

## Workers' Participation in Co-operatives

### A Trade Union View

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Workers' participation and involvement with management in the running of the business on which they rely for their livelihood has been an objective of trade unionists and some employers for many years. The historical background of the Co-operative Movement would lead one to assume that here is fertile ground on which to build and develop workers' participation in whatever section of the Movement they are employed.

The Movement was established in the 19th century by working people for working people as an alternative to the factory shop in order to provide good quality food-stuffs at fair prices. The trading surplus was returned to the trading members for the furtherance of the business or as a dividend on purchases. The number of societies within the Movement increased and the business expanded to provide a wider range of goods and services, thereby necessitating the employment of a growing number of workers. The founders of each Co-operative society who were mainly working men and women then found themselves to be employers with a responsibility to provide reasonable wages and conditions of employment to fellow working men and women.

### Past Attitudes

By the last decade of the 19th century, trade union membership had been established in a number of retail societies by the Union of Co-operative Employees and this was the beginning of a long association between the

Co-operative and Trade Union Movements. It was not until 1918 that the Co-operative Union, which had been established in 1869, thought it necessary to provide a Labour Department. This Department, which still flourishes, advised member-societies on labour relations and as it developed took part in negotiations with unions on behalf of societies. Today, national negotiations on hours, wages and conditions are carried out between the National Wages Board, acting on behalf of the Co-operative societies, and the Joint Trade Union Negotiating Committee, on behalf of the unions. Provision is also made for negotiations at local level with individual societies or groups of societies through Sectional Boards.

Although Co-operative societies' Boards of Management had accepted with varying degrees of enthusiasm the right of their employees to belong to a trade union, there was a more marked reluctance to accept employee participation on Boards of Management responsible for the running and development of societies. A variety of arguments were put forward to show the undesirability of the employee having any say in management and many bitter battles were fought between employees and trading members at quarterly and half-yearly meetings of societies.

A popular argument was that except for the right to stand for the Board of Management of the employing society, the employees had the opportunity actively to participate in the running of the Society. They could be individual trading members of the society, were able to cast a vote in the election of the Board of Management and take a part in any of the ancillary Co-operative bodies attached to the society. What more could any employee want?

A further argument was that if the employees were allowed to participate in the running of the society

through seats on the Board of Management, it would be to the disadvantage of the trading members. The employees so elected would look after themselves and their colleagues to the extent that the society would be ruined. This was a very popular argument amongst some members of Co-operative auxiliaries, especially the Co-operative Women's Guild and the National Guild of Co-operators. What they really meant was that if employees got on to the Board of Management some of their own nominees would be in danger of losing their seats.

In many societies, members of professional management were actively opposed to employee participation on the Board. They saw the employee representative as a threat to themselves in that employee members of the Board would be able to question their management performance and pin-point inefficiencies and mis-management that could often be hidden from lay Board members.

The agitation for employee participation in the running of societies through seats on the Board of Management progressed slowly in the years preceding the 1939-45 war. On the return to normal conditions after the war, a great surge forward took place in the late '40s and early '50s with an increasing number of societies' rules being changed to allow employees full membership rights. In some society areas, where there was strong resistance, the aid of other trade unions not associated with Co-operative employment was sought, along with appeals for help to the local Labour Party. These bodies were not always as helpful as one would have hoped because, quite often, members of the other trade unions and the Labour Party were members of their local society Board of Management and had no wish to see their own positions challenged.

As could be expected, existing Board members were not too keen to see change and many members of professional management positively feared employees sitting

in the Board Room. There were, however, a number of societies with forward-looking management who accepted an employee's right to sit on the Board and put little or no obstacles in the way of progress. It must also be recorded that there were many employees who, because of apathy or self-interest, either made no move towards employee participation or who actively opposed such moves.

### Forms of Participation

The amalgamation of many Co-operative societies and the development of regional societies have reduced the overall number of Co-operative societies and consequently Boards of Management. There are today very few, if any, Co-operative societies who debar employees from membership of Boards of Management, although there are a number of differing rules.

A very small number of societies allow full membership rights to all employees, thereby allowing them the right to stand for election to the Board in competition with trading members. If the employee candidates head the poll, such Boards could conceivably be comprised solely of employees. The majority of societies, however, lay down in their rules the number of employee representatives who shall sit on the Board. The requisite number of candidates, selected by the employees from amongst their own number, stand for election in open competition with trading members. If successful in the ballot, they are duly elected. Where there are more than the required number of employee candidates, only the agreed number of successful employee candidates shall take their seats. The third and least popular method is to state in the society rules an agreed number of employees who will sit on the Board as a right. Those who sit are selected by their fellow-employees and are not required to enter into competitive election with trading members.

A second form of workers' participation has been through Joint Consultative Committees or Joint Advisory Councils, some of which date back to the 1920s. For example, Enfield Highway Co-operative Society made provision in its rules for a Joint Advisory Council in 1927 only to abandon its efforts in 1938 through lack of support. This form of employer/employee consultation on problems and issues of common interest has never been a great success in the Co-operative Movement. In many societies there has been outright opposition from Boards of Management or total apathy by the employees. The major problem has often centred on the inability of the two sides to agree as to the appropriate items for discussion. The Board representatives saw their sphere of influence being trespassed upon if staff issues which had long been their prerogative were taken outside of the Board Room to a secondary body. The employee representatives on the other hand often failed to get the complete support of their fellow-workers. The local trade union branch sometimes took the attitude that a JCC would usurp their right of decision taking on behalf of their members and would undermine local union branch policy. In most cases the fears of both sides were quite groundless but were sufficient to cause the collapse of much of the JCC machinery, and there are now very few Joint Consultative Committees operating with success.

At time of writing there is little of note that is now taking place in employee participation within the Co-operative Movement. Some excuse can be found for this in the changes that are taking place in the Movement through the continued evolution of societies into larger units; the move towards regional societies or entry into the Co-operative Retail Services Ltd.

Of recent date a national agreement has been reached between the Co-operative Employers' Association and the trade unions making membership of the appropriate

trade union a condition of Co-operative employment. In reaffirming their acceptance of the trade unions as representing their employees at national and local level in the discussions of industrial relations issues, many societies feel they are fulfilling their obligations to their employees. They look upon this as employee participation through the discussion of hours, wages and conditions. There is, in addition to trade union acceptance, the right in most societies to limited representation in the Board Room and in a very few cases JCC machinery. Management are often joined by a number of their employees in the feeling that the ultimate has been achieved and there is little more that can be done.

#### Examples of the Current Position

There is, of course, a great deal to be done but one needs first of all to look at examples of the current position in a number of societies. Because of space only a limited number of examples can be given and so far as is known the information is correct at this time.

One of the largest employers of labour on the retail side of the Movement is Co-operative Retail Services Ltd. It has a long standing relationship with the trade unions but has no industrial relations department. Line management are, therefore, involved in discussions on industrial relations problems, with any major issues having to be referred to the centre for final decision making. Employee representation within CRS Ltd. is restricted to regional boards where provision is made for not more than one member on each board who is selected in competition with trading members. There is no provision for an employee representative on the Central Board. JCCs are provided for but only operate in the Yorkshire and Bristol/Bath regions. It is very doubtful if either of these operate successfully.

The Birmingham Co-operative Society rules provide for two employee representatives on the Board with not more than one being elected at any election. Employee nominees take their place at the poll with trading members. The Society has a well established industrial relations department dealing with all labour issues in a very professional manner.

Royal Arsenal Co-operative Society rules place no restriction on the number of employees on the Board and any number of employees can stand in open competition with trading members. When elected to the Board they cease to be employees and become full time Board members. London Co-operative Society and Greater Nottingham Co-operative Society are also societies where there is no restriction on the number of employees allowed to sit on the Board. In both cases it is in open competition with trading members.

Lancastria Co-operative Society allows one third of its Board members to be employees; Portsea Island Mutual Co-operative Society two employees and North Midland Co-operative Society four employees.

In the societies named, there is very little information available on JCCs and it is, therefore, assumed that if they exist they have little influence. These societies also have some form of industrial relations department with varying degrees of sophistication. When information was being sought for this article, it is regrettable to record that a number of societies were either not prepared to provide information or were evasive in their answers. One wonders as to why they took this attitude, especially when, if time had allowed, the information could have been obtained from other sources.

#### Pressures for the Future?

The Co-operative Movement has, since its inception and because of the reasons for its existence, been a

champion of trading-member democracy. There are those who say, with some justification, that it has been so preoccupied with trading-member democracy that it has failed to develop fully industrial democracy for its employees. It has often failed to recognise that employees invest their working life in their employment and that the workforce is as important an asset as the trading members' share capital. If a society fails, the trading members lose their share capital but the employees lose their livelihood and the foundation on which their family life is built.

Although much has been achieved in recent years to improve the wages and conditions of Co-operative employees, they are still behind the general levels enjoyed by the rest of British industry. Recent figures have shown that average earnings for men in retail Co-operative employment are approximately £10 per week less than, or 84% of, the National Average; for women in retail Co-operative employment approximately £8 per week less than, or 73% of, the National Average. In common with many other workers in retail distribution the Co-operative employee has to work on a Saturday which puts them at a disadvantage to many other workers who enjoy a two day weekend. Annual holidays for Co-operative employees were at one time ahead of other trades and industries but this advantage no longer exists.

Many employees have recognised the difficulties through which the Co-operative Movement has passed in recent years and have been extremely patient regarding their wages and working conditions. This mood is changing and many believe that there has not only to be a forward surge in wages and conditions when circumstances permit, but that the Co-operative employee must be allowed to participate with management in having a say in the running of the society that employs them.

Pressures for a greater degree of industrial democracy are increasing and the call for "workers' control" is taking on new dimensions. The argument for 50% of the directors of any company to be elected or appointed by the employees from amongst their own number continues to be heard.

New legislation is providing more opportunities for employees to participate in the operation of their own company or industry not only on a short-term basis but in long-term planning.

A discussion document has recently been produced by the Department of Industry on "Planning Agreements for Industry". If the ideas are developed, employees will be given the opportunity to be involved in forward planning on the business in which they are employed. They will be able to play a part in the strategy and long-term objective of their employment, including examination of future job prospects and manning levels along with provisions for staff training. Development of industrial relations to allow for negotiations and consultation at all levels will be an important feature.

Much of what is set out in the document could well apply to a regional society or the Co-operative Retail Services Limited, where the co-operation of employees could be of major importance to the development and well-being of the societies' future. It could weld together management and employees in a common cause where all too often a gulf exists between the two sides. At present, decisions are being taken at top level and are so far removed from the shop floor that they have little meaning or impact on the worker. In many cases communications are bad or non-existent, thereby giving rise to misunderstanding and distrust which could often be prevented by a modest degree of worker participation or consultation. Restraint would also be put on members of professional management who increasingly seek to make decisions on purely economic grounds with little

regard for their employees' future, either in terms of job prospects or earning capacity.

In common with other employers, the Co-operative Movement will need to come to terms with a new piece of legislation, "The Employment Protection Act". The Act opens up new areas for collective bargaining (e.g., pensions) and provides for the disclosure of information on employers' business activities to trade unions through the Advisory, Conciliation and Arbitration Service. The Act will also make provision for workers to have paid absence from work to attend to trade union business, and deal with members' problems. Coverage is given to greater job protection with procedures for handling redundancies. Another important part of the Act is the section dealing with maternity leave and pay, and a woman's right to return to her job after a pregnancy with no loss of job benefits.

It is only possible to refer to sections of the Act, the full text of which covers most aspects of industrial relations. As the legislation becomes fully activated, employees will become more conscious of their rights under the Act and more vocal in demands to be given an opportunity to participate in and take advantage of its many provisions. This new activity could apply especially to women employees who will be only too anxious to make full use of their new found rights. Many women in employment are determined that Equal Pay and Equal Opportunity will not be just phrases but the beginning of a new era for the woman who wishes to pursue an active working life.

### Employee Demands

The Co-operative employee of the future, and the future is very near, is going to demand as of a right more participation in the employing society. It is no longer acceptable for industrial relations to be a little known activity operating at national level; it

has to be seen to be operating at local level as well. Societies will need to improve their industrial relations departments by the appointment of trained staff. They can no longer consist of the society's Education Secretary or some other official of the society doing the job as an additional duty. These officials have done an excellent job under difficult circumstances, but there is now need for greater expertise.

There is a need, too, for procedural agreements at society level to deal with industrial problems, with provision for shop stewards to have reasonable time away from their work to carry out negotiations and meet their members. A new look should be taken at employee representation on society Boards of Management, with a goal of 50% representation as of a right. Joint Consultative Councils should be re-examined and where there is a desire on both sides they should be introduced so that meaningful consultation can take place.

The Co-operative Movement has a vast source of goodwill amongst its employees and the time was never more opportune for that goodwill to be drawn upon. Management should embark upon a programme of consultation with employees to develop at an early date joint participation in the running of their society. If it is not done voluntarily it will sooner or later be enforced, with the lack of co-operation that enforcement engenders. The employees for their part should demonstrate to management their willingness to participate in the running of their society, if necessary by taking the initiative in making the first approach.

Co-operative managements can no longer continue to talk of Co-operative democracy whilst at the same time side-stepping the right of employees to full participation in the running of the Co-operative Movement. Co-operative employees who demand the right to worker participation within their employing society should be prepared to take advantage of that right when it is offered and not allow the opportunity to pass through

apathy or indifference. The continued progress of the Co-operative Movement is in the hands of both management and employees. By working together progress will be made.