



## PROJECT A2: The Co-op Index for Worker Co-ops

### WHAT IS IT?

- The Co-op Index is a values-based assessment tool designed specifically for worker co-operatives, and administered by an [international not-for-profit co-operative](#).
- The Co-op Index measures a co-operative's organizational effectiveness based on the following:
  - The degree to which its members/employees feel involved and empowered in the management of the organization;
  - The degree to which the co-op adheres to universally recognized co-op principles and values;
  - The degree to which the co-op adheres to its own mission and values.
- The Co-op Index is grounded in the theory of [Total Participation in Management](#) which predicts that when employees are fully engaged in the management of their organization their productivity, individual motivation, and overall well-being increases, along with the productivity of the organization as a whole.
- The full Co-op Index tool includes:
  - an on-line survey to be completed by all members/employees; results are automatically analyzed;
  - a series of one-on-one interviews with selected members and employees, conducted by a specially trained co-operative developer;
  - an independent review of the organization's guiding documents by the developer;
  - a detailed report, including a series of recommendations based on the developer's findings, which is presented to the co-op for further discussion and follow-up.

### WHY ARE CO-OPS USING IT?

The Co-op Index enables worker co-operatives to:

- Evaluate the degree to which the co-op's purpose, values and principles are embedded in the business, and applied in a practical fashion from day to day.
- Help the co-op align its actions, and those of its individual members, with the co-op's shared values.
- Diagnose areas for improvement and lay out a course of action. (The tool may be used repeatedly for continuous improvement)
- Better position the co-op as a business that makes a difference in the community, in terms of social, economic and environmental impacts.

### WHO CREATED IT?

The Co-op Index was developed in the Maritimes through a partnership between local and international academic researchers, co-op developers, and worker co-op federations, in collaboration with a number of worker co-ops.

### WHAT'S HAPPENING WITH IT NOW?

The project team is currently working with several Canadian and international partners to:

- Train co-op developers locally and internationally to administer the tool;
- Support co-ops around the globe in completing the Co-op Index for the first time (while also gathering data in order to inform academic research);
- Assess co-ops' experience with the tool, and fine-tune it based on their feedback;
- Study aggregate results of co-ops who use the Index to answer research questions such as:
  - What are the organizational impacts of applying participatory practices in co-operatives?
  - To what extent can adherence to co-operative values and principles be used as a competitive strategy?

## Here are some sample questions from the Co-op Index’s online survey.

Members and employees are asked to answer each question with one of the following:

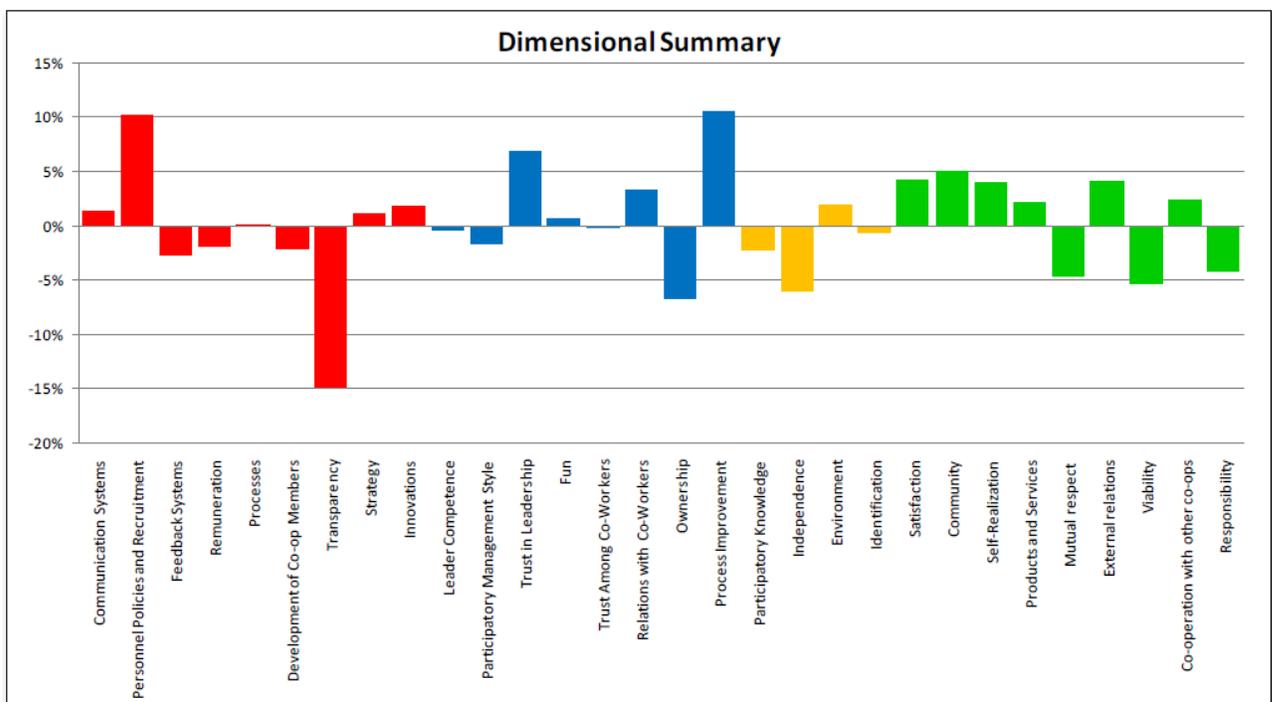
Strongly Disagree / Disagree / Somewhat Disagree / Neither Disagree or Agree / Somewhat Agree / Agree / Strongly Agree / Don’t Know / Don’t Understand / Irrelevant

- Our co-op is engaged in environmental initiatives in the community.
- In case of a financial crisis at the co-op, I would be ready to voluntarily give up part of my compensation for some time.
- I have an influence on how particular tasks are performed in the co-op.
- If I had to, I would be able to pass on important information to the CEO within a day's time.
- I am satisfied with the way I am treated by my coworkers.
- Compensation is fairly calculated in the co-op.
- When making decisions my co-workers and supervisors take my welfare into account.
- I have influence on hiring in my area of the work/co-op.
- Our co-op promotes co-op culture in society.
- The effort of individuals is honestly appraised.
- All members and employees express their opinions about what is happening in the co-op.
- Our co-op issues scheduled communication in a timely fashion.
- I feel fulfilled while working in the co-op.
- I trust my immediate supervisor.

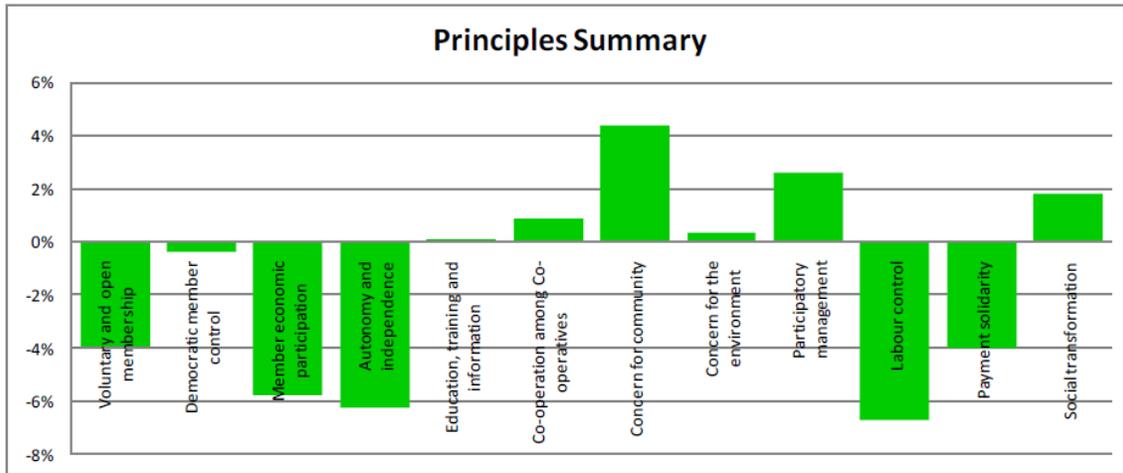
### Below you’ll find example results from a sample final report:

For more information on the Indices used, see Appendix A.

#### I. GENERAL PICTURE – relative to Organizational Maturity Index

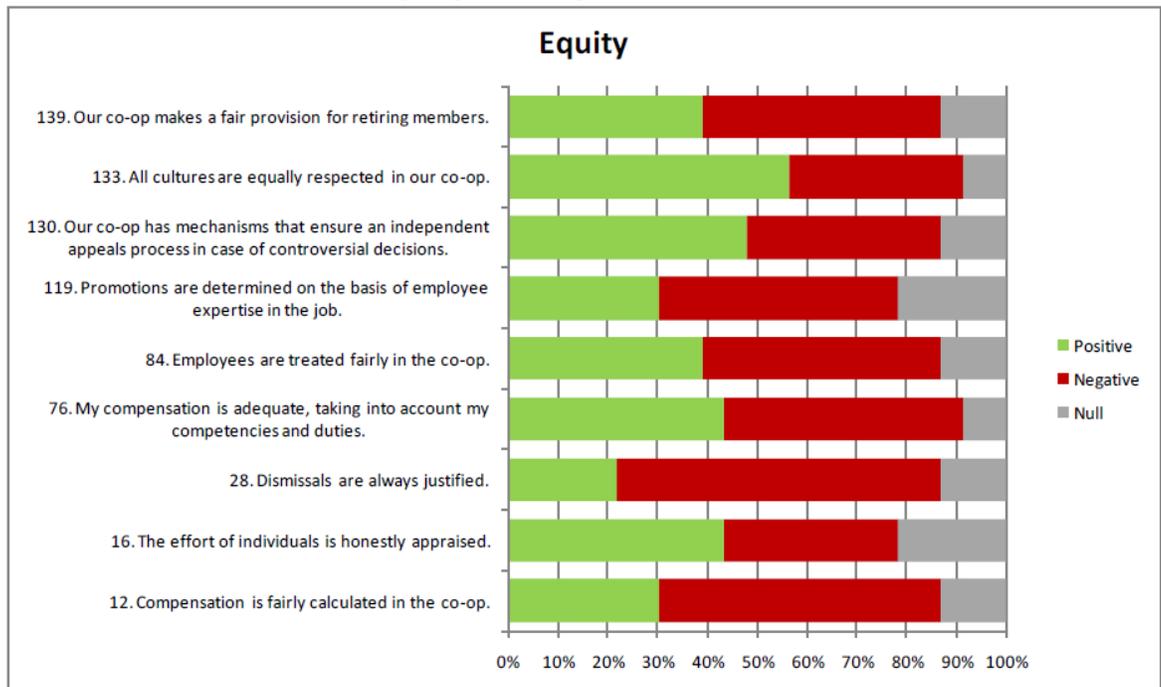


## II. PRINCIPLES – relative to Co-op Principles Index



### 1.3.4 Equity

Members will be treated justly and fairly.

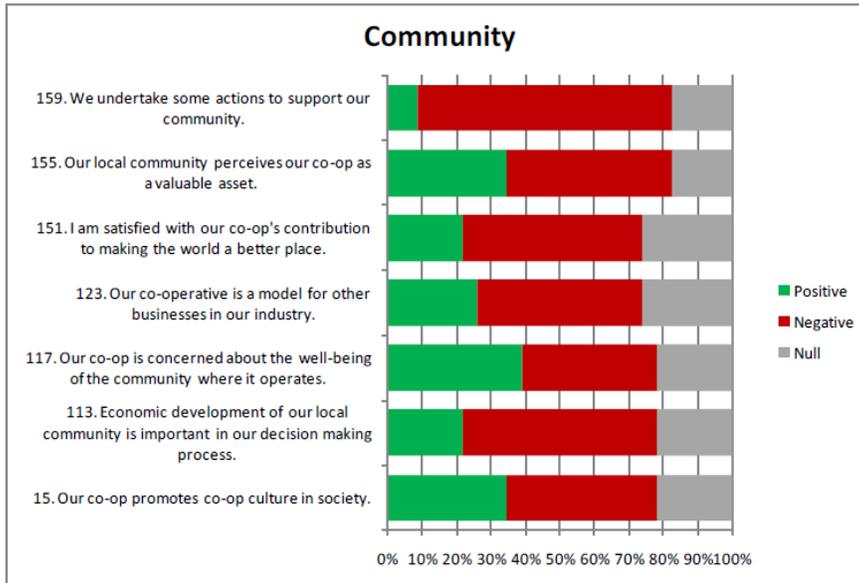




### 2.5.8 Community

Because each individual is a member of many different communities of great importance to them (e.g. their social circle, their family, their neighbourhood, their cultural group, etc.), then if the co-op is seriously concerned about its employees, members, and customers, it is natural that it should also be concerned about the communities these individuals belong to.

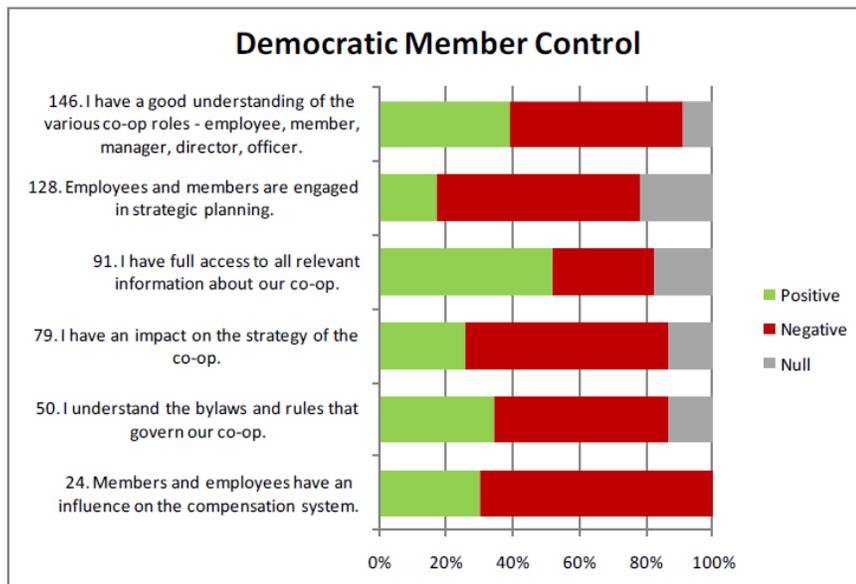
In addition, this scale refers to us as one world community. Co-ops play an important role in recognizing and helping to develop communities, so this scale tries to find out how well they do it.



### 1.4.2 Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.

In primary co-ops members have equal voting rights (one member, one vote). Second-generation co-ops are also organized in a democratic manner.



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## Appendix A - Description of the Indices used in the Co-op Index Report

### Co-operative Principles Index

The Co-op Index report includes a Co-operative Principles Index (CPI) for 12 Co-op Principles. The Co-op Index development team used the ICA 1995 Co-operative Principles as a starting point, and added several developed by the Mondragon Co-operative group, as well as an additional principle reflecting the concern for the environment.

The 12 principles used in the **Co-operative Principles Index (CPI)** are:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community
8. Concern for the Environment
9. Participatory Management
10. Payment Solidarity
11. Labour control
12. Social Transformation

### Co-operative Values Index

The report also includes a Co-operative Values Index (CVI). Its calculation is based upon the 10 co-operative Values (ICA Statement of Co-op Identity):

1. Self-help
2. Self-responsibility
3. Democracy
4. Equality
5. Equity
6. Solidarity
7. Honesty
8. Openness
9. Social responsibility
10. Caring for others

### Organizational Indices

The report also includes two general indices.

The first is the **Organizational Maturity Index (OMI)**, which places the worker co-op on a maturity continuum. This provides a guide to the extent to which the co-op embodies the key features of successful worker co-ops.

The second is the **Organizational Trust Index (OTI)**, which provides a general assessment of the level of organizational trust within the co-op, i.e. how secure the members and employees feel within the organization.

## Indices relating to various Dimensions of the Co-operative's Daily Activities

Lastly, the report includes an assessment of 30 indices relating to different dimensions of the co-op's life, including key information on how the dimensions are perceived by different groups of stakeholders within the co-op.

A General Picture diagram provides a snapshot of all the questionnaire results organized in four general categories and thirty dimensions.

The **Organizational Systems** include:

• Communication Systems	Ease and efficiency of internal communications
• Transparency	Availability and clarity of information about decision-making and challenges facing the business
• Feedback Systems	Approaches for giving feedback on individual performance & organizational performance; peer evaluation systems
• Development of co-op members	Professional development for members, and governance-focused development for Board members
• Remuneration	Satisfaction with pay & benefits; fairness; equity
• Innovations	Innovations in products, processes and social aspects of the workplace.
• Personnel Policies	Relates to perception of fairness and satisfaction with respect to recruitment and membership.
• Processes	Relates to individual understanding of tasks, roles, and other processes in the co-op such as job safety and employee autonomy.
• Strategies	Questions about the co-op's vision, strategy, and growth plan, as well as member participation in strategy development.

**Indices of Organizational Climate** are the indicators of the general tone and mood between members and employees within the coop. They include dimensions such as:

• Mutual respect	Overall sense of respect among and between co-op members
• Leader competence	
• Trust in leadership	
• Trust in co-workers	
• Participatory management style	Sense of inclusion of members/employees in decision-making processes
• Relations with Co-workers	Organizational Culture, getting along with co-workers
• Fun (!)	Does the work environment include friendliness & humour? Is this workplace an enjoyable place to be?

**Personal Attitudes and Actions** include individual personal dimensions such as:

• Participatory Knowledge	Co-operative business literacy
• Ownership	Is there emphasis on the idea of individual ownership and responsibility as a member?
• Process Improvement	Personal initiative in making improvements; accountability for suggested improvements
• Responsibility	Personal ethics & taking responsibilities seriously

The "**Outcomes: Individual, Organizational and Social**" include dimensions such as:

<ul style="list-style-type: none"> <li>• Identification</li> </ul>	Individuals' identification with the co-operative organization; sense of jobs security
<ul style="list-style-type: none"> <li>• Satisfaction</li> </ul>	Individuals' job satisfaction and satisfaction with work relations
<ul style="list-style-type: none"> <li>• Self-realization</li> </ul>	Individuals' level of self-fulfillment at work, professional development opportunities, and work-life balance
<ul style="list-style-type: none"> <li>• Independence</li> </ul>	Organization's independence from external influences in decision-making - both public and private
<ul style="list-style-type: none"> <li>• Viability</li> </ul>	Viability of the business from the market access perspective, financial perspective and organizational/functional perspective
<ul style="list-style-type: none"> <li>• Products and services</li> </ul>	Relates to the quality of the business' products/services and impact of co-op principles and values on products and services.
<ul style="list-style-type: none"> <li>• Co-operation with other co-operatives</li> </ul>	Networking with other co-operatives and contributions to development of the co-op sector
<ul style="list-style-type: none"> <li>• Care for Community and the Environment</li> </ul>	Concern for community development, role of the co-op in its community, environmental sustainability, care for the environment, leadership regarding environmental concerns.