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New Forces for Co-operative Efficiency.

By LILIAN HARRIS.

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Women's Co-operative Guild.

NEW FORCES FOR CO-OPERATIVE EFFICIENCY.

By LILIAN HARRIS.

THE campaign for increasing Co-operative trade has made clear that loyalty on the part of the members is only half the battle.

It is equally important that the Co-operative Society should be thoroughly efficient. To gain the whole trade that lies at our doors, Co-operative Societies must not be content to follow in the steps of their capitalist competitors. They must look around and ahead to find what developments may give them the lead in the race. They must consider ways of attracting the most intelligent workers to the Movement and of bringing out the initiative and enthusiasm of those employed in it. They must find means of putting their hands at once on weak spots in Co-operative organisation and of introducing scientific improvements in their methods.

In one direction where Capitalism has failed, Co-operation might find a great new source of efficiency. Modern inventions and methods open up an almost unlimited power of increasing production and trade. But these methods need the full co-operation of the individual workers, and Capitalism cannot find motives which will secure this co-operation. For the workers realise that, in a capitalist system, neither they nor the consumers gain their due advantage from the improvements, but that they are used to increase the wealth of the few.

This is the opportunity for the Co-operative Movement. In Co-operation the people join together to carry on trade and production for their own use, to supply themselves with what they require. In it, there is no making profits for a few. The democratic character of our Co-operative Movement makes it possible also to introduce methods of giving the actual workers a real partnership in the Movement, and a share in the control of shop and factory organisation which affects their working lives, thus making them feel an individual interest in it and responsibility for its success. ⁽¹⁾

It is well known what a difference it makes to a department if the employees really care about pressing the business, take trouble to meet the needs of the customers, are well trained and do their work

(1) For a fuller treatment of the whole subject see "The Position of Employees in the Co-operative Movement," by Lilian Harris, published by the Fabian Society, 25, Tothill Street, London, S.W. 1. Price 2d.



in the most efficient way. To create amongst the employees this active sense of responsibility for the prosperity of the store, they must have knowledge and power. An idea of the whole work of the society should be given to them; the reasons for and effects of changes and developments in methods and machinery should be explained to them. At the same time they should have power to bring forward their ideas of better organisation, and should have a voice in deciding the conditions under which new methods are introduced. In this way, they would feel that they have a definite position in the Movement and would do their best for it, realising that their work does not go to make profits for a few, but is for the whole community of consumers.

THE PRESENT POSITION.

Many co-operators are alarmed, however, at this idea of partnership. They say that only a few employees want a share in control, and that the majority desire more wages and an easy time. They fear that partnership will mean demands for a privileged position for Co-operative employees, which will handicap Co-operation in its endeavours to supplant profit-making traders. These fears are largely the result of the friction which exists with the National Union of Distributive and Allied Workers and kindred unions. But recent developments are rapidly removing the causes of this friction. The N.U.D.A.W. is now affiliated to the Trades Union Congress and includes workers outside as well as inside the Co-operative Movement. The Conciliation and Arbitration machinery with the Trade Unions is being revised and provision should be made for all disputes to be referred to it.

The extension of Trade Boards and the establishment of national wage rates for many unskilled trades has brought other employers into line with Co-operative Societies. Every effort should therefore be made to secure the maintenance and extension of Trade Boards, and to resist the attacks now being made on them. Every Guild Branch should at once send a resolution to its M.P. and to the Labour Ministry, protesting against any restrictions on the work of Trade Boards. Branches should also ask their Management Committees to take similar action.

A PARTNERSHIP BETWEEN CONSUMERS AND PRODUCERS.

It must be remembered that the more our employees can be taken into confidence, the more we can create in them a sense of partnership and responsibility, the less friction is likely to arise.

This sense of partnership on the part of the workers would not be created by the election of some employees on to the Management Committees, for there would not be any machinery for giving the whole body of the employees the knowledge and sense of power necessary to arouse their individual enthusiasm for the society where they work.

WORKS COMMITTEES.

Trade Union developments and the experience of some enlightened employers show that the best method of developing joint work between the Management and the Employees is by means of Works Committees. The number of these in outside firms is growing, and recently several co-operative societies have formed Joint Advisory Committees of the Management and the Employees. It is essential that Works Committees should be based on Trade Union organisation. All the workers should be trade unionists, a principle already recognised by many co-operative societies. The constitution of the Works Committees should be decided in consultation with all the trade unions concerned. It should be laid down that general wage rates, hours, and other matters now dealt with by trade unions should continue to be negotiated with them, and that no arrangement made by a Works Committee can prevent further action being taken by a trade union.

The Works Committee should be fully representative of all grades and sections of the workers. Women should be represented by women, and unskilled workers by unskilled workers.

The committees already formed in co-operative societies include representatives of the management as well as of the employees. But it will probably be found desirable for the workers' representatives to be entitled to meet separately, as often as they wish, for preliminary discussion of questions raised, so that they may decide what points to bring before the full joint committee. In this way, the workers would have greater responsibility and freedom, while much time would be saved to the Management Committee representatives.*

FUNCTIONS OF WORKS COMMITTEES.

If the Works Committee is to fulfil its object of bringing the workers into partnership, it must not be merely a place for advisory discussions, or the organisation of social life and welfare work. It must also have executive powers in connection with the conditions most closely affecting the working lives of the employees. Advisory discussions on all matters connected with the business are valuable, as through them, the employees are taken into the confidence of the management and gain an insight into the large questions affecting the society. The organisation of social life will bring the management and employees into pleasant contact and thus help forward mutual understanding. Welfare work is often looked upon with suspicion when managed solely from above, and experience has proved that the full value of dining rooms, rest rooms, cloak rooms and other Welfare amenities can only be gained when the workers have a large share in controlling them.

* The system adopted in one large business might be found suitable. There are sectional committees of the workers only, at which questions receive preliminary discussion. Once a month three representatives from each of these sectional committees meet an equal number of representatives of the directors and managerial staff. Many of the proposals approved by this joint committee are referred to the sectional committees of workers only to be carried out.

But more is needed both to bring the workers into partnership and to promote efficiency.

Employees' Proposals for Technical Improvements.—The Works Committee would form an admirable channel through which the employees could insure that any proposals they made for improving the organisation of the business would receive full consideration. The branch manager may have schemes of advertisement suitable to his district, or see ways of improving the delivery of goods ordered from central departments which the Management Committee never hear of. The counterman may be a much better organiser than his manager but may never have a chance of getting his ideas put into practice. And too often, when promotion comes it is too late; initiative and inventiveness have been crushed under long years of routine. The Works Committee would encourage the employees to bring forward and discuss improvements in organisation, etc. It would then present those which appeared practicable to the Management Committee. It might be desirable to lay down that the Management Committee should give a trial to any proposal approved by the Works Committee which entailed no expenditure or expenditure up to a limited amount.

Grievances, Complaints and Discipline.—The grievances and complaints of the employees would be brought in the first instance before the Works Committee, which would bring those it considered substantiated before the Management Committee. This would tend to wipe out frivolous complaints, while it would enable serious ones to be adequately represented to the Management Committee. The Management on their side would inform the Works Committee of complaints about bad-time keeping, slackness, etc., and ask their co-operation in getting over them. In many cases it is found that the Works Committee can deal most effectively with such matters. In one business, the time-keeping in arrival was so bad that the firm threatened to alter the hours, beginning and ending half an hour later. The Works Committee asked for a delay while they tried to improve matters. They were so successful that the proposal to alter hours was dropped. It is obvious that in this and in many questions of discipline, public opinion amongst the workers is the best check on loss of time, etc.

Propaganda and Education.—The Works Committee would be far the best body to deal with the vexed question of employees becoming loyal members and loyal purchasers, for here again the public opinion of their fellow employees would be very effective. And the committee would go much further and take in hand the work of making the employees into thorough-going propagandists for the Movement. It would suggest methods by which the Management Committees could arouse the interest of the employees. A plan found successful by capitalist firms has been to arrange that, for the

first week, a new employee is shown round all departments and their work explained. In this way, instead of seeing himself as a mere cog in a machine, he realises that he is part of a great organisation and that his work is a necessary contribution to its success. Again, as the society develops and opens new departments, the employees should be kept informed and given opportunities for seeing them. Such educational facilities as well as technical classes are far more likely to arouse response and meet with success when asked for and partially organised by the employees. The existence of the Works Committee will be the greatest factor of all in creating propagandist enthusiasm by making the employees feel themselves part of the co-operative society, with a direct interest in its success.

Application of Science to Industry.—Another way in which Works Committees would help both the society and the employees would be in enabling improved working methods to be introduced. New scientific methods have been discovered of lessening fatigue, of increasing individual production by the study of movements and proper arrangement of materials, of selecting both the best man for the job and (equally important) the best job for the man, thus offering many possibilities of greater efficiency. But all these new methods touch the life and habits of the individual worker in the closest way. Shortening of hours and spells of work in order to lessen fatigue often mean alteration of meal times which are disliked at first and upset home life. The improved technical training in movements requires alteration of habits of work. Scientific selection raises the natural fear amongst the workers that they may be forced into some less well paid occupation. The workers rightly resist the introduction of these methods at the autocratic will of the employers, whether they are capitalist firms or Co-operative Management Committees, and this resistance prevents the new methods being fully used. But the position might be entirely altered if the workers were given real power in deciding the conditions under which these new methods are worked. Through the Works Committee full information could be given to all the employees about the new processes and the reasons for their adoption. The Works Committee would be represented at all experiments and tests. When new movements were taught the workers would not be expected to obey mechanical instructions, but rational explanations would be given and freedom for individual variations would be allowed. The basis of rates of payment would, as now, be negotiated with the Trade Unions. But the Works Committee would be supplied with full details of the reduction in costs, so that they would understand any new methods of payment. The actual employees would thus feel secure that they were not being cheated and that they had representatives on the spot who would continue to watch the new methods and prevent any use of them which would worsen conditions.

THE MANAGERIAL STAFF.

The development of bringing the workers into partnership requires the active co-operation of the managerial staff, and brings to the fore that side of its work which consists in dealing with men and women. It is essential that the Works Committee should have direct access to the General Manager, and that he should attend all the joint meetings of the Workers' and Management Committees' Representatives, and that the Departmental Managers should attend whenever questions relating to their departments are considered. It may be thought at first that time is wasted in meeting the Workers' Representatives and discussing proposed changes with them. In practice, however, it is found that "more time is gained by the absence of disputes than is lost by the presence of discussion; more improvements can be introduced in an atmosphere of harmony than can possibly be introduced in an atmosphere of suspicion."⁽¹⁾ What is needed is "a sympathetic and capable Management ready to listen, ready to weigh carefully, ready to take pains in discussion, and prepared to persuade and to be persuaded."⁽²⁾

On their side it is very desirable that the Managerial Staff, who are employees in relation to the Management Committee, should have their own council meeting regularly. This enables them to put forward their proposals for improvements in technique and organisation, and to discuss and receive full information about the changes and developments proposed in any part of the Society. All the departments are thus brought into contact with each other. Several Co-operative Societies have arranged for monthly meetings of Departmental Managers and Buyers, and find them most helpful.

A "WORKS COMMITTEE" ORGANISER.

The growth of Works Committees could be accelerated and strengthened if the Co-operative Union and the C.W.S. secured the services of an organiser with practical experience of what Works Committees are doing. Societies would then be able to engage this organiser to help them to start a Works Committee on the best lines and to advise them afterwards. For it must be realised that in the new departure of taking the employees into partnership, there will be many practical problems to solve and difficulties to overcome. A long view is necessary, and results must not be expected in a week or a month. There must be a willingness to discard methods which fail, and to search for those which will succeed. An experienced organiser would be able to do much to stimulate and ease the work, and enable many early difficulties to be overcome.

(1) Report on Works Committees (Labour Ministry, 1918, price 6d.), page 46.

(2) " " " " pages 45 and 46.

MANAGEMENT AND EFFICIENCY.

One excellent result of the establishment of Works Committees on the lines suggested would be to show the necessity for great improvements and developments of what may be called the Management Departments of Societies. Experts will be needed who can make full and reliable calculations as to the effect on the cost of production and distribution of introducing new methods. Similar methods of "costing" would enable Management Committees to find out much more accurately than at present where losses and leakages occur throughout the business and where improvements in organisation are possible. Improved methods of selection, both when taking on employees and when making promotions, need an "employment" department. Such a department would, for instance, raise the question of what age is best for taking on juvenile employees. There is evidence that Co-operative Societies which take on employees at 14 are failing to get the most intelligent and capable children, because these are now kept at school till 16.

A DEPARTMENT FOR CO-OPERATIVE PROGRESS.

It would be most desirable that the Co-operative Union and Co-operative Wholesale Society should jointly form a central department which would enable Co-operative Societies to obtain the services of such experts. This department, which it has been suggested might be called the "Department for Co-operative Progress,"⁽¹⁾ would enable Societies to get an expert, unbiassed opinion from time to time on the whole efficiency of their organisation and methods. Just as Societies have their accounts audited by outside experts, they would be able to have all their business methods audited. New ideas and systems would thus be made known to them, and the whole standard of management in Co-operative Societies would be raised and brought up to the level of the best managed. The report of this "efficiency" audit would be of great use to the members attending the Quarterly Meeting. It would make known to them many particulars about business and management, and thus increase the publicity and openness so necessary in all democratic forms of industry. It would also make their criticisms and opinions much more informed and valuable.

Societies need not, however, wait for a central department to be formed. They can secure the necessary expert assistance, either alone or by uniting together locally, and the whole body of members should urge and support them in doing so.

(1) This proposal is made in "The Consumers' Co-operative Movement" by Beatrice and Sidney Webb, pages 329-331, 366-373, and in the pamphlet (published by the Fabian Society, 25, Tothill Street, London, S.W. 1), "The Need for Federal Reorganisation in the Co-operative Movement," by Sidney Webb, price 2d.

THE IMPORTANCE IN MANAGEMENT.

For it is impossible to over-estimate the importance to the progress of Co-operation of doing everything possible to raise the standard of management to the highest level. As an illustration of the place which Management holds in securing efficiency, it is interesting to note that in the United States, a Committee appointed by the Federated Engineering Societies to inquire into waste in industrial methods found that over 50 per cent. of the waste was due to the Management and less than 25 per cent. to the workers.

It must be realised that the growth of Societies and the wide extension of their activities need the best and most up-to-date management. This is made the more necessary by the replacement of the small capitalist traders and manufacturers by huge combines and trusts, using the most advanced and scientific methods of organisation and research.

Guild Branches can contribute to the progress of the Movement by studying the whole question, by urging that the employees should be taken into partnership, and by giving their full support to Management Committees in all efforts to improve and develop the Management departments of their Societies.

A NEW SPIRIT.

The building up of a partnership with the workers would both strengthen the Co-operative Movement and promote a more complete democracy in industry. It would need and would help to create a new spirit, leading each side to understand the position and difficulties of the other. Co-operative societies representing the consumers would recognise the rightfulness of the workers' demands for a share in the control of industrial life and would realise that, until the employees have a definite position in the Co-operative Organisation, a great force for efficiency and propaganda is lost.

The Trade Unions, representing the workers, would recognise the unique value of the Co-operative Movement in strengthening the economic power of the workers in their fight with Capitalism. They would realise that to increase co-operative efficiency is of direct importance to the whole body of workers, and that, while Capitalism dominates so large a part of industry, it is not possible for Co-operative societies to adopt conditions in advance of their capitalist competitors, unless these conditions result in greater efficiency. Both sides would see that neither consumers nor producers alone can free themselves from the tyranny of profit-making Capitalism, but that, united in support of Co-operation, they can go far in the next few years, in undermining the profit-making system of industry with its contrast of wealth for a few and poverty for the mass of the workers, and in replacing it by the Co-operative system, with a larger production of wealth, fairly distributed among the whole people.

