigns such as honest labelling which were put into context by the courses. While it would be wrong to attribute this process of change solely to the application of Values, seen together they re-enforce the idea of the CWS being an organisation with a clear vision and a realistic future.

How participants think the Values process should be improved in the future:

Management respondents were asked this both from the perspective of the CWS and the Co-op College's delivery of the training and the unit managers were just asked this from the point of view of the Society. Shown below in Fig.15 are the grouped suggestions made for the CWS itself:

Fig.15. Table showing what else management respondents thought the CWS should do to further promote and re-enforce the Values perspective

Category of response	No	%
Staff issues		
Reward and Recognise the work of teams	8	8
Work with all levels of employees - support from the top	16	17
Consider and listen to staff in stores - they make the profits	2	2
Honest investment in people	1	1
Ensure new recruits have background knowledge	2	2
Extend course to all employees	2	2
Be seen to be fair to all employees	3	3
Need to show sceptical staff that Values are actually good business	1	1
Remind all members of staff that Values are relevant to them and they have a right to challenge management non-compliance.	1	1
Create a working environment with less negative pressure and stress	1	1
Give staff the chance to apply for vacant positions	1	1
Sub-total	38	39

Management Issues		
Continue to stress the need to succeed as a co-operative business	1	1
Management and committee members should work together as a team all year	1	1
Eradicate command and control	1	1
Management style needs to improve in this context	1	1
Provide clearer guidance for management in commercial situations	1	1
Revisit the leading and managing change issue - some managers do not adapt easily	1	1
Improve two way communications with senior management and between divisions	1	1
Management need to feed down evidence of Values effectiveness to support further change	1	1
Sub-total	8	8
Continuing the process		
Change process is continuous, needs sustained investment	2	2
Benchmark progress so far and report back	6	6
Continually revisit the subject - refresher courses	6	6
Sub-total	14	14
Practical behaviour		
Be more open and honest	1	1
Ensure initiatives such as Values and Principles, IIP etc are followed through and don't become lip-service/form filling	2	2
Relate more commercial activity directly with Co-op Values	1	1
Need to improve service to internal customers	1	1
Need to become a successful commercial business	1	1
More development needed on web-site	1	1
Need to put reminders around New Century House complex	1	1
Look for and expect/Enforce compliance from suppliers	1	1
Clarify how IIP and V and P fit together	1	1
Make explicit link between Values and Practice	1	1
Ensure more solidarity in the Co-op Movement	1	1
Sub-total	12	12
Communicating the message		
Need to simplify model to approximately three specific points – maybe emphasise openness and honesty.	1	1
Take the message to schools and universities	1	1
Sub-total	2	2

Public image		
More TV and radio ads - need to get into people's heads the Co-op difference	15	16
Must ensure that all members receive correct members information	1	1
Must communicate to customer base in a way which offers them a tangible benefit	1	1
Must be seen as a shop offering value for money and top quality goods	1	1
CIS should only do ethical investments	1	1
Retail division should not sell tobacco	1	1
Whole movement needs to be seen as cohesive with shared values and a realistic future	1	1
Should sell and grow more organic food, clam down on waste and extravagance and stop subsidising private car use in Manchester with free parking but no public transport subsidy	1	1
Sub-total	22	23
Total	96	98

The weight of responses to this question shows that the most important issue for those offering comments is that the rhetoric of the Values statement is given integrity by the everyday activities of whole of the Society. The most cited groups of suggestions illustrate this well. The most popular response of all - that the Values process needs to work with all levels of employees and be supported from the top - echoes the comments to previous questions where some senior managers have been seen as a blocking factor (it was not possible to conclusively locate where these particular managers were so it may be that this problem is more to do with structures and processes than personalities). This is closely followed by the request for more publicity for the Co-op as an enterprise based on a set of clear values. These issues are linked by the fact that, without sustained advertising to promote the 'Co-operative Difference' as a unique selling point, a commercially successful niche will not be found to win over sceptical opinion in the way pioneered by the Co-op Bank. Another issue to be spotlighted is the need to recognise the contribution of teams; in other words people want to have their collective action collectively rewarded.

Overall, a level of support for the initiative so far can be inferred from the suggestions for continuing the programme in the future. Not only would a number of participants welcome refresher courses, but they also want progress to be systematically measured and assessed against benchmarked targets. The response of unit managers to the question 'What do you think the CWS should do to

enhance its effectiveness as a Co-operative business?' presents a similar pattern of responses but very much grounded in the real issues of day to day life at the 'sharp-end' of the Society's activities. Management Issues include the following points:

- Buyers and range/space planners need to understand our existing customer base eg three rows of cous-cous on the shelf of an inner city superstore is not necessary.
- Distribution must improve, especially for fresh produce which stops us competing at the moment.
- Need to improve general understanding of all our businesses - very segmented and parochial view at present.
- More interaction with other store managers would be welcome.
- Take more risk investments in the retail sector.
- After having someone in the store from Manchester for a week would welcome chance to spend some time seeing their end of operations too.
- Top and bottom need joining up.
- If emphasis is to be on small stores managers need to have support from others in their area and area management.
- More staff training needed but there is currently no way to cover staff who are away.

Public image issues include these points:

- Need to get credit for our good ideas in the media - don't seem to be talking to the right people at present.
- Customers want 1 image and 1 price available in all our stores.
- Need 1 national image for whole movement.
- Need to improve our public image.
- Need to push cross-selling between different Co-op businesses through our stores.
- Need more aggressive promotions and offers - not always communicated well - eg lowest price of Scotch Whisky before Christmas with no Point of Sale promotion (Scotland).

Continuing the process of change:

- Need continuing in depth training to build on V&P and IIP.
- Maintain momentum on publicity and information.
- Keep 3 year strategy going - acquisitions etc.

Perhaps these results could be summarised in a plea for the CWS to become far more focused on the needs of its customers, to listen and respond to feedback through store managers – who have to

justify decisions and procedures which are beyond their control - and to ensure that staff in central departments understand the realities of life at the 'shelf-face'. One interesting issue raised here and elsewhere is the need to provide for store managers to meet each-other, share experiences and provide mutual support for one-another. Together with planning for the provision of training, this is an issue particularly important as Co-operative Societies move towards operating a larger number of smaller stores staffed by a large number of 'part-timers'. The themes which come out of this analysis are the widespread support for the continuation of the courses, concern that they should be grounded in day to day commercial, and that use should be made in the delivery of people with this sort of real relevant experience.

The problem of complexity was also raised. The Values and Principles model presents anyone with a challenge to remember but is particularly difficult to impart through a short video shown in a store environment to mostly part-time staff. However, this was partly addressed through the internal CWS rollout through the retail regions which made local changes to the delivery method.

Conclusion

The programme primarily concerned the internal culture and operations of the CWS; affirming actions which were compliant with its Co-operative Values, challenging non-compliant actions and inspiring staff to think anew how their personal ideas and behaviour measured up to this standard. These results were achieved by taking participants out of the work place and away from their usual functional colleagues.

In some respects the results of the analysis speak for themselves in leading readers to the conclusion that a process such as this can indeed play a central part in facilitating a change of culture; outcomes which there seems no reason to believe could not be replicated in other large Co-operative Societies.

These were:

- A step change in employees' knowledge and understanding of co-operative values and the frequency with which they consider them in decision-making.
- A clear commitment to Honesty and Openness which can actively help to improve internal communications and team working
- Re-assuring those people who have always had a

- commitment to co-operative values.
- Drawing attention to the practical benefits (commercial and cultural) of putting co-operative values into practice thereby challenging and inspiring individuals to change their own behaviour
- Bringing diverse groups of employees together for the training can itself help to break down internal barriers, build trust and generate new ideas.
- Clarifying how a Co-operative Business, by its very nature, is differentiated from other forms of organisation that helps to give a clear and consistent message to the general public, suppliers etc.

However, changes such as these cannot be achieved by the unilateral intent of senior management or elected representatives. In this instance a Values programme was one of a wider series of changes which have seen the CWS move from being focused on wholesale distribution and manufacturing to a major retailer in its own right; a process which is still on-going. Similarly, with its incorporation in induction programme for new staff, Values training has become part of the day-to-day operations of the Society so can no longer be seen in isolation. This though may not always be obviously apparent to long-standing members of staff. One of the consistent requests from participants was to explicitly revisit the topic for all staff on a regular basis.

The triangular model in Fig 2 emphasises the need for values, structures and behaviours to be mutually reinforcing. The problem with attempts at planned culture change is that their starting point involves disturbing an existing mutually reinforcing 'triangle of the status quo' and injecting dissonance into the situation. The participants on the values programme may have experienced:

- personal dissonance, where the disharmony is between the values advocated and the individuals behaviour within her/his organisational role, or
- organisational dissonance, where the disharmony is between the values expressed and the structures and behaviours that individuals experience around them in the organisation.

This research indicates that the training programme may have contributed to both forms of dissonance. This raises the issue of whether the parallel initiatives listed in 2.3.2 will achieve sufficient structural and behavioural change and empower employees to construct a new mutually reinforcing co-operative triangle.

It would be wrong for the CWS, or any other organisation undergoing such fundamental change, to believe that a single initiative or group of initiatives present a panacea in delivering the intended transformation.

Addendum

The CWS has continued with its focus on creating a successful co-operative business still recognizing that this requires a deeper understanding of co-operative values, as defined by the ICA, on the part of employees at all levels. Training still has a role in this cultural change initiative at the foundation level.

Robbins and Sadler suggest that, although organisational members may quickly assimilate the rhetoric associated with the new culture, tangible benefits must be perceived within a comparatively short time scale (they suggest a maximum of two years) if the new values are to become internalised as cultural norms.

At the outset employees on values, principles and future programme began to identify examples of society practice that needed to be reviewed if it was to honour the values being profiled on the programme. Many corporate actions were taken in response to these observations such as extending the staff discount scheme across all divisions (equity) and building a store within the national HQ complex at Manchester enabling staff to become members. Other issues addressed included utilising all trading operations through cross selling, improving effective communication at all levels within organisation to involve all staff, and the introduction of a major corporate advertising campaign to sell the unique co-operative difference more forcefully. Early in 1997 the group managers after attending the values programme together then met regularly ultimately leading to a redefinition of the society as a 'Family of Businesses'.

A new senior staff training programme, 'Let's do it better', focusing on leadership, was established in 1998 and ran in parallel with the values initiative; Investors in people and other specialised training and development programmes were introduced to assist staff to take on the CEO's challenge to build a successful co-operative business.

Throughout, the values programme was constantly updated to accommodate the range of new practices and now forms part of the society's middle and senior management induction programme.

In 1999 in agreement with the CWS, the Co-operative College in partnership with ICOM, the strategic and representative national

body for the worker co-operative sector, successfully applied for European funding. A modified values programme was designed to enable wider co-operative sector worker directors and CWS managers to learn together. It is remarkable that this was the first time this century that a movement-wide inclusive training and development initiative had occurred.

The year 2000 saw the merger of CWS and CRS after many years of speculation. The two societies joined to form the largest co-operative business in the country. There are many challenges as the two corporate cultures intertwine and focusing on co-operative values will give a basis upon which to build dialogue and new systems. A new values programme, recognising the complexity, has been running throughout summer 2000 for former CRS managers now working in the merged society. This is creating the space to explore the co-operative difference and give momentum to reasserting the co-operative advantage that the merged society can establish for itself and ultimately the British co-operative movement.

The new programme will be rolled out to all employees working within the co-operative businesses that transferred to the CWS. Currently the Society is planning a series of processes focusing on the detailed application of the values to different aspects of its operations, therefore building upon the foundation learning established in the training programme.

The CWS, in establishing the original programme, chose to involve an external partner, in this instance the Co-operative College. It seems that an independent, but co-operative institution committed to the same value system and understanding the complexity and background of the whole co-operative sector, is critical to the credibility of the entire process. This informed independent facilitator gives freedom to explore the issues without the restraints that using internal consultants may bring. The College, in this instance, has been the honest broker and striven hard to maintain its integrity. If any participant doubted the independence of the facilitatory team the entire programme would have been jeopardised. This independence, enabled the facilitators to confront participants and the society to address the emergent issues.

This has also led to further opportunities for the College to work with other co-operative societies (Oxford, Swindon and Gloucester Society, West Midlands Society) assisting them to develop their own initiatives to review their co-operative nature and the values upon which they are based. The CWS experience and investment in developing the programme is now contributing to the whole co-operative movement.

All these experiences indicate that the four 'softer' ethical values of honesty, openness, social responsibility and caring for others are

evident, and more fully expressed to varying degree, in the current practices of many societies. These are the values that are more universal in character and can be found as part of the culture of non-co-operative organisations. It is, however, the 'hard' co-operative organisational values that the movement is least easy with at present. Whilst self-help and self-responsibility are clearly evident, the values of equality, equity, democracy and solidarity are still significantly underdeveloped. This reflects the current stage of the consumer movement, having bottomed-out on decades of hiding its true identity, it now asserts with growing confidence its co-operative uniqueness. This is evident in societies response to provide meaningful benefits for members, promote membership, member involvement and member economic participation, revitalise democratic activity through structural reforms and not least (the fifth principle) provide education, training and information.

The British consumer co-operative movement has taken the radical step to explore its value base by applying the ICA 'Statement on the Co-operative Identity'. Expectations have been raised. Members, employees and those in the wider movement now understand the logic of the values base. They now have a reference by which to audit change and progress. Decision making processes, using the co-operative values, bring new perspectives to options for the future. This decade of change that started with the values initiative in January 1997 has set in motion an important process for the whole movement. The future will be determined by improved business performance, in the context of a distinct values system. Having stated what we stand for the imperative is that practice must mirror these values.

Appendix

Statement on Co-operative Identity

Co-operative statement of identity and principles as approved at the ICA Congress, Manchester, September 1995

DEFINITION

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

VALUES

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the

ethical values of honesty, openness, social responsibility, and caring for others.

PRINCIPLES

The co-operative principles are guidelines by which co-operatives put their values into practice.

1ST PRINCIPLE: VOLUNTARY AND OPEN MEMBERSHIP

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2ND PRINCIPLE: DEMOCRATIC MEMBER CONTROL

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

3RD PRINCIPLE MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative.

Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4TH PRINCIPLE: AUTONOMY AND INDEFERENCE

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5TH PRINCIPLE: EDUCATION, TRAINING AND INFORMATION

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can

contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6TH PRINCIPLE: CO-OPERATION AMONG CO-OPERATIVES

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

7TH PRINCIPLE: CONCERN FOR COMMUNITY

Co-operatives work for the sustainable development of their communities through policies approved by their members

Notes

1. This work has only been possible with the active co-operation of the CWS Personnel and Training Department, the Co-operative College and the donors who have contributed to the SCS Research Fund. The research team is also indebted to Marcus Abigail, Richard Jackson, Mary Lenton and the Greenhouse Trust in Norwich for advice and assistance with the data analysis and access to computer resources.
2. The analysis was undertaken by Richard Bickle, an independent researcher based in Norwich. Its first stage involved feeding the returns into a Microsoft Access Database constructed for the project by Len Burch. This allowed the quantitative data to be totaled and the written responses to each question grouped together