

# Co-operative Leadership and Higher Education: four case studies

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# Introduction

The aim of this research is to assess the possibility of establishing co-operative leadership as a viable organisational form of governance and management for Higher Education, with the intention to create a co-operative university. Co-operative leadership is already well established in business enterprises in the UK and around the world (Ridley-Duff and Bull 2015), and has recently been adopted as the organising principle by over 800 schools in the United Kingdom (Wilson 2014). The co-operative movement is a global phenomenon with one billion members, supported by national and international organisations working to establish co-operative enterprises and the promotion of co-operative education.

Higher education in the UK is characterised by a mode of governance based on Vice-Chancellors operating as Chief Executives supported by Senior Management Teams (Shattock 2006). Recent research from the Leadership Foundation for Higher Education on *Neo-collegiality in the managerial university* (Bacon 2014) shows that hierarchical models of governance alienate and de-motivate staff, failing to take advantage of research-based problem solving skills of staff operating at all levels, and not accounting for the advantages to organisations when self-managed professionals interact with peers on matters of common purpose, particularly in knowledge-based industries.

The co-operative leadership model for higher education supports the ambition for more active engagement in decision-making to facilitate the best use of academics' professional capacities, but framed around a more radical model for leadership, governance and management. Members of the co-operative university would not only be involved directly in decision-making and peer-based processes that make best use of their collective skills, but have equal voting rights as well as collective ownership of the assets and liabilities of the co-operative (Cook 2013). This more radical model builds on work done recently as part of a project funded by the Independent Social Research Foundation (ISRF) to establish some general parameters around which a framework for co-operative higher education could be established (Neary and Winn 2017a and 2017b). These general

parameters are grounded in a set of catalytic principles which, we argue, are central to the development of a co-operative university. These catalytic principles are: knowledge, democracy, bureaucracy, livelihood and solidarity. Knowledge refers to the production of knowledge and meaning by the organisation as a whole; Democracy is concerned with the levels of influence on decision making; Bureaucracy means not only the type of administration but a set of ethical and moral principles on which administration is based; Livelihood looks beyond wages to include working practices that support the capacity to lead a good life, and Solidarity involves sharing a commitment to a common purpose inside and outside of the institution.

One of the key issues emerging from this research that we wanted to explore further is the significance of co-operative leadership - a focus of this paper, and the extent to which a model of co-operative leadership for higher education can be substantiated by these catalytic principles.

The paper draws out lessons learned from the research arguing that the type of co-operative provision depends on local history and circumstances, emphasising that new models are not only the result of rational calculation but produced by working within and through dynamic and contradictory tensions as a way of developing alternative forms of higher education. The paper draws on a theoretical framework based on critical political economy to substantiate this assertion, focussing on the conflict between labour and capital. While the research is framed within a set of theoretical assumptions as well as analytic and structural devices, the research has revealed what we already knew: institutions are built by people based on love and trust, a sense of pride and commitment to each other, as well as managing personal tensions and antagonisms, more like a family or kinship group or commune than a business corporation.

## Research Methodology

The research was carried out borrowing from tenets established by an extended case study method (Burawoy 1998). This method “deploys participant observation to locate everyday life in its extralocal and historical context.” (ibid, 4) It is a reflexive method that aims to “extract the general

from the unique, to move from the 'micro' to the 'macro', and to connect the present to the past in anticipation of the future, all by building on pre-existing theory." (ibid, 5) The pre-existing theory is grounded in the "power of abstraction" (Marx 1976, 90), with a specific focus on the concept of labour in capitalism, as a neglected category for critical analysis (Dinerstein and Neary 2002). Recovering the language of political economy, and particularly the categories of labour and capital, can work as a starting point for the development of real alternatives to capitalism, not to develop a political economy from the standpoint of capital, but as critique of labour in capitalism (Postone 1993).

This approach is derived from an approach to Marxism known as value-form theory in what amounts to a reappraisal of Marx's social theory and 'a new reading of Marx' (Postone 1993; Bonefeld 2014). Value-form theory presents the relationship between labour and capital as a dynamic contradiction out of which forms of social life in capital emerge, including struggles against the destructive nature of the contradiction. This theoretical framework suggests that co-operatives, with their focus on the common ownership and democratic control of their resources, are a real alternative to capitalism to the extent that they seek to extend the purpose of their activities beyond the production of capitalist value to include new forms of social value based on the vitality of humans in the natural world. Findings from the case-studies demonstrate the extent to which the language of labour and capital are meaningful concepts in the life of co-operative enterprises and ways in which the dynamic contradiction is recognised as a creative process in the struggle against the negative consequences of capitalist production (Winn 2015).

A significant outcome of the current research will be to develop a diagnostic tool for Higher Education Institutions (HEIs) to reveal the extent of co-operative provision within an HEI and assess if a co-operative leadership model is viable within an institution as well as how it might be further developed. The tool will be based around the set of *catalytic* principles established from previous research that distinguish co-operative enterprises: Knowledge, democracy, bureaucracy, livelihood, and solidarity, and the capacity for further development will be discussed as a set of *practical*,

*pragmatic* and *political* possibilities. This approach is clearly counter to the current management strategies based on performance and metrics (Amsler 2012; Amsler and Bolsmann 2012).

The four case-study sites for the research were: Lipson, a co-operative academy school in England, funded by the Department for Education; Unicorn, a worker co-operative grocery in Manchester, England; John Lewis, an employee owned retail store in the north of England, part of the John Lewis Partnership and Mondragon University, a member of the Mondragon Co-operative Corporation in Spain. The researchers spent between four - five days at each site doing participant observation, semi-structured interviews, participatory workshops and group conversations, taking field notes and photographs, recording interviews, as well as documentary analysis.

## **Leadership: collegiate and democratic**

It is important to understand the nature of university management and governance structures when considering the radical transformation of higher education. The literature indicates that a number of incremental policy changes have led to the existing corporate form of university governance, including: the Jarratt review (1985), which established the Vice Chancellor as Chief Executive; the Dearing review (1997), which reduced the number of members on the governing body; and the Lambert review (2003), which stated that participatory governance by a community of scholars was not 'fit for modern times', and recommended a voluntary code of governance for the HE sector (Shattock 2006; 2008; 2013). Each of these reviews and subsequent regulatory changes has been conducted in response to the changing historical context of the corporate form in general. Thus, a history of the development of university governance and management must be seen in the wider context of changing corporate forms and the underlying dynamic of political, economic and social processes. These underlying dynamics have been a move towards a neo-liberal model based on the financialisation of the university sector (McGettigan 2013), and criticism and resistance to these moves by some academics and students (Molesworth et al 2011; Brown and Carasso 2013; Hall 2015; Collini 2017; Bailey and Freedman 2011)

# Framing Co-operative Leadership

In this research, we have framed our approach to leadership through work that seeks to establish leadership and decision making within very clear parameters: workplace democratisation (Bernstein 2012), neo-collegiate leadership (Bacon 2014) and democratic leadership (Hall and Winn 2017).

## Three dimensions of participation

Bernstein discusses leadership through an analysis of the internal dynamics of workplace democratisation based on a number of cases studies of private firms that operate with varying levels of democracy in their governance and management. Across the range of his case studies, he identified three “dimensions of participation” (2012, 47):

1. The *degree* of control employees enjoy over a single decision
2. The *issues* over which that control is exercised, and
3. The organisational *level* at which it is exercised.

Focusing on *control*, an organisation with minimal democracy in the workplace will operate on the basis of ‘consultation’, through techniques such as an ‘impersonal suggestion box scheme’ or workers given ‘prior notice’ of management’s decisions so that they can voice their views and perhaps stimulate reconsideration. In contrast, an organisation with greater or even full workplace democracy will feature a workers’ council that is superior to the management body, joint power or partnership with managers, elected management roles and the power for employees to remove people from positions of management. A basic threshold of democratic participation is that workers are able to ‘initiate criticisms and suggestions’ and discuss them face-to-face with managers. Bernstein calls this ‘co-operation or co-influence’.

The range of *issues* that employees may have democratic control over start from their physical working conditions and personal safety, through to setting salaries, promoting executives, and (in the context of a private firm) division of the profits. Bernstein groups the issues into control

over the worker's own work, control over the organisation's means, and control over the organisation's goals.

Finally, the domain or *level* of participation refers to not only the level at which employees might have representation (e.g. on the Board of Governors), but also the extent to which they can exercise real power at that level. Employee representation at the upper levels of an organisation is more effective (i.e. they wield more democratic power), when all other levels of the organisation are also democratised (i.e. 'gaps' are 'filled in' with methods of direct and representative democracy), so that the upper level is brought into more contact with the real issues and concerns of workers in the organisation. Achieving democracy at all levels of the organisation means that employees are able to "exert influence at the very points where they have most expertise" (2012, 54).

The qualities of *leadership* in democratic organisations are, according to Bernstein, based on a conscious recognition of the power that the person in a position of influence holds and how they choose to use that power, based on a set of values, personal goals and beliefs. The traits that Bernstein identifies (2012, 98) as fostering or facilitating democratisation are:

- A policy of educating the managed i.e. open access to information (as opposed to secrecy)
- Confidence in others – hence: willingness to listen and to delegate responsibility (rather than an attitude of mistrust and intense supervision)
- Governing by merit, explanation, and consent of governed (rather than governing from a formal position of power)
- Awareness of one's own fallibility; admits errors to managed (rather than the belief that the leader must set an example to others by appearing infallible and hiding their mistakes)
- Reciprocity (rather than paternalism); and
- Egalitarian values (as opposed to a desire to maintain exclusive prerogatives).

Bernstein notes that well-intentioned managers might select one or two of these traits of leadership, but find they conflict with traditional values of managerial privilege. What is needed, argues

Bernstein, is recognition that effective democracy requires a “systemic” approach and that this involves a change in the “whole consciousness” of leaders in positions of power.

## Collegiality

Bacon discusses leadership in higher education using the concept of ‘neo-collegiality’ understood as ‘a structured form of collaborative decision-making.’ He argues that ‘the voice of universities’ academic and professional staff ought to be heard with far greater decision-making and decision-influencing force than is currently the case’ and consequently focuses on ‘the formalized structuring of a collegial decision-making process’. (2014, 3) This is distinct from a definition of collegiality as a form of behaviour since, ‘it is too easy otherwise for institutions and individuals to commit to or to urge collegial behaviour without anything actually changing in terms of decision-making.’ The focus therefore, is on establishing structures and processes that enable and protect a renewed form of democratic decision-making that takes advantage of the research-based problem solving skills of staff operating at all levels, accounting for the advantages to organisations when self-managed professionals interact with peers on matters of common purpose, particularly in knowledge-based industries.

Bacon offers a number of reasons why such changes are needed (2014, 24): too many staff feel voiceless; current university management structures and practices are often outdated; the most recent management literature emphasises the disadvantages, particularly in knowledge-based sectors, of top-down hierarchical structures and the advantages of frontline staff having increased autonomy. His research shows that the desire for more collegial decision-making is widespread across the UK’s university sector. Not only that, collegiality improves decision-making, bringing with it an awareness of the front-line activities and priorities which matter most to students. This type of decision-making can take many different forms, often enhanced by new technology.

Bacon concludes his research by discussing two key principles of neo-collegiality:

*Institutional inclusivity*, where the contribution of all staff and students is promoted without regard



for established hierarchies; and *Promoting collegiality*, outside of established structures and representative committees. To this end, Bacon outlines 'a menu of the potential forms that moves to neo-collegiality might take.' (20), proposing initiatives towards greater collegiality within a university. These are: a concordat on collegiality, reviving existing structures, transparency and collegiality, collegiality on demand, consensus collegiality, temporal variations, subsidiarity, collegial appointments, veto collegiality, and shared governance.

## Democratic Leadership

Hall and Winn (2017) focus on alternative forms of leadership that can be found both inside and outside the university, representing efforts to reorganise, reconceptualise, and democratise the production of knowledge. They point out, following Dopson et al (2016), that the scholarship on leadership in higher education is limited and argue for a form of democratic leadership based on an understanding of the university as a self-critical community of academic and student scholars with high levels of autonomy (Neary and Saunders 2011) at a time when this critical community is 'being disciplined by a dominant corporate agenda that incentivises specific, impactful behaviours' (Alvesson and Spicer 2012), with devastatingly negative consequences for humanity in the world. This means something more than the creation of decentralised technology-rich governance networks or distributed leadership linked to problem-solving strategies. While such schemes are presented as change management strategies there is no fundamental change since they are 'designed to make the capitalist project function more smoothly through the reduction of risk and the generation of valuable connections, rather than emerging as a strategy designed to critique the power-relations that exist inside capitalism, in order to overthrow them' (Hall and Winn 2017); not based on trust, sharing power and autonomy, but where management and governance operates as 'consent through coercion' linked to performance management and curriculum data as well as knowledge transfer based on inequality and distrust.

Hall and Winn see hope in leadership as a form of citizenship (Bolden et al 2014) or critical performativity (Alvesson and Spicer 2012). They link these approaches to Virno and other writers in the autonomous Marxist tradition and their concept of 'mass intellectuality'. Mass intellectuality is the appropriation of knowledge which has been produced as a factor in capitalist production, as science and technology, for the benefit of humanity and nature. Hall and Winn suggest that academics should find ways to create these forms of radical alternatives so as to reimagine the idea of the University 'in order to produce and circulate new forms of socially-useful knowledge or ways of knowing the world.' All of this 'implies a critique of the prevalent mode of (knowledge) production, the institutions where it is sited and the oversight, management and leadership that arises from these spaces. The process of liberating and reclaiming the knowledge, skills, practices and techniques that are produced inside higher educational contexts is central to moving beyond exploitation and valorisation in the market, and in creating democratic, co-operative alternatives'. (Hall and Winn 2017). Reflecting on examples of alternative forms of intellectual leadership, Hall and Winn identify six themes for a critical analysis of academic leadership: The relationship between leadership and labour; the lived realities of hegemonic forms of leadership; the existence of alternative models of leadership as forms of counter-hegemony; the attributes of counter-hegemonic leadership; the problems with alternative forms of leadership; and the contradictions uncovered when developing alternative forms of leadership.

In what follows are a series of extended case-studies (Burawoy 1998) involving a workers' co-operative grocery, a co-operative university, a state-funded co-operative school and an employee owned retail business. The sites have been purposively chosen as exemplars of a particular type of co-operative enterprise.

## Lipson Co-operative Academy School

Lipson Co-operative Academy is a single school foundation trust established in 2011, with 1100 students, including a sixth form of 230 which operates in partnership with a local consortium of non-

co-operative schools, the Partnership for Learning and Education. The school was already operating in a co-operative and collaborative manner before taking on the status of a co-operative school, with a strong sense of connection with the local community. This meant that taking on a formal co-operative structure did not involve a fundamental change in the nature of the school.

The school is governed by a Board of Governors and managed by a Support and Leadership Team (SLT). The SLT includes, the Principal, 2 Vice Principals, 3 Assistant Principals, 2 Associate Assistant Principals and a Business Manager. A distinctive feature of the SLT, demonstrating its commitment to co-operative values, is that the SLT is the Support and Leadership Team rather than the Senior Leadership Team, the more usual designation in schools with a hierarchical management structure.

The research was carried out over one week comprising interviews with 20 staff and 3 workshops with students from level 7, 8 and the sixth form. We also conducted classroom observations with level 7, 9 and sixth form as well as observations of a teacher CPD session. The interviewees and observations were selected by a senior leader who acted as facilitator for the research project. From the range of responses gathered there was no sense in which the interviewees were chosen because of any attempt to present a particular view about the school. The views expressed broadly matched previous academic research done in this area (Woodin 2015; Davidge 2014).

## **Co-operative Leadership**

Co-operative leadership at Lipson is grounded in the practices and principles of co-operative learning, derived from the pedagogical model that is used in the classroom. Each member of the school community, at whatever level across the institution, is aware of the role that they are taking and how it contributes to the goal of co-operative education. This approach to leadership differs from Bernstein's focus on traits of leadership that are intrinsic to the person who is doing the

leadership; they are, rather, an expression of the nature of the organisation, in this case a co-operative school.

This version of co-operative leadership is taking place in a hierarchical governance and management structure, where the Trust is led by a Chair and Vice-Chair and the School is led by a Principal and the SLT. The hierarchical character of co-operative school management and its consequences has been identified in the academic literature (Davidge 2014; Woodin 2015). There was one participant who expressed the view that the school was not as co-operative as it could be and that co-operative schools did not fit with the academy model, but this view was not widespread. The SLT justifies this hierarchical approach in terms of the need to protect staff from stresses created by pressure of government policy. One important contribution to this debate about the contradictory position of co-operative schools in an academy policy structure has been made by a former Vice Principal of the school. She argues not to be afraid of tension and contradiction within an institution but to recognise that 'it is actually at this point of heightened tension and conflict that the objective can be co-constructed and substantial transformation take place. This is important as it informs us that we should accept the conflict and tension rather than seeing it as a dysfunctional measure of the democratic work we are undertaking' (Jones 2015, 82).

### *Knowledge*

Knowledge at Lipson is not something that is simply transmitted by teachers to the students, but is produced in ways that sustain the pedagogical and pastoral practices of the School. There has been a prolonged commitment to enabling teachers to undertake academic research on postgraduate programmes. There is a well-developed Continuing Professional Development process where teachers learn from the professional experience of their colleagues. While this does not equate to a process of 'mass intellectuality', certainly a sense of 'intellectual leadership' being promoted among teachers as part of a 'process of liberating and reclaiming the knowledge, skills, practices and techniques that are produced...[for]... creating democratic, co-operative alternatives'. (Hall and Winn 2017).

### *Democracy*

There is a well-established democratic structure which involves all members of the school community. This is characterised by forums for teachers, students and parents to express their views and opinions about a wide range of issues, and by which senior leaders can be held to account, and so, following Bernstein's model express 'co-influence' over the goals of the school. These formal events are supplemented by an institutional school culture that promotes teachers and students speaking up about matters of concern. The level of awareness about these democratic structures is high as is the understanding of their importance for the ethos of the school. The high level of democratic participation does not mean that all members of the school are involved in decision making about all aspects of the life of the school. There is a very clear demarcation about what the types of decisions that are appropriate for different levels of the management and organisational structure of the school. For example, decisions about the school uniform involve the whole school; while budgets and finances are the responsibility of the Governors and SLT, middle managers: Heads of Guild and Faculty are consulted about strategies that have already been put in place. Participants felt that they did not have the expertise to be able to decide on certain matters and so were content for that responsibility to be taken on by those with sufficient professional expertise. In that sense participants felt they were able to "exert influence at the very points where they have most expertise" (Bernstein 2012, 54), satisfying Bernstein's level of democratic participation.

Nevertheless, this does not mean that all participants are able to demonstrate, in Bernstein's terms 'real' power at the highest level of governance, e.g. school governors.

### *Bureaucracy*

The school has a strong ethical and moral framework based on the principles of the International Co-operative Movement and an associated set of values, which are: self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others. There was widespread understanding by students and teachers about these principles and what they mean and their importance for the working of the school.

### *Livelihood*

A strong feature of the school is the Guild system, whereby students choose to become part of a Guild, which are organised around subject areas. The Guilds enable students to engage with other students not from their year group, and to work with teachers outside of the classroom. The Guilds operate during the whole school day out of lesson times, before and after the timetabled curriculum. The Guilds also provide a good opportunity for pastoral support. The Guilds contribute to the idea, expressed by many of the participants, that the school was like a family and in this way enhanced the quality of their student life in ways beyond the academic. This enhanced sense of student life beyond the academic is further developed by a number of co-operatives ran by students that includes a Big Band music co-operative, a catering co-operative and a co-operative that advocates human rights.

### *Solidarity*

There was a strong sense of solidarity for the co-operative ethos of the school, and to each other: students, teachers and professional staff. This contributed to genuine collegiality across the school, with no sense of 'contrived collegiality' (Jones 2015, 74); rather what Bacon would recognise as forms of 'neo-collegiality' (Bacon 2014). The school works hard to generate a sense of, in Bacon's terms, 'institutional inclusivity'. However, there was very little sense of solidarity with the International Co-operative Alliance (ICA), even though the school principles and ethics are taken from this organisation. The students were very knowledgeable about the meaning and importance of the ICA principles for the school, but knew little about the co-operative movement. Students learn about individuals who personify the principles and practices of co-operativism rather than the idea of co-operativism as a global social movement. There was a sense of commitment and solidarity to other co-operative schools nationally and in the region. The school is a part of a network of supporting co-operative schools.

There was a view, although not common, that the school could do more to develop this relationship of solidarity with the global co-operative movement. The view of a member of the SLT

was that such a show of solidarity would compromise the school's political neutrality and, therefore, put its charitable status at risk, i.e, the school should not to be seen to be seeking to influence the political views of the students. There was a strong sense of solidarity among the teacher participants to their trade union, reflecting the culture of trade unionism in the teaching profession. Any conflict between the labour movement as trade unionism: collective and state centric, and the labour movement as co-operativism: autonomous based on worker democracy, was not recognised. The conflict is widely discussed in the literature and is seen as having been a barrier to the progressive development of the labour movement (Yeo 1988), with calls to create a stronger sense of solidarity between trade unionism and co-operative workers (<http://1worker1vote.org>).

*A co-operative university?*

There was support by all participants, students, professional staff, teachers, senior leaders, parents and governors for the idea of a co-operative university.

## John Lewis Employee-owned company

The John Lewis Partnership was established as a retail business in 1929 through an act of irrevocable settlement in trust, signed by John Spedan Lewis, the son of John Lewis who founded the original company in 1864. This legal framework extended an already established profit sharing scheme implemented in 1919 so that the business would be given to the workers 'present and prospective'.

The Partnership was based on a Constitution which incorporated an arrangement of democratic structures and protocols in what amounted to nothing less than "an experiment in industrial democracy" (Cathcart 2009). The democratic structure is based around three governing authorities: the Partnership Council, the Partnership Board and the role of the Chairman, so that power is shared among its members.

'The Partnership Council, as the representative body of the members of the Partnership, entrusts management of the Partnership business to the Partnership Board, which delegates its management authority to the Chairman' (rules 3 Constitution p.9)

There are three other levels through which democratic participation is organised: Divisional Council, Forum and Partner Voice. Partner Voice is made up from selected and elected partners committed to fulfilling their role with 'the best interests of the Partnership in mind' (14). All of these functions have the responsibility of carrying out the Partnership's constitution. The Constitution remains the central document around which the working of the partnership is organised, based on the first principle which encompasses the purposes and the spirit of the business:

*Principle 1* 'The Partnership's ultimate purpose is the happiness of all its members, through their worthwhile and satisfying employment in a successful business. Because the Partnership is owned in trust for its members, they share the responsibilities of ownership as well as its rewards—profit, knowledge and power.'

At the core of the constitution lie the principles of 'power, gain and knowledge' and the concept of 'critical voice'. An important principle established by Spedan Lewis and still maintained as key marketing message is that the Partnership is 'Never Knowingly Undersold' (Lewis 1954).

The John Lewis Partnership is not a partnership in the legal sense of the term (Snaith 2014), nor is it a co-operative association, although its culture and practice is based on producer co-operatives (Lewis 1954). It is, rather, an employee-owned company where employee 'partners' own shares in the business (Ridley-Duff and Bull 2011). These are deferred ordinary shares held for partners in trust by John Lewis Partnership Trust as part of the capital of the company. The Partnership Trust's main role is to protect the Constitution and democratic nature of the partnership. The Trust is made up of the Chairman and Deputy Chairman and three elected directors who meet as required. This arrangement means the employee partners really are owners in the company where they work. An important part of this arrangement is that partners not only receive a salary but that a portion of profits are distributed annually among the partner members, along with other benefits (Boden and Wright and Ciancanelli 2012).

The Partnership now employs 88,000 staff, or Partners as they are all referred to, reflecting the co-owned nature of the business. The premises are mainly in the UK, with 46 general branches



and branches that focus on selling specific items, as well as more than 300 Waitrose supermarkets, and new international outlets in Dubai and Australia. The Partnership is expanding into other areas of business: insurance, currency exchange and opticians in what is a highly competitive retail environment, exacerbated by the exponential growth of online shopping. The Partnership has done much work to make the relationship between in Branch and online shopping operate effectively together so as to create a connected consumer experience. New shops have been opened recently but with the growth of online shopping there is a reluctance to invest heavily in the built environment.

The research was carried out over one week spent in a general John Lewis store in the north of England, comprising 14 interviews and 2 workshops with Partners from a range of roles across the business. The interviewees were selected by a middle manager who acted as facilitator for the research project. From the range of responses gathered there was no sense in which the interviewees were chosen because of any attempt present a particular view about the Partnership. The views expressed broadly matched in-house partnership surveys, other academic research as well as views expressed in in-house publications (Cathcart 2009).

## Co-operative Leadership

The Partnership expects Partners to put themselves forward as leaders across all levels of business activity. There is a strong commitment to the principle and practice of leadership, based on a number of prescribed behaviour characteristics, which extend beyond the behaviour expected by Partners. At John Lewis being a leader and taking responsibility is an inherent aspect of being a partner. The research revealed that a Partner's potential is recognised and fast tracked through professional development programmes. The extent to which these characteristics are demonstrated is assessed annually as part of individual partner performance appraisals. The John Lewis management literature explains that leaders at John Lewis are expected to set the direction of the business with courage and confidence, while enabling and encouraging and motivating Partners to

embrace and live up to the responsibility that co-ownership brings. This mean showing strategic insight about customers and the business, based on balanced reflection, communication and sharing knowledge in a way that improves performance and generates integrated solutions; while all the time adapting to change challenging the status quo and keeping an eye on the wider retail environment. Partners are expected to support and take pride in co-ownership through proactive collective working, in an honest and respectful manner, delivering excellent service to customers and supporting other Partners while adapting to and embracing change.

There is nothing unusual about these principles in terms of business practice, and mirror what Bernstein advocates as key principles for co-operative leadership. What is unusual is the set of principles and values which underpin them set out in the Partnerships Constitution. Following Bernstein's understanding of effective ways to develop cultures of leadership, there was a strong sense that co-operative leadership be achieved through a 'systemic' approach based on the 'whole consciousness' not only of senior staff but staff at all levels. This was manifest through the continuing significance and emphasis given to the Partnership's constitution and its founding principles.

#### *Knowledge*

The power of knowledge is well understood and enshrined in the Partnership principles. There is a transparent systematic process of sharing business information with Partners at all levels of the business. For example, weekly staff meetings with all staff based on departments and functions, where financial data and other key business information is shared. The significance of knowledge is maintained through the company publications which actively encourage staff to raise concerns and issues about the business in the form of written letters, which must be responded to by the manager with responsibility for the matter that is being raised. These letters can be signed by the authors or written anonymously. There was some criticism of the 'corporate' way in which managers responded to these complaints, but nevertheless, the process does suggest that the business encourages a critical voice, as a practice enshrined in the constitution. In terms of the framework set

out by Hall and Winn (2017), while this right to exercise a critical voice does not amount to a counter hegemonic form of mass intellectuality it does provide more than a semblance of democratic leadership based on an understanding of the business as 'a self-critical community'.

### *Democracy*

Democracy is enshrined through the concept of Partner Voice which allows Partners to represent their issues and concerns at all levels of the management structure. The Partners do have the ultimate sanction of being able to remove the Chairman at the AGM and so, following Bernstein's dimensions of participation, do have real power at the highest level of company control. Moreover, partners are able to 'initiate criticisms and suggestions' and discuss them face-to-face with managers. Bernstein calls this 'co-operation or co-influence'. The Partner voice framework means that 'gaps' are 'filled in' with methods of direct and representative democracy, so that the upper level is brought into more contact with the real issues and concerns of workers in the organisation. Achieving democracy at all levels of the organisation means that employees are able to "exert influence at the very points where they have most expertise." (2012, 54)

There is a strict demarcation about what decisions are made about what kind of issues. The Chairman and Board have control over strategy, financial matters including the level of bonus. The Chairman recommends their successor on retirement. There has been a trend for staff to be consulted rather than for formal voting on issues, e.g, pensions and working times. In terms of Bernstein's model of 'dimensions of participation' the move is towards more management control. Bernstein did include John Lewis as one of his case-studies in his book *Workplace Democratisation*. He refers to the concentration of power in the post of the Chairman, along with the self-selecting nature of the senior management group, as well as the restriction of council powers to advice or recommendations as 'serious obstacles' to democratic participation (36) There is an acknowledgement by Partners that business decisions need to be taken by people with appropriate levels of expertise, although this does not extend to the level of bonus, which has been declining in recent years, or the discrepancy between amounts of bonus paid between different levels of

partnership staff. The bonuses are worked out as a percentage so the highest earning staff receive considerably more in the bonus payment.

In terms of Bacon's model of neo-collegiality, there is certainly an attempt by the Partnership to promote *institutional inclusivity*, where the contribution of all staff and students is promoted without regard for established hierarchies; and *promoting collegiality*, outside of established structures and representative committees. What takes the Partnership business model beyond Collegiality is that it is not just a principle or preferred practice but is written into the very constitution of the business.

This is a highly competitive commercial environment, with major challenges, not least the relationship between online shopping for retailers with a significant high street presence. There is a constant tension between the imperative of competitive forces and democratic nature of the company. This was expressed by the management discourse of the need for constant change, along with the presentation of the company founder by one of the participants as a 'ruthless business man'.

#### *Bureaucracy*

The working life of the business is underpinned by a moral and ethical framework set out in the business constitution, not least the concept of Partner happiness within a competitive commercial environment. There is a commitment by the Partners at all levels to this framework, as well as the principle of partnership and co-ownership on which it is based. The principles are not only found in business publications, but displayed on the walls in staff areas and around the store. Partners felt that enshrining these values as a form of business practice gave the Partnership as a whole a competitive advantage.

#### *Livelihood*

A core principle of the Partnership is the happiness of Partners within a competitive environment. This principle is made real by the system of benefits that accrue to staff as a result of their employee ownership status. This includes an annual bonus, holidays in a partnership owned location, in-store

dining facilities at reduced prices as well as discounts at stores and restaurants and entertainment venues.

### *Solidarity*

There was a clear sense of solidarity and commitment to colleagues in the store and to the Partnership as a whole. This was underpinned by a commitment to the concept of Partnership.

There was some concern that the concept of Partnership is being undermined by contracting aspects of the work to outside agencies, particularly the cleaners. This was not just in terms of the undermining of the Partnership principle but the lack of sanctions by store staff if the cleaners were not performing their work effectively. This sense of solidarity was undermined by the cuts to staffing, at the back room and shop floor level, as well as numbers of part-time staff being employed. This means stress due to high workloads, and a reduction in the support services for staff.

There was a concern by some partners that the awareness of the Partnerships' culture and history was being diminished among new staff due to the limited time now spent on staff induction. There was no sense of solidarity to workers elsewhere in the retail trade. The general view was that Partners were in a favourable situation compared to other workers in retail, with many of them drawing on previous experience in other retailers. There was general agreement that Unions were not required at John Lewis because as Partners they have considerable influence on the decision making process, based on their status as employee owners.

### *A co-operative university?*

There was considerable interest and support for the idea of a co-operative university, with the caveat from a Senior Manager, that employee owned businesses are not bound to work in every commercial situation.

## **Mondragon University**

Mondragon University (MU) was established in 1997 as a 'co-operative of co-operatives', made up of already existing co-operatives for higher education in Engineering, established in 1943, Business and

Management Studies, set up 1970, and a Humanities and Education co-operative opened in 1976. Where previously the qualifications of these higher education co-operatives were validated by external universities they were constituted in 1997 as separate Faculties of MU, the validating authority. MU was created following changes in the legislative framework which allowed Higher Education institutions in Spain to award their own degrees and by taking advantage of regulatory changes associated with the Bologna Declaration and the creation of European Higher Education Area (Wright et al 2011, 47). The distinctive feature of MU is that the Faculties retain their autonomy and independence as co-operatives, with MU acting as a secondary co-operative to award degrees, support and harmonise the activities of all of the Faculty co-operatives, establishing general university policies and strategic alignments. This means that the Faculties cannot be dictated to by MU or its members, not even the University Rector. The arrangement is entirely voluntary with Faculties able to withdraw at any time, although the very successful nature of the consolidation of the co-operatives, as a local university with global recognition, means this is not likely to happen.

MU is a member of Mondragon Co-operative Corporation (MCC), one of the largest most profitable co-operatives in the world. The slogan of the corporation is Humanity at Work, which emphasises a key principle for the organisation that capital is subordinate to labour. Mondragon Corporation was set up in 1956 initially as Ulgor, manufacturing stoves, but quickly expanded along with the establishment of other co-operatives in the region, including Fagor which made domestic and commercial appliances. The Corporation is now made up of 257 co-operative companies and organisations. These include a bank, social security and a chain of retail shops: *EROSKI*. Mondragon employs 75,000 staff, with a revenue of over 11 billion euros in 2015. Mondragon provides a range of services as well as producing white goods, bikes, machine tools, industrial components and elevators; part of its construction wing built the Frank Gehry designed Guggenheim museum in Bilbao. The Corporation is divided into 3 divisions: Industry, made up of twelve industrial departments manufacturing goods and equipment; Finance, banking, insurance and social welfare; Retail food and agriculture, including *EROSKI*. Mondragon is in the process of developing a new

division of Knowledge, comprising schools, research centres and Mondragon University. Mondragon has an interest in 94 production plants outside of Spain, with plans to extend its international activities, in response to globalisation. An aspect of their international profile is that workers are not co-operative members (Errasti et al 2003) This international reach involves institutes of higher education in Colombia and Mexico.

Each Faculty of MU co-operative is an autonomous and independent enterprise, sharing the same governance structure. MU is a secondary co-operative established to support the member co-operatives, to harmonise provision and encourage collaborative working and co-operativism and to facilitate the overall structure and to enhance strategic and organisational capacities. There are three categories of members of Mondragon University: academic and administrative staff; collaborating external members including local companies and students. The organisational structure is made up of a Faculty General Assembly, the Faculty Governing Board and the Faculty Executive Board. MU is a worker-co-operative in terms of ownership and reward, but its governance is based on a multi-stakeholder structure.

The research was carried out over one week comprising of interviews with 17 members across a range of roles, including the Founder of MU and 2 workshops with students and academics from the Education and Engineering Faculty. The interviews and workshops were arranged by the Vice Rector who acted as facilitator for the research project. From the range of responses gathered there was no sense in which the interviewees were chosen because of any attempt present a particular view about MU. The views expressed broadly matched findings from other academic literature on MU and co-operative education (Wright et al 2011).

## **Co-operative leadership**

MU promotes the concept of co-operative leadership which it characterises as taking the lead in terms of co-operation and inter-co-operation, innovation, participation, social responsibility, personal development and social transformation. At the core of these principles of leadership are

social values for the social distribution of wealth of the co-operative as a humanistic practice and for a united and equitable society. This co-operative model is not simply humanistic but is regarded as providing a competitive advantage.

There is a strong sense of commitment to this model of co-operative leadership among members with senior management roles, and a recognition that these horizontal relationships require humility. The model of co-operative leadership championed by Mondragon goes beyond the support for a set of personal values of members but, as defined by Bernstein a recognition that effective democracy requires a “systemic” approach and that this involves a change in the “whole consciousness” of leaders in positions of power. This is much more than Bacon’s fostering *institutional inclusivity*, or even *promoting collegiality*; and closer to Hall and Winn’s understanding of leadership as the need to challenge and ‘critique the power relations that exist inside capitalism...moving beyond exploitation and valorisation in the market, and in creating democratic, co-operative alternatives’.

#### *Knowledge*

Knowledge is recognised as a core activity not only of MU but MCC, to the extent that it is the basis for a new division with a focus on knowledge to go alongside the already existing divisions for industry, finance and food. There is a strong sense that knowledge should be linked to the needs of industry and the local region. In terms of Hall and Winn’s notion of democratic leadership based on ‘socially useful knowledge’, this includes research done inside MU but also the research done by the partner co-operatives and external members. The significance of knowledge production is extended to the curriculum model: *Mendiberri*, which is based on students taking responsibility for their learning, as well as problem-solving through extended project based learning. MU has its own co-operative research and training centre, *Lanki*, based in the Faculty of Education and Humanities which promotes and supports the development of co-operatives across MU, the Basque region and with collaborating groups in the Global South. Lanki provides MU with a strong sense of critical reflexivity, an essential feature for organisations based on democratic leadership (Hall and Winn



2017). This critical reflexivity is based on *Lanki's* attitude towards MU which a member of the *Lanki* institute explained as being *affirmative*, because in spite of the imperfections, Mondragon should be acknowledged as a valuable experience in many ways; it is *critical*, because there are many aspects that could be improved and identifying them is the first step; and it is *constructive*, because the destructive critique lacks the capacity to understand the complexity and ambivalences of real world.

### *Democracy*

MU is a worker-owned democratic organisation based on one member one vote even in the situation where members are not the owners, as in the case of students and collaborating partners.

MU is part of MCC, an organisation built on a complex democratic structure that has been designed so that at each stage of the process managers and those who are taking executive and operational decisions can be held to account. In cases where the democratic accountability is restricted there are checks and balances to provide safeguards against authoritarian managerialism. In all cases the General Assembly is the sovereign body where all decisions are agreed. In terms of Bernstein's model Mondragon achieves the status of full workplace democracy, with a workers' council, or General Assembly, that sits above the management body.

For academic staff, there are varying degrees of commitment to the co-operative ethos of MU. The ethos means that MU is less hierarchical than other universities, with close working relationships with the students, which can lead to a pressure of student demand and expectation. The academic staff say there is a less individualistic competitive environment than in other Spanish universities, even though they work under same requirements to teach and to research. While many higher education institutions make use of pedagogical participatory processes MU is distinguished by its political commitment to co-operativism and to social justice and social transformation and to the Basque region as a political entity.

The title of Professor is not used in MU to distinguish between academics. It is customary for administrative workers to hold elected positions on the Governing Board. The Rector and Vice-Rector of MU, as members of the secondary co-operative, do not have the power to make decisions

on behalf of the Faculty co-operatives. There was general agreement that the democratic decision making system works, although with some qualifications, mainly in terms of time taken to decide issues as well as democratic engagement, particularly by students.

The democratic structure applies to relations between students, workers, academic and administrative staff, which are very horizontal. The democratic structures do not resolve the tension where members at MU are both owners and workers. There is a tension between role of students as students and students as members of the co-operative as well as a tension between MU staff as workers and MU staff as owners of the co-operative that is not resolved by the management and governance structures. The democratic structures do not apply to non-member workers and to contract workers in the Basque country and those working in international companies (Bakaikoa et al 2004).

There is some concern expressed in the academic literature that managerial authority is becoming increasingly centralised within MCC (Bakaikoa, Errasti and Bergiristain 2004). This concern was not expressed by any of the students or staff who formed part of this research. This decline in democracy is not simply a structural issue or the result of increasing managerialism but is manifest as a lack of attendance at meetings and other types of democratic engagement. There was a real concern about the lack of student engagement. This was attributed to the individualism of contemporary society, lack of commitment to work or even the need to work for students who are supported financially by their families. Where students did engage, they felt committed to the co-operative project. Students felt they could be encouraged to organise events and activities in a more autonomous way, with more influence in deciding what issues were to be discussed in meetings and other forums.

In terms of Bernstein's model of dimensions of participation, worker members have a high level of power and control, with the power to influence decisions at all levels of MU and MCC.

### *Bureaucracy*

There was a strong commitment to the ways in which the bureaucratic structures operate across MU, enabling autonomy and independence while, at the same time, harnessing the supporting and harmonising powers of MU as secondary co-operative. However, the autonomous nature of the faculty co-operatives meant that it was difficult for the Faculties to work together on interdisciplinary projects, for example, establishing joint degree programmes. In terms of Bacon's notion of neo-collegiality: There is a sense of collegiality at the level of Faculties, with formal structures to promote this activity, but this can work against cross collegiate ways of working, for example, when arranging interdisciplinary degree programmes. These bureaucratic structures are underpinned by a clear political, ethical and moral base expressed in Mondragon's own co-operatives principles. These principles are more radical than the principles established by the International Co-operative Association, grounded in the sovereignty of labour over capital.

### *Livelihood*

The workers at Mondragon University do not receive a salary, rather they get monthly payments, *anticipos*, based on the anticipated earnings of their Faculty for the calendar year. These anticipated revenues are agreed at the annual General Assembly and voted on by workers, students and external members. As well as being workers, the staff at Mondragon own the co-operative, each of them investing 15,000 euros when their membership is confirmed, usually after having worked in the co-operative for a two year probationary period. A close account is kept of the earnings throughout the year, with information shared with all members, so that in a situation where revenues are below what has been predicted the monthly payments can be reduced after a general agreement. As well as receiving a monthly payment workers receive an annual bonus based on a percentage of the revenues that are generated, calculated in terms of employment grades and length of service. The workers are eligible for other benefits including access to private health care, charged at 20% of the usual cost.

Unlike staff, students do not own the university but are regarded as workers, with studies organised alongside employment placements, instilling the idea of 'humanity at work', and the sovereignty of labour as set out in their co-operative principles. MU insists that students are paid while on work placement as they are contributing to the wealth of the company. The students do not make any financial investment, or gain any share in surpluses that are produced.

The advanced payments are scaled so that the highest paid worker gets no more than 1 - 4.5 of the lowest paid. While the levels of pay are similar and even higher for new academics than in other universities the staff that occupy executive positions are less well remunerated than staff with similar responsibilities in other higher education institutions.

The University is federated with other co-operative organisations in the region, like Alecop, an industrial co-operative established in 1966 to provide students with employment and the experience of working in a co-operative company. Alecop exemplifies the spirit of co-operativism at MU, where students are owners of this co-operative along with technical and administrative staff. Students make a capital investment of 670 euros, and earn an income of 500 a month. In this case, *'Students are protagonists: a powerful force in education and society, at the centre of a shared endeavour based on activity, labour and education: 'a', 'l', 'e' as the 'ale' in Alecop'* ( Founding Rector). A key feature of livelihood at MU is that it exists to create employment more than to maximise profit.

#### *Solidarity*

The extensive nature of co-operativism at MU, MCC and across the Basque country means that the whole region can be regarded as a 'solidarity economy' (Fernando 2011). All co-operatives in Mondragon Corporation pay a percentage of their annual revenue into funds that are distributed for the benefit of the Corporation as a whole. There is an Education Fund to pay for infrastructure developments and new technologies. Within MU each of the Faculties can support each other through the transfer of revenues if one of the Faculty co-ops is not achieving its anticipated earnings. Solidarity is much more than an economic relation, it is a social relation and a way of life, deeply rooted in the local region and its politics as well as family life.

‘We were co-operators before we were born. My mother and father were co-operators. It is something like a form of predestination’ (Member of Education and Humanities Faculty 2)

One reason for this waning of the co-operative spirit is a feeling among some members that MU does not pay enough attention to promoting its own co-operative principles within the organisation.

*A co-operative university?*

There was support for the development of another co-operative university but members of *Lanki* stated that there is not a single model for co-operative higher education to be transferred. It depends a lot on the people, on the context, the culture, the community. Mondragon University shares a lot of their ideas and experiences of co-operative higher education, but the model cannot simply be copied. Nevertheless, there are universal values that could be replicated: a) working with people who strongly believe in the co-operative model; b) that the co-operative university should be rooted in the territory and its work should be aligned with the key needs and strengths of the region.

## Unicorn Worker Co-operative

Unicorn Grocery is a worker co-operative located in South Manchester. It was founded in 1996 by a working group of four members plus volunteers based on a commercial blueprint of adding value to wholesale food sales by bulk packaging commodities (Sawtell 1985/2006) With an annual turnover of £7.5 million in 2016, 70 members and occupying a site of 10,000 square feet, Unicorn is one of the largest wholesale groceries in the UK. Unicorn sells regionally produced seasonal fruit and vegetables as well as fairly priced organic-produce, including alcohol, environmentally friendly baby products, cosmetics and household goods. Unicorn supports local producers by balancing ‘affordable prices for customers with a good return for growers’. As well as the shop the location includes an on-site car-park, warehouse, office space, children’s play area and roof garden.

There are three categories of workers at Unicorn: full-time staff, probationary staff and casual staff. Individuals who apply for an advertised position go through a formal selection process and serve a 7 month probationary period, which includes peer review. 70% of the current members

were casual staff who are employed for 12 months, during which time they get to know how the business works.

Key work functions at Unicorn are divided into team units. The current work teams at Unicorn are, Deli, Veg, Alcohol, Fresh, Shop, Store, Secretariat, IT/Communications, Production, Personnel, Training, Health and Safety, Operations Planning, Maintenance, Cleaning, Education and Marketing, Finance and Ambient Buying. Each Team has their own fortnightly meeting to discuss matters relating to their responsibility for day-to-day functioning of a specific area of the business and contributing to strategy at Membership Meetings and Away Day. There are three full Membership Meetings a year, one Away Day and one Visioning Day. The Membership Meetings are responsible for strategy planning, policy, building consensus. A representative from each Team attends a Forum meeting, held every two weeks which implements strategy and policy from Membership Meetings and Away Days and to support Team Functions.

An important part of this structure is that team units are 'family' or 'human' sized. Another feature of the way in which work is organised at Unicorn is multitasking with the possibility for all members to take on a mixture of manual and office-based tasks, as well as creating new roles for older and new members to take on. At Unicorn managing the co-operative is a key aspect of the organisation of the business, but for members of Unicorn 'Management should be viewed as a function and not as a status' (Structure Review 2015, 5):

The research was carried out during November 2016, where the researcher made 4 day-long research visits to the co-operative. He conducted 8 semi-structured interviews and observed a range of meetings and training events. The visit was facilitated by a member of the co-operative. From the range of responses gathered there was no sense in which the interviewees were chosen because of any attempt to present a particular view about Unicorn.

## Co-operative leadership

Leadership is considered an important aspect of the work of the co-operative, provided dynamism and expertise. One member spoke of 'organic leadership', when individuals with an interest or talent emerges when a particular function needs to be filled, who then withdraw once the task has been fulfilled; rather than a pre-ordained management function to which members aspire. There was a view that the concept of co-operative leadership did not fit with a worker-co-operative model based on democratic decision making. Another opinion was that those who shout the loudest get listened to. Using Bernstein's framework for democratic leadership, this model of leadership is not based on a conscious recognition of the power that the person in a position of influence holds and how they choose to use that power, based on a set of values, personal goals and beliefs; but, rather, the systemic nature of the co-operative organisation so that it affects the whole consciousness of individuals. One might say that the workers are demonstrating or are bearers of a co-operative consciousness that is manifest as the Unicorn grocery.

### *Knowledge*

All matters relating to the business of the co-operative, other than confidential HR matters including business information are shared. There is a commitment to members sharing knowledge of the co-operative through formal training days, when members make presentations about the history, science and culture that lies behind the products they sell. Unicorn runs training events, to share practical information and knowledge in a way that can enhance the operation of the co-operative, for example, with regard to web based policies and practices and safety and security. They are following a practice of democratic leadership by sharing 'new forms of socially-useful knowledge' (Hall and Winn 2017). These activities are presented to the co-op members as a whole group, apart from those with immediate shop floor responsibilities. During the research a new practice of decision making based on proposals was introduced. These proposal would be written up prior to meetings on pro-forma documents setting out relevant information and rationale that lay behind the proposal. Major decisions are informed by knowledge produced by groups delegated to research a

particular issue, e.g., to test whether the current Unicorn democratic structure was still fit for purpose after a recent rise in member numbers, and based on research visits to other co-operatives.

### *Democracy*

This is a co-operative model in which all members are fully participating in all aspects of the business, satisfying Bernstein's three dimensions of participation. The idea of institutional inclusivity went beyond any sense of promoting individual inclusivity or collegiality but is written into the constitutional fabric of the organisation. The ways in which democracy is exercised through consensual decision-making means that Unicorn is critically reflexive (Hall and Winn 2017) making for an effective form of democratic leadership. During the visit, I witnessed democracy at work in a range of different meetings for specific areas of work within the grocery store as well as general meetings known as Forums, where decisions were made for the co-operative as a whole. Members felt that while the process of decision making might take longer due to the consensual nature of the discussions, the quality of the decisions was of a higher order as was the commitment of members to the decisions that were agreed. However, democracy can be exhausting, demanding high levels of engagement by members in affairs of the business. All of this is much more than promoting institutional inclusivity (Bacon 2014). The function of the General Assembly and Forums mean operating in place of any management body means there is full workplace democracy in Bernstein's terms.

### *Bureaucracy*

The co-operative is grounded in a distinctive set of political, moral and ethical values and principles, rather than the generic frameworks established by the ICA. The principles are: secure employment, equal opportunity, fair and sustainable trade and Solidarity in Co-operation. There was a strong sense among members that it is important to establish a set of common shared values and principles for maintaining a sense of common purpose. As well as a recognition that the business does not just run on principles and values but is grounded in hard work and trust of each other.



### *Livelihood*

All worker-members are paid the same wages, £22k per annum based on an hourly rate, including probationary staff. Casuals receive 80% of the hourly rate (or National Living wage, whatever is greater). Members receive quarterly bonuses based on hours worked and length of service capped at 10 years. Beyond this Unicorn seeks to enhance the life of the local area by funding projects and organisations which share their vision of community and society in the UK, and an international fund concerned with the impacts of unfair world trade regulations, poverty, and unsustainable agriculture in the Global South. Unicorn donates 1% of its wages bill to a fund for local projects and 4% for international projects. As well as this, Unicorn supports the development of other grocery co-operatives through the 'Grow your own Grocery' guide, along with other community activities to support the development of co-operativism. This work is organised by the Education and Marketing team.

### *Solidarity*

There was a strong sense of commitment to other members of Unicorn and to the co-operative movement, particularly worker-co-operatives. There was a recognition that the strength of the co-operative is its individual members. There was also a recognition that relationships between members could be strained, not only in terms of personal disagreements, but also with regard to contributions made to the working of the co-operative. There was a sense of loyalty and commitment to customers and to external suppliers, but no desire to reconstitute as a multi-stakeholder or social co-operative where decision making would be shared with people and groups who were not directly employed by the worker co-operative. It was felt that decisions made by these groups might not be based on the best interest of the co-operative as a whole. For workers at Unicorn the business is their livelihood and so there is too much at stake.

### *A co-operative university?*

There was widespread support for the idea to establish a co-operative university when it was described to members of Unicorn during the research visit. They were keen to hear about how

Mondragon University works and the nature of its co-operativism. One of the members said that setting up a co-operative university would not only require deciding on what to learn, but also about developing a 'mind-set' of how to operate in a co-operative culture that works on an adult transactional level'.

## General discussion and conclusion

There is no sense in which these organisations are being evaluated in terms of their own values and principles or against each other. The purpose of the research is to develop a diagnostic tool through which the co-operative character of these initiatives can be developed further as an intrinsic aspect of higher education. Nevertheless, it is interesting to frame these initiatives within the terms established by the models of dimensions of participation (Bernstein 2012), neo-collegiality (Bacon 2014) and democratic leadership (Hall and Winn 2017). And to consider these initiatives in terms of the relationship between labour and capital, the organising framework through which we are conceptualising the practice of co-operation and co-operative leadership.

Unicorn as a worker co-operative fully meets the highest level of participation set out by Bernstein's three dimensions of participation, in a way that goes beyond collegiality to establish a very solid structure for democratic leadership. Unicorn regard themselves as a worker co-operative committed to each other as workers, with no plans to extend membership to consumers or other external organisations. While this protects their status as radical labour organisation committed to the democratic control of their own labour processes they do not seek to dissolve the capital relation. Workers at Unicorn do create alternative forms of human sociability based on sharing and community, but their formal arrangement as a worker's co-operative does not stretch the social relations of capitalist production and reproduction.

Mondragon University provides another example of commitment to democratic decision making by owners and members in ways that fully illustrate Bernstein's three dimensions of participation, beyond the idea of collegiality, providing a solid structure for democratic leadership in

ways that are critically reflexive. Unlike Unicorn, Mondragon is a quasi-multi-stakeholder co-operative where non-owners (i.e. students and local stakeholders) do have the right to vote. There is a very strong commitment to labour and work as the basis for human dignity in ways that make capital subordinate to labour so as to in ways that bring prosperity and employment to the Basque region. There are concerns that the highly competitive environment within which MU and MCC are operating means that the membership model is being undermined by a more managerialist agenda. The lack of student engagement in democratic initiatives at MU are a cause for concern for some who seek to recover the more radical nature of student politics in previous periods. The interviews revealed a desire to reinvent the co-operative model established at MU along the lines of a social co-operative to respond effectively to current global emergencies.

The John Lewis Partnership, although not a co-operative, was set up with the principles and values of co-operative production in mind. It provides a model of employee ownership that means partners can hold senior managers to account, and that staff at all levels have the opportunity to engage in agenda setting and democratic decision making. These processes are grounded in the company's constitution, which provides the basis for the collective consciousness of the whole organisation. This model does not fully satisfy Bernstein's three dimensions of participation: power is concentrated at the level of senior management, with a constant struggle over the principles enshrined in the constitution and the pressures of commercial competition as expressed through senior management. Nevertheless, there is the space for critical engagement by staff through instruments set out in the constitution. And the partners do retain the power to dismiss the Chairman through a democratic vote at the Partnership Council. There is some concern by partners of that the partnership principle is being undermined through outsourcing activities and the increased hiring of temporary staff.

In terms of the relationship between labour and capital, the framework for our approach to co-operative organisations, while the contemporary discourse does not use the language of political economy, the history of the partnership and its objective is to contain labour within the framework

of capitalism and established the partnership model as a bulwark against communism. This is clear from the title of Spedan Lewis' book, published in 1954, *Fairer Shares: a possible advance in civilisation and perhaps the only alternative to capitalism*.

The Co-operative school is based on the co-operative principles of the ICA, and is governed and managed through hierarchical structures. There are opportunities for democratic participation but this is limited to certain issues relating to perceived levels of expertise. The hierarchical nature of decision making is justified by the SLT in terms of the need to protect staff from the stressful responsibilities of implementing government policy. There is general support among staff for this approach although concern was expressed by one member of staff about having such a hierarchical structure in a co-operative organisation. There are forums for staff and students to raise issues and to be consulted but without the power to make decisions. This lack of power in terms of decision making was in a limited way ameliorated by the real sense of community and collegiality, which following Bacon's framework, promoted institutional inclusivity through a range of well organised formal and informal processes.

All of the case studies agreed on the importance of co-operative leadership although with different approaches to what it actually meant. It was the most problematic for Unicorn, the most striking at Mondragon in terms of the limits of the Rector and Vice Rector's power, the most hierarchical at John Lewis, as one might expect, although underpinned by the constitution, and at Lipson academy was enshrined in a pedagogic model that could be extended to other co-operative organisations, and in particular, the new co-operative university.

There was general support for the idea of a co-operative university, as a progression for students at the co-operative school, and as part of MU's commitment to supporting co-operative higher education elsewhere in the world. There was also the reality that co-operative values and principles might not be appropriate for all forms of employee-owned business, and it would depend very much on the local and political circumstances. The catalytic principles based on previous research proved to be robust ways in which to frame the research.

Key learning points are the way in which Jones, former Vice Principal at the school, expressed the importance of working with the contradictions that confront those involved with capitalist institutions. Although this view was not conceptualised in terms of the value relation, as advanced by the struggle between labour and capital, it very much fits our way of critically and practically working inside higher education institutions (Neary and Winn 2017b). Alecop enterprises can be used to illustrate the power of students as protagonists, owning and running their own enterprises, as well as the view expressed by a member of Alecop for the need to develop new forms of co-operative enterprises which are more able to deal with the very real emergencies of the contemporary world not only in terms of own European contexts but to be set alongside lessons that have been learned in the Global South.

Based on our theoretical framing that prioritises the relationship between capital and labour, it is possible to reconceptualise the concept of co-operative leadership. The distinctive feature of co-operative leadership that emerges from this study is that it is not based on the charismatic characteristics of certain individuals, nor is it the outcome of distributed leadership throughout an organisation, nor a complex matrix of hybrid managerial forms, but is derived from the nature of the organisation itself. In capitalist enterprises, which are based on the co-operation of labour as well as a specific division of labour, leaders of all kinds emerge, empathetic and consensual as well as authoritarian and despotic, in response to barriers that need to be overcome for the continuation of productive growth; but, contra to the imperatives of capitalist production, co-operative leadership in a capitalist context will emerge in response to the socialisation of labour that co-operation in capitalism implies (*solidarity*), and for purposes that go beyond the limits and barriers of capitalist production (*livelihood*) in ways that involve the agreement of the whole organisation (*democracy*) based on its collective intelligence and capacity (*knowledge*) and in a manner that members of the enterprise support and adhere to, as a set of moral, ethical and political principles (*bureaucracy*). And, as well as all of that, the research has revealed what we already knew: co-operative enterprises are built by people based on love and trust, a sense of pride

and commitment to each other, as well as managing personal tensions and antagonisms, more like a family or a kinship group than a business corporation.

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