

## Education for Ownership:

Developing the Creative Power of Worker Owners

by Chuck Turner | 1986



## February 2021

When Chuck Turner passed away in 2019, he left an impressive legacy, especially for Boston's BIPOC community. As an activist and Boston City Councilor, he led initiatives that built real power in poor and marginalized communities—limiting the discriminatory use of criminal background checks, expanding the rights of transgender people, increasing access to City Council, and enacting policies that improved access to and quality of jobs. Arguably, his most lasting legacy is the countless number of young people he mentored—who today stand at the forefront of dismantling white supremacy and building a new economy.

Chuck served as the Education Director for the ICA Group (formerly the Industrial Cooperative Association) in the early 1980's. This piece, written in 1986, lays out how the approaches that build power in communities can be used to build resiliency in democratically owned and governed firms. It is an impressive distillation that stands the test of time.

While it was written 35 years ago, the piece resurfaced in February 2021 when ICA received the personal archives of Steven Dawson, ICA's founding Executive Director. In framing how creative action can be used in the business development process, Turner writes, "The proper role of the educator is to help people discover their own creative power."

This approach articulates what drives ICA's work today. As educators, consultants, financial analysts, and coaches, we do our best work when we help people discover their own creative power. Chuck Turner was an amazing human and we at ICA are proud to be part of his legacy.

## David Hammer

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# Education for Ownership:

## Developing the Creative Power of Worker Owners

by Chuck Turner

### Introduction

In October of 1980 I joined the staff of the Industrial Cooperative Association, a small nonprofit consulting firm, specializing in the development of democratically owned businesses. Each worker in such a firm owns one share of stock, has one vote in electing the Board of Directors, and has the right to a share of the profits or losses of the business, based on his or her share of the hours worked or wages earned.

As education director, my responsibility was to structure education programs that would prepare the workers for their new responsibilities as owners. In some ways this seemed to be an awesome challenge. However, it was also a wonderful opportunity to test my beliefs about the ability of human beings to create new, beneficial realities through united action.

For seventeen years I had worked as an organizer in the Boston community, helping to create organizations to deal with a wide variety of issues from stopping highways to developing housing. Through those experiences I had begun to understand the tremendous capacity that all human beings regardless of race, creed, color, sex, or even educational background have to positively mold and shape their lives and environment.

My experiences had also convinced me that when human beings combine their creative capacities there are almost no limits to the creative possibilities. I had seen organized thought and action stop highways that people said could not be stopped. I had seen housing grow out of the dreams and determination of poor people to create a better life for themselves. I had seen new laws created to establish a more equitable sharing of resources despite the claims of some that it could never happen.

Through observing and participating in these processes of change I had also begun to realize that there were principles that undergirded these efforts. I had begun to realize that the creation of new, beneficial realities was not some mysterious process that would magically appear in some situations and not appear in others.

I began to understand that as humans we do not have to play the role of hapless victims of fate. My experience had taught me that if we apply the principles of creative action to the situations confronting us, we have the ability to positively mold our future. That does not mean that every endeavor will be a glorious success. It does mean, however, that if the principles are followed, success will eventually result.

So the opportunity to join an organization attempting to help workers create a new reality for themselves was a marvelous opportunity to test these principles. The fact that ICA is a national organization that deals with both service as well as industrial businesses has added to the richness of the experience.

During the last six years I have had the opportunity to work with workers in a variety of business settings. To name a few: a 200-worker brass mill in Connecticut where the workforce is predominantly white and male; a fifty-worker garment factory in North Carolina where the workforce is predominantly Black and female; and labor cooperatives in Florida where the workers are predominantly Hispanic males. We have also worked with racially mixed construction cooperatives in Milwaukee and Detroit; with Hispanic male furniture factory workers in Puerto Rico; and with a thirty-worker garment company in California where the workforce was predominantly female with a mixture of Chinese, Filipino, Hispanic, Black American, and White American workers.

These and other experiences have given evidence that the principles of the creative process that have been effective in the community development sector are applicable to the business field. They also strengthened my conviction that the proper role of the educator is to help people discover their own creative power. As we will discuss in this paper, this process of discovery occurs as people have the opportunity to share their experience and perspectives in the process of working on and solving shared problems.

## Principles of the Creative Process

Every new creation is the result of a process, a series of steps designed to bring into manifestation a new reality. Whether the action is being undertaken by a single individual or a group of individuals the steps remain the same.

### Development of a Specific Goal

The first step of the creative process is the development of a specific objective or goal. Without clearly defined, concrete objectives you can expend significant amounts of energy without achieving productive results. By developing very clear pictures of what it is you are trying to achieve, you are creating a focus for your energy the way a magnifying glass focuses sight.

For example the goal of going into business focuses your attention on a specific area in which to concentrate your energy. However, the next question must be what type of business. If you choose the retail clothing business, you must then ask the question of what type of clothes. If you choose to concentrate in the designer field, your specific goal would then be to open a retail clothing store specializing in designer clothes.

### Measurability of Goal

However, that is still not specific enough because it is not measurable. So you then have to ask the question of how large a store should it be: how large an inventory, how many employees, how large a volume of sales? The more measurable your goal, the more ability you have to develop a clear action plan which can be easily evaluated. Individuals and groups often frustrate themselves by having goals that are so general that they are not able to judge clearly whether they are achieving success. A common phenomena in the community organizing field is to see groups spend significant time complaining about the fact that too few people are coming to meetings.

This usually results in frustration for those who have come and feel that they are being undervalued. It also leads to a poor use of the meeting time. If a clear number of people were set as the goal based on the numbers needed to achieve results, then rather than wasting time complaining about the numbers, the group could evaluate the factors limiting their success and decide whether to alter the plan or to end the organization.

### Timeframe for Achieving Goal

In addition to being measurable your specific goal should have a clear timeframe. You should have as clear a picture as possible of how much time it should take to achieve your objective. By having time objectives you are improving your ability to organize your own time effectively as well as evaluate whether you are willing to devote the time which the creative activity is going to take.

The farmer raising his or her crops has a picture of the cycle of time that is required to produce results from the labor expended. If certain results do not occur within specified timeframes, then the farmer knows that something has gone wrong and can alter the plan.

A pregnant woman understands that there is a natural cycle for the development of the baby and gears her actions to the phases of that cycle. While you may not be able to be as clear as the farmer and

expectant mother on the timing and phases of the development cycle, the clearer and more specific you are on the issue of timeframe, the greater the likelihood of success.

## **Commitment to Achieving Goal**

Once you have developed your specific goal which is measurable and has a clear timeframe you have to ask yourself how committed you are to achieving the goal. This is a key issue since all creation requires the strenuous concentration of energy over a significant period of time. There is no avoiding this truth of the creative process.

Are you willing to make sacrifices of time, energy, and money to achieve your goal? Do you want to achieve the objective enough to give up some favored activity which will get in the way of achieving it? Are you willing to take time away from your family in order to move forward with the new activity? The questions that could be raised are endless but they all fall under the general question of commitment.

Experience has shown that the extent of commitment can be measured by the extent to which you believe in your ability to achieve the goal and the amount of desire you have for its achievement. The more you want to achieve an objective and the stronger your belief in your ability to achieve it, the more likely you are to devote the energy necessary for its achievement.

It is possible for the desire to achieve a goal to become so strong that people will focus on and accomplish goals that seem impossible. We have all heard stories of people who have accomplished great feats of strength when confronted by the desire to help a loved one escape from some danger. I personally witnessed people stop the building of a highway that the prevailing "wisdom" said could not be stopped. I also remember the energy that went into stopping the US war machine in Vietnam that many said could not be stopped.

Strength of desire can overcome skepticism about the possible achievement of a goal. However, in normal circumstances it is important to have a positive assessment of the possibilities of achieving success, if commitment is to be maintained over a long period of time. One of the major factors that limits achievement in oppressed communities is the psychological programming designed to convince the oppressed population that they do not have the ability to succeed in changing their conditions. We will discuss this issue more in the section on applications of the creative process in the democratic workplace.

## **Development of the Plan**

The choice of a specific, measurable, time phased goal begins the creative process. However, it is your plan that allows you to move efficiently and effectively toward the realization of the goal. Without a plan efforts and resources are usually wasted or inefficiently used.

To bring something new into reality requires the rearrangement of what has previously existed. Whether that rearrangement relates to the development of a product out of raw materials or some new set of services, there will be resistances that have to be overcome. A plan outlines the series of steps that have to be taken to overcome the resistances.

### **Plan as a Unifying Tool**

The plan will require the development of subgoals or objectives that enable you to move systematically toward the overall goal. These subgoals also need to be specific, time phased, and measurable. However, the plan also details who will do which of the tasks and outlines the sequence of the tasks.

Within the framework of a group the plan allows for the members to develop operational unity through the process of deciding how to accomplish the goal as well as detailing how each person's responsibilities fits with the others. While an individual may be able to achieve limited objectives without a clear plan, a group without a plan is like a trip without knowledge of how to reach the destination.

## **Time Spent Planning = Time Saved Working**

In our rush to accomplish our goals we often feel that there is not the time to do detailed planning. However, experience demonstrates that the more detailed the plan, the more thought devoted to how to achieve the objective, the more likely the success.

The world has been amazed at the ability of the Basques in the Mondragon area of Spain to build a solid, industrial, democratic base of companies in thirty years. However, when you look at their detailed planning process which often requires two years for the development of a business plan, their success becomes more understandable.

The value of the plan in the creative process becomes very clear when you think about the nature of the learning process. Folk wisdom says that "experience is the best teacher." By testing our ideas and seeing the results, we are able to develop solid evidence of what works and does not work. That is the essence of learning.

In that context a plan should be seen as the assembling of as much of as much accumulated experience as possible. The plan allows for the experience of the participants as well as others to be brought to bear on a particular problem. A well-developed plan should push the frontiers of knowledge forward by adding new information on a particular issue. To move forward without a plan increases the likelihood that you will repeat the mistakes of the past.

## **Concentrated Effort/Work**

Once the plan has been developed, the work begins. While this is an obvious truth that seems to not need any discussion, there can be a tendency after the planning process to let the energy diminish rather than guide the flow into the implementation.

Particularly in the early stages of the implementation process there needs to be a sharp focus of attention and concentration in order to bring the new activities into reality. Concentration is always the key to creative accomplishment. If we take our minds off the tasks before us, we will usually do a bad job.

The need for this concentration suggests that the individual carrying out his or her part of the overall plan also needs a plan for their particular responsibilities. This plan should cover the same issues as the overall plan—goals, timing, measurability. The particular team member should also be examining the issues of personal commitment in order to make sure that any blockages to his or her creative flow can be understood and removed.

## **Evaluation**

An integral part of the work process is that of evaluating performance. Through evaluation many important goals are achieved.

### **Strengthens the Plan**

The plan should guide our performance. However, the reality is that circumstances are always changing. No plan can account for all the issues which the plan will encounter. Therefore evaluation is essential in that it enables the results of the new experience to be brought into the planning process.

The farmer who had expected twenty days of rain and only receives ten has to alter his or her plan of development for the crops under his or her care. In every creative process we have to constantly look at the assumptions we made in our plan and evaluate whether our experience is fitting those assumptions. This examination allows for the testing of reality and the development of new knowledge based on new experience.

## **Strengthens Creative Power of Group**

Through evaluating their experiences in attempting to implement the plan a group is able to increase their understanding of their strengths and weaknesses in working together. This enables them to make changes based on their evaluation of their experiences.

The experience of discussing what has and has not worked allows the organization to have the benefit of the experience of everyone who is participating in the process. Through this collective sharing the knowledge brought to bear on the issue is significantly increased.

How the group makes use of new knowledge is determined by the willingness to demonstrate flexibility when confronted by new realities. Sometimes the unwillingness to change a plan despite new information can be as much of a hazard as an unwillingness to plan. However, the very act of sharing the information makes all more sensitive to the views and concerns of the others and thereby strengthens the operational unity of the group.

## **Strengthens the Creative Power of the Group Member**

A process of regular evaluation of the work that also allows for the group members to evaluate their performance leads to a strengthening of each person's creative role in the organization. Evaluations of performance can make us all nervous from time to time. However, the opportunity to discuss the strengths and weaknesses of our work with other members of the group can lead to a feeling of support rather than criticism.

Having each member share their assessment of their work and how other members of the group can be supportive around issues they are struggling with can lead to a greater degree of group solidarity. The size of the group, however, is a key issue in the process. If the overall organization seems too large to attempt such a process, this evaluation should happen at a department or work group level.

## **Patience**

This perhaps should come first rather than last since patience will be required throughout the creative process. The clarifying of the many opportunities for action and the choosing of the appropriate goal for the focus of your creative energies requires the patience of clear thinking. The other steps of the process—the planning, the implementation, the evaluation—also require that the individual or group not rush the process but consistently expend the energy that is going to be necessary to manifest the new reality.

There should be an acceptance of the fact that there will be times when the frustration will mount. There are always moments in the creative process when it seems as if the desired results will not come. There are also times when results that were not expected come and create confusion as to the next step. However, at each one of these moments, the creative individual has to be willing to acknowledge the inner turmoil, affirm the intention to proceed, and look carefully for the next appropriate step.

## **Developing Creative Power Within a Group**

The principles of the creative process outlined above are the same whether an individual or a group is involved. However, if the objective is to develop creative power within a group there are additional principles that must be brought into the process.

### **The Creative Dialogue**

The driving force, the source, of creative power within a group is the process of dialogue and discussion around the goals of the organization, its plan to achieve the goals, and the performance of the individual members, the departments, and the organization as a whole in the implementation of the plan.

From the moment that the individuals come together to consider forming a group it is the dialogue that enables them to define the common goals and plan that will enable each member to make a commitment to the group's plan. It is the dialogue that allows for the members to make adjustments to the plan as the experience determines what works and doesn't work for the individual member as well as for the group as a whole.

The values and standards of behavior (norms) that guide the activity of the group and form its culture emerge out of the dialogue that generates as part of the daily process of work. The effectiveness of the leaders or managers is determined to a large extent by their ability to manage a dialogue that enables the members to solve the problems and issues that arise in the process of work.

### **Teachers as Well as Learners**

The operating assumption of the creative dialogue is that all the members are teachers as well as learners. The dialogue enables each of them to share their pieces of knowledge which contributes to the group's ability to solve its problem. In this dialogue there is an assumption of equality based on the fact that each person has valuable information to share and equally valuable viewpoints about the way to handle the problems of the organization.

There will occasionally be need for outside experts. There will also be need for leaders and managers with responsibility to move the process forward.

However, the key to developing the creative power of the membership is to develop the consciousness that their strength depends upon their ability to share their experience as a guide to planning and action.

In this context the role of the managers and leaders is to help the members or workers develop their planning and problem-solving skills which will strengthen their creative role in the organization. Leaders and managers then become the new age teachers whose role is not to be the fountain of wisdom but rather the catalyst for the unleashing of the wisdom and creativity of the members of the group.

## **Appreciation of the Value of Each and Every Member**

In a society which has consciously undervalued certain of its members in order to assure their passivity the issue of helping people discover their natural creative ability is difficult. The process of psychological devaluation which has been practiced among people of color, women, and the poor of this country has produced what can be termed as internalized oppression.

Simply put internalized oppression is a state of mind where an individual who has been oppressed by another begins to adopt the attitude of their oppressors toward themselves. We have all heard the stories of Jews who in concentration camps began to act like their captors and turn against their own people. We can see in communities of color people who act out the stereotypes as a self-defeating means of survival. Women today are struggling today to redefine themselves based on their knowledge rather than on stereotypic male images.

### **Overcoming Internalized Oppression**

Given the history of psychological oppression in this country, the educator/organizer working in communities of color, poor communities, among women, or in the workplace has to expect that a large number of people will have varying levels of internalized negative views of themselves. Therefore there is a continual need to help them appreciate themselves and their creative power in order to strengthen their struggle against the negative internal judgments which will not immediately disappear.

This process of appreciation can take many different forms. Structuring periodic opportunities for group members to express appreciation to each other has proven to be a very effective liberating tool both for those giving appreciation as well as receiving. The members should also be encouraged to give

appreciation regularly as the members do things that demonstrate their abilities and efforts. There is a tendency in organizations to focus on criticism and not to consciously show appreciation for the many positive things that we all do each day for each other.

Participation on committees and in group discussions is a helpful tool in enabling the members to develop new attitudes about themselves. There will often need to be encouragement for those who have lower levels of self-esteem. However, the encouragement to participate is itself a symbol of appreciation and will help the person begin to reevaluate his or herself.

### **Leaders Need to Listen**

It is particularly important for the leadership to encourage those with less status and self-confidence to participate. Sometimes those with positions of leadership can unconsciously reinforce the feelings of inadequacy of member with less experience or less confidence through appearing to have all the answers. Therefore it is important for the leadership to practice being silent at times to encourage others to fill the space with their knowledge.

There is also a need to realize that individuals cannot be expected to overcome in a week or a month or even a year a conditioning process that has been going on since the pilgrims first came to this country. Therefore it is important not to become frustrated with the difficulty that some might be experiencing in moving out of the old patterns of thought and behavior. We all know the difficulty of breaking habits when we confront our own. Thus we should be very humble and helping when we see others having difficulty overcoming their conditioning.

## **Equality of Rewards, Benefits, Sacrifices, and Sanctions**

Given the fact that this country has a history of not sharing equally the rewards and benefits of its citizens' productive efforts, many people particularly from the oppressed communities cited above expect others to take advantage of their labor. Particularly with Black people, other people of color, and women the expectation is that exploitation is going to occur or at least be attempted.

This expectation means that people are willing to contribute less at every level of activity: working, planning, thinking, as well as sharing information. Given this expectation the organization has to work very diligently to make sure that the rewards and benefits are fairly shared. This means particularly that the leadership needs to be sure that they are not using their positions in ways that make the other members feel cheated.

If the members feel that the benefits aren't being appropriately shared, it doesn't matter how just the leadership feels the process has been. At one cooperative productivity jumped an average of 30% once a bonus system was introduced. The message to the leadership was that the members hadn't felt that there was balance between their income and what the company was getting despite the fact that it was "their company".

### **Sharing of Sacrifices and Sanctions**

In addition to the equal sharing of benefits and rewards there also needs to be a sharing of the sacrifices that have to be made in order to develop the organization. Again the leadership has to be aware that the members will watch carefully to see if the leadership is willing to carry as heavy a load as they feel they are carrying. This is a difficult issue to handle at times because perceptions can differ so widely. However, as is true with the other issues in the firm dialogue is a key to working through the strains and tensions which may arise.

Before leaving this area it is important to note that the issue of sanctions for inappropriate behavior has to be handled very carefully. In the formation of new organizations there are always the issue of cliques and special groupings that have to be watched very closely. If the membership begins to feel that

certain members are punished for behavior that is tolerated among other members, the morale will very quickly deteriorate. If the members believe that the leadership takes actions that it will not allow others to take, again the morale will deteriorate.

The full creative expression of a member's talents and abilities depends on their willingness to open themselves to the other members and participate fully and freely in the creative dialogue. While that potential is present in every situation, the emergence is usually blocked by people's expectation that they will be cheated. Many will rise above this expectation and contribute as fully as they can at least initially. However, the leadership must be aware that others will very carefully watch the process and be guided by their sense of the presence or lack of presence of a just sharing.

## **Developing Creative Power in the Workplace**

Having examined the principles of developing creative power, we will now look at the question of how they are applied in an organizational setting where workers are attempting to establish a democratic workplace. Since most of our work has been conducted within the framework of plant closings and conversion of companies to worker ownership, we will describe a process that is particularly appropriate for those situations. However, the process can be also applied with slight modifications to a start-up.

### **Assessment**

The process of developing a worker owned company through which the workers display their creative power begins with an assessment of the potential for such development. In conducting such an assessment there has to be an examination of four factors:

#### **Attitude of Workers**

At this early stage the question is whether there are any significant obstacles to the unleashing of the creative abilities of the workforce. Are their particular factions that are fighting each other? Are the workers too demoralized by past situations to bring their creative energies to bear on this new situation? Do the workers have any reasons for believing that this new company will not be able to succeed? In other words are there any forces or dynamics which will actively block the workers use of their creative power.

#### **Attitude of Leadership/Management**

In almost all organizing situations except the start-up (where there may be self-selected workforce) there will be a range of interest in and commitment to the idea of democratic ownership on the part of the workforce. Thus, often the key variable in the democratic company in its early stages of development is the readiness of the leadership group, particularly the managers, to role model the principles necessary for its development.

The leadership must be willing and able to model the principles—sacrifice, just action, taking responsibility, and appreciating others' innate talents—that are necessary for the company to develop its creative power. Experience has shown that when the leadership cannot accept this level of responsibility, the workforce will not be able to transcend the negative norms and values developed in traditional workplaces and the new company will quickly deteriorate and fail.

#### **Business Potential**

This is a critical variable in the development of a democratically owned firm. While an appreciation by the membership of each other and a desire to work together are important preconditions to development, the business potential must be there if the business is to succeed.

Our experience has indicated that when the stability of the business is weak, the ability of the members to concentrate on the creative dialogue is weak. It's obvious that the attention that is necessary for

creative thinking and problem-solving decreases when the workforce is worried about layoffs and/or closure.

To be sure every business is going to have its strong times as well as its weak moments. However, if the prospects of business success look weak from the beginning, then the leadership has to look carefully at whether to proceed. The organizer/educator should not allow the leadership to believe that a desire for jobs and the development of the company can overcome the structural weaknesses of the business.

### **Attitude of the Community**

While ultimately the success of the organization depends on its members, we cannot ignore the fact that the attitude of friends and family of the members will have a significant effect on their creative energy during the hard times that are bound to occur during the development of their business.

Earlier we noted that a belief in the goal is an essential element in the creative process. Therefore it is very important that this belief be reinforced by those who play a significant role in the life of the members. There also should be an examination of whether there is institutional support from civic organizations, churches, and unions which can aid the process of organization and development.

### **Leadership Assessment**

The role of the educator/organizer is to assist the leadership in the design and implementation of the assessment. The key responsibility is to challenge the leadership to be as clear, honest, and as objective as possible in its assessment of the situation. Sometimes the desire to save jobs as well as start a new venture can blind the leaders to significant obstacles to developing the creative strength necessary for the successful launching of a new firm. The educator needs to be ready to continually remind the leadership to think clearly about these issues and not to be blinded by the emotions swirling around the situation.

If the leadership is convinced by their assessment that the situation warrants moving forward, there needs to be an assessment meeting with the potential membership of the new firm. This will be their opportunity to review the information pulled together by the leadership and decide for themselves whether they believe in the value and possibility of establishing a democratically owned firm.

### **Membership Assessment**

The objective of the first meeting of the potential members of the new firm is to help them assess whether they have enough interest and belief in becoming worker owners to invest additional time and energy in the process of investigating the possibility. Information on the business as well as the rights and responsibilities of worker ownership should be shared in order to enable the workers to make an informed decision about their further participation.

It is this meeting which begins the creative dialogue among the potential worker owners. The meeting gives the leadership an opportunity to begin their educator role by sharing the information that has been gathered during the assessment. The meeting also begins the process of establishing equality among the membership by giving the workers an opportunity to question and examine the perspectives of the leaders.

Once there has been a full sharing of information and concerns a vote should be taken to determine whether the workers have enough interest to explore the issue further. It is often beneficial to break down into small groups before the vote is taken so that members can have an opportunity to dialogue in a more intimate setting. This process occasionally will stimulate questions which did not come out in the larger group.

### **Taking Responsibility = Strengthening Creativity**

If the decision is made to move to the next stage, there is usually the election of a Steering Committee to guide the process. The development of creative power requires the taking of responsibility for the

work that needs to be done. It is through taking responsibility for achieving the goal that the creative skills are sharpened. If other people are relied upon to do the work, then it is their creative power which is developed.

Therefore it is very important that from the very beginning, the responsibility for the process is being borne as much as possible by the potential worker owners. The Steering Committee has a key role in guiding and shaping this process. However, it's very important, particularly at this early stage of development, that everyone realize that the development of the membership's creative skills depends on their participating in the process of developing the company.

The composition of the Steering Committee varies from workforce to workforce. However, it should be stressed that the Steering Committee should represent all significant segments of the firm. Through this process the dialogue that takes place within the Steering Committee will be inclusive of the broadest cross-section of viewpoints.

## Orientation

The next stage in the process is to provide the opportunity for the potential worker owners to explore the idea of owning their own company more fully. The assessment began the process. However, in one meeting there is only the opportunity to scratch the surface of the many questions which the workers need to answer.

Two and sometimes three sessions are usually needed to examine the questions of financial and legal structure of a democratically owned business, the process of governing a worker owned company, and the health and strength of the particular business opportunity being examined. These meetings allow for the continuation and strengthening of the dialogue between the workers.

Through the dialogue those who have traditionally been divided by rank, status, and title begin to share information and participate with each other in the process of deciding whether to move forward together. As workers from all levels of the company look at the issues from their vantage point, the knowledge of all is increased. The orientation process itself demonstrates the richness of information and perspective that would be available to them as members of a worker owned company.

### Techniques of Organizing the Orientation

There are different methods of organizing these meetings. What is important is that the method gives as much opportunity as possible for the Steering Committee and member to take responsibility for the process. One particular method has been to have the Steering Committee gather before the meetings the membership's questions about the business opportunity as well as questions about the financial, legal, and governance structure. The meetings can then be organized around these questions which the Steering Committee members can answer through research between the meetings.

Another technique is to hand out information before the meetings on key issues such as membership fees, structure of the governance systems, market opportunity for the new business. Through this process the members can come into the meeting with some background to use in discussing their concerns about these issues. If this process is used, the Steering Committee members could start the discussion with short presentations on the issues and then open for the membership dialogue.

Sometimes there is value in having the "outsiders" present parts of the information both in order to emphasize particular issues as well as give the reinforcement that

can come from having someone who is seen as "objective" presenting their viewpoint. For example in doing the analysis of the business opportunity, it could be important to have the person who actually did the business analysis present the findings.

However, the issue that continually must be weighed is how particular choices regarding the organization of the meeting will help or hinder the growth of the membership's ability to develop their creative power. This means that there is no pat formula to guide the process. Those in leadership must continually assess each situation and determine what is best in that specific context. It is usually helpful to establish an education committee as soon as the Steering Committee is formed to guide the development of the dialogue.

### **Taking Responsibility Through Decision Making**

At the end of the orientation the membership again should have the opportunity to vote on whether the orientation has convinced them that it would be worthwhile to move to the next stage—planning. This is a particularly important vote. By this stage the membership has had an opportunity to discuss in detail the issue of the membership fee. They have had an opportunity to look at the potential profits. They have examined their rights as well as responsibilities as new owners.

With the information that the orientation has developed the members are able to make an informed decision about whether the idea of becoming worker owners makes sense. While they will still have an opportunity to vote on the final plans, at this stage their vote is indicating that if the final plans conform to the general information in the orientation, they are ready to become worker owners. Often potential members are asked to sign their ballots in order to emphasize the seriousness of the vote.

### **Planning Phase:**

The objective of this phase is the development of a business plan, a governance plan, and a set of bylaws. These three instruments will provide the basis for launching the new company. The business plan will enable them to secure financing and guide the development of their enterprise while the governance plan and the bylaws will determine the relationship between membership, management, and Board in the process of setting policy governing the firm.

The same principles that governed the process during the orientation phase should continue to be followed. That is, the Steering Committee should provide leadership for the process and the members of the Steering Committee as well as members should be as actively involved as possible in the technical work that will lead to the development of the necessary plans and legal framework.

Given the technical nature of the business and legal issues to be decided, in most instances it is necessary to have outside assistance in these areas.

However, their roles must be carefully designed so that the Steering Committee grows in its ability to lead the process and the membership grows in the development of their analytic and creative skills.

### **Scope of Work Necessary to Guide Process**

Experience has shown that the development of a scope of work for this period can be a valuable tool in designing and guiding a process that balances the roles and responsibilities of the technicians with those of the Steering Committee and membership. This is another situation in which detailed planning prior to action significantly improves the probability of success.

The scope of work would specify the decisions that have to be made, the tasks that have to be accomplished in order to make the decisions, what committees are necessary, who will carry out which tasks, as well as the timeframes for accomplishing them. The development of this scope should be a joint responsibility of the technicians and the Steering Committee.

Committees that are often established to help with the work are the compensation committee which looks at issues of pay scales, membership fees, methods of dividing profits, and benefit packages; the production committee that looks at issues of how to streamline or reorganize production processes; and a governance committee that looks at the question of how the policy setting process will be structured.

Other committees that have proven helpful are a communications committee that keeps the membership as well as the outside community informed of process and important meetings; and an education committee that takes responsibility for thinking through the particular short-term and longer-term education issues.

The education committee should work with the technical staff to design and guide any particular training that needs to occur during this period. The needs may range from sessions on alternative ways of structuring personnel policies to information on production techniques. Intensive training during this phase is more likely to occur during start-up than in plant closings or conversion situations.

### **Membership Review and Decision Making**

Periodically the Steering Committee should meet with the membership to review progress and receive their guidance. The frequency of the meetings should be determined by the overall length of the planning process and the capacity of the membership to assemble for meetings. The length of the planning periods vary from situation to situation; however, three months seems to be a minimum period and six months seems to be an upper end average.

Once the plans are completed, there should be time for evaluation of the overall plans by the membership which would lead to the final vote on whether to go forward. Because of the importance of building a strong supportive relationship between the families of the workers and the development of the company, it is important to try to involve significant family members in the evaluation process. The more the support network understands about the company, the more supportive they will be as their family members struggle with the creation of this new enterprise.

Once a decision is made to proceed to implement the plan, the election for the Board of Directors need to take place. The structure of the Board and the process of the election will have already been developed as part of the governance plan so only the process of implementation remain.

Election workshops have often proven themselves to be a valuable part of the process. At the workshop the leadership of the company can talk about the kinds of decisions that will have to be made during the year and the candidates can discuss why they want to serve on the Board. This information should help the membership decide who would be appropriate for leadership.

There is one significant difference at this stage between a plant closing and a conversion. In a plant closing a positive vote at this stage would lead to the securing of the financing necessary to launch the firm. In a conversion the vote to go forward would lead into the negotiations with the present owners of the firm. This is a significant variable since the negotiations can often be a major struggle, requiring the help of many allies to persuade the owners to sell to the workers.

### **Start-Up Phase:**

Once the financing has been obtained, the company enters the start-up phase where the workers initially test the viability of the business and governance plans. This testing phase lasts for a twelve-to-eighteen-month time period. The central concern of the educator/organizer during this phase is to assist the Board in the development of its leadership role.

The crucial task of the Board during this initial period is the establishment of the ongoing creative dialogue between itself, the membership, and the management. Since the heart of the dialogic process is the sharing of information by the workers regarding the problems and issues of business, the Board should begin the process by soliciting the views of the workers on the business' major problems.

This information then becomes the basis for the Board establishing a set of goals to guide its work and the work of management and the membership during the next six to twelve months. Once the Board

has determined what it believes to be the appropriate objectives, it should put them before the members for their approval.

### **Valuing the Membership's Perspective**

By beginning and ending the goal setting process with dialogue and decision making by the membership, the Board is assuring that its direction is rooted in the membership's perspective. We believe that it is crucial for the Board to demonstrate from the very beginning of the life of the new company that its leadership will be shaped by the perspective of the members.

The strength of the democratic company evolves from the membership's investment of their creative energies in its development. If the Board acts as if the development is its responsibility rather than a responsibility its shares with the membership and management, the membership's willingness to share and participate and act like owners will be lessened. The more the Board demonstrates their valuing of the ideas of the membership, the more the membership will be stimulated to think creatively about what the company needs to succeed.

Once the goals have been established, the Board needs to work with management and membership to develop a plan which outlines how the goals are to be accomplished. It also must develop a scope of work for itself outlining tasks, the committees that will be needed, and the timetable for accomplishing the tasks and evaluating the success of its work.

### **Developing Board Committees**

The committees should be chaired by members of the Board but include as many non-Board members as possible. The committees are key to the process of the Board accomplishing its goals. By building the membership into the heart of its work process, the Board gains the value of their perspective, aids their growth, and demonstrates its appreciation of the talents of the membership.

Each of the committees should see itself as a microcosm of the Board and structure a scope of work for itself which helps guide its work and gives the Board an overview of how the work of each committee fits into the Board's overall plan. There may need to be some training done with the committee members on issues like problem solving or decision making. It may be appropriate to begin with a workshop for all committee members and then provide ongoing assistance to the chairs of the committees.

### **Developing Membership Committees:**

During this period the membership should also establish committees that enable it to participate effectively in the governance process. Several committees have proven themselves to be value tools to the involvement of the membership in the governance process. One of the more important of these committees has been the grievance committee which has the responsibility of protecting the rights of the members against arbitrary action by the management.

Another key committee is the education committee which carries the ongoing responsibility for assuring that the members have the skills necessary to perform the work and the information necessary to set policy. A third valuable committee has been communications which takes the responsibility for keeping the membership informed on meetings and key issues.

### **Developing Shop Floor Committees**

In addition to having Board and Membership committees we believe that Shop Floor Committees play a very important role in building the creative power of the company. By giving workers opportunities to regularly discuss the problems that come up in their daily work lives, the company is creating a dialogue that will broaden the base of information possessed by managers and supervisors as well as sharpen the analytic and creative ability of its members.

It is very important that supervisory personnel be worked with very carefully in this process. Often personnel at this level resent the broadening of the dialogue to include "their" workers. They should be helped to understand that the greater the involvement and responsibilities of the workers, the more their creative energies will be invested in the work. Supervisors should be helped to see that by strengthening their own teaching and listening skills they can improve their own work lives, improve the work lives of their fellow workers, and help the company grow stronger.

## **Role of the Educator/Organizer**

We have used the term educator/organizer since the primary role of the educator is to organize the dialogue through which the worker produce the knowledge necessary to successfully develop the firm. In this role the educator sometimes will have the responsibilities of imparting information which will aid the dialogue. At other times the educator will need to help the membership improve its process of communication. There also will be the need to provide support and encouragement as workers try new skills.

The key concept throughout all of the educator's work is that she or he is a facilitator of the unleashing of the creative skills of the membership. This role is somewhat different from the traditional concept of the teacher as the fountain of all wisdom. Sometimes even the workers will want the educator to play that role. It is particularly important at those times to emphasize the principle that educator's role is to facilitate the development of the membership not dazzle it with wisdom.

The other key role is to continually reinforce the belief in the skills and ability of the workers to handle the responsibilities. The assessment is a key part of the process since it enables the educator to assess whether the membership seems ready for the task. Once the process of development has started, it is the educator's responsibility to continually find ways to help the workers appreciate their ability to handle this new and challenging responsibility. Through the process of the creative dialogue and the growth of the workers' appreciation of their own abilities the creative strength of the workforce will slowly but consistently grow.