

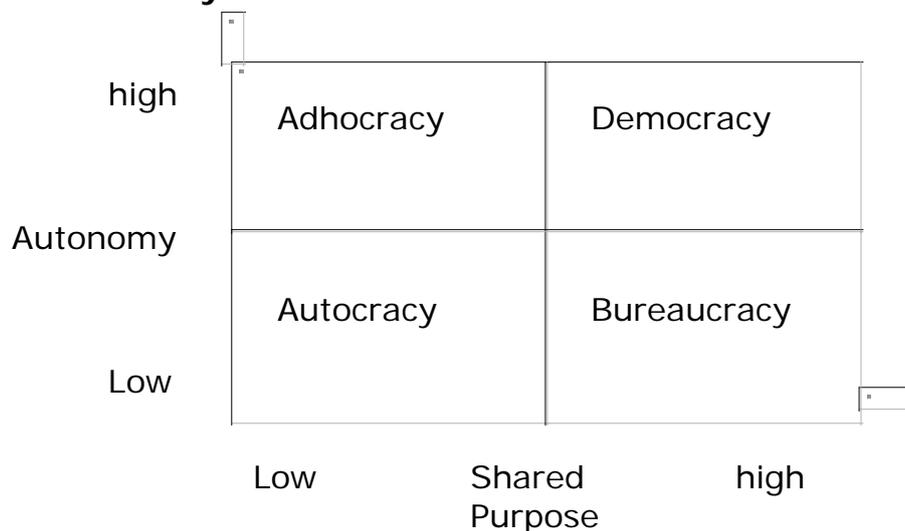
## Democracy and Management

There is a lot being written about democratic management at present, even Sven Eriksson is promoting his version ('I listen to your suggestions and *then* decide what we are doing' – well, it's democracy compared to other football managers...).

The leading guru of democratic management is Lynda Gratton of the London Business School. The following is a summary of her book *The Democratic Enterprise* .

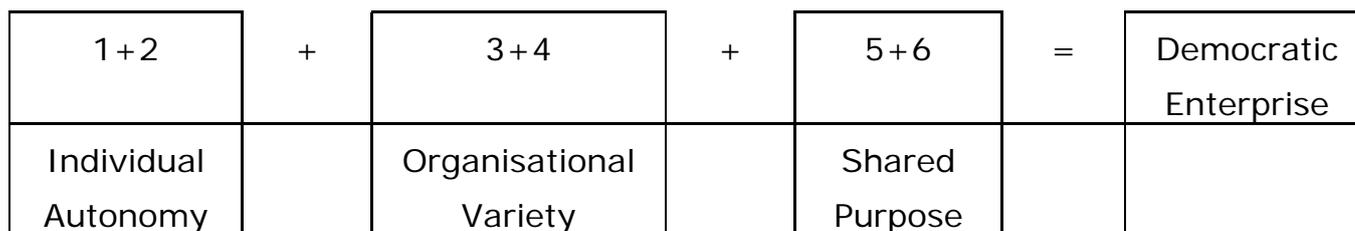
[www.LyndaGratton.com](http://www.LyndaGratton.com)

### The Democracy Matrix

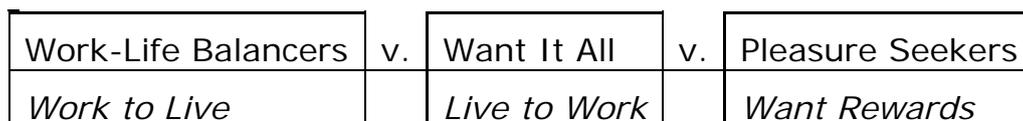


### Six Tenets of Democratic Enterprise

1. Adult : Adult relationship between the individual : organisation.  
Not parent : child.
2. Individuals are investors of their human capital  
and can withdraw the investment
3. Individuals are able to develop self and express their special  
qualities
4. Individuals determine their conditions of association with the employer.
5. Liberty of some individuals is not at the expense of others.
6. Individuals have accountability and obligations to self and to the organisation.



### Three Employee Types (used by Tesco)



Multi-skilling plus common competency platforms gives a T-shaped competency set. A broad range of competent skills with one in depth specialism.

*Competency platform is the set of skills to perform a job description. Competency set is the set of skills of an individual to perform various job descriptions.*

She says to:-

Emphasise discrete Projects with outcomes owned by teams not 'common' Processes. Metrics and measurements, to enable workers to agree and 'own' improvements and deteriorations!

Personalised choice of rewards and benefits.

Leaders are visionaries and philosophers not detail managers

Team Leaders are creators of space to develop self, goal setter, role model, mentor and coach.

### **So How Does XXXX Worker Coop Measure Up?**

Sometimes, mostly, we are a democracy with a high level of autonomy and variety and a high level of shared purpose for most people.

A few people are in a bureaucracy. Not enough job variety and a high level of shared purpose.

We used to have elements of adhocracy, people who just did their own thing whenever they wanted. Usually at the expense of other people's variety.

Many other coops are adhocracies. They fail to progress because the tyranny of the individual opt out prevents collective performance management and drops standards down to the lowest common denominator not the maximum achievable by the group. The law of equality of misery prevails. Overstaffing, poor quality, low morale, short termism and low wages.

Are we an autocracy for anyone?

### **The Three Tesco Types**

XXXX has the three employee types. But usually XXXX people show all three qualities. There are extremists, as anywhere.

Some just work to live, hand to mouth. Members should not be like this.

Some members live to work. Imbalanced lifestyle. Rely on XXXX too much for too much of their life.

Some young single people are pleasure seekers. You can buy a lot more booze etc. on a XXXX wage.

Quite a lot of XXXX workers get non-financial rewards from XXXX.

### **T sets**

With our multi-skilling we have these 'T shaped competency sets'. Many XXXX workers have a broad range of skills for a range of jobs and one technical speciality.

We need more high level management skills – project management, strategic planning, logistics systems planning, strategic finance, democratic governance (we have to invent this one ourselves!).

Too few of us have an in-depth specialist management skill with skills acquired from outside XXXX. We make it up as we go along relying on a few members who have analytical and planning skills. People use old skills from previous jobs.

We are a capable bunch and we get it right eventually but more people with good T sets would help us get it right more quickly. A worker with a good T set is a valued and respected worker. Luckily our competitors are much crapper at all this than we could ever be!

### **What's this got to do with democracy?**

To improve the democracy at XXXX we need to enhance: -

1. Individual autonomy
  2. Organisational variety
  3. Shared purpose
1. Individual autonomy – members with constitutional rights, valuable skills, multi-skilled (good T sets). Self-managing, self-motivating, self-developing.
  2. Organisational variety – job rotation, multi-skilling (again), self-development and investment in personal development resources as a personal priority not just for business need. Again members are more able to do this than employees.
  3. Shared Purpose – cooperative agreements and policies to set the boundaries of collectively agreed acceptable behaviours and individuals' relationships with the coop. Performance management to action the policies of the coop  
Investment in communications and resources to enable the group to debate and develop Shared Purposes.

Members have clear Rights and Responsibilities to their coop extra to their daily work. Which permits the development of a far more diverse, complex, long term and mutually beneficial relationship with the coop than an employee's, essentially contractual, relationship.

Members are obliged to show goodwill. Performance management of members as collective managers is possible.

Members hit 1, 2 and 3.

### **Conclusion**

I think we are well down the democratic governance road. We could certainly teach Dr. Gratton about democratic enterprise and we could teach other coops how to do it better.

Improving democratic management at XXXX is best achieved by increasing the

proportion and involvement of members despite the extra cost of recruitment. It would require more management resource to achieve probably poorer overall results with employees.

In contrast to many other worker 'cooperative' adhocracies and employee 'owned' businesses with hierarchical management, we do seem to have managed to harness the potential efficiency and effectiveness of cooperative employee ownership and avoid the pitfalls.

Carry On XXXX