

The Union Cab Experience

Inclusion, Control and Accountability in Worker Cooperatives: Experiences in Power Dynamics

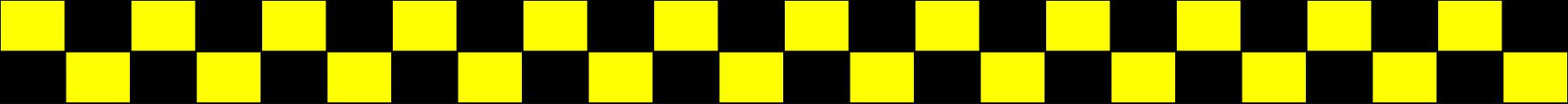
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Cooperative's Nature

“Accepting cooperation is to believe in solidarity, and those who believe in solidarity can no longer establish limits to the field it is applied to. Human solidarity is an active and potent ferment, it is a force that multiplies to the extent that the circle of its applications expands.”

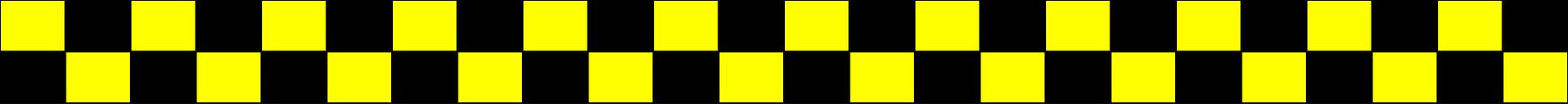
Reflections, 460





Union Cab of Madison Coop

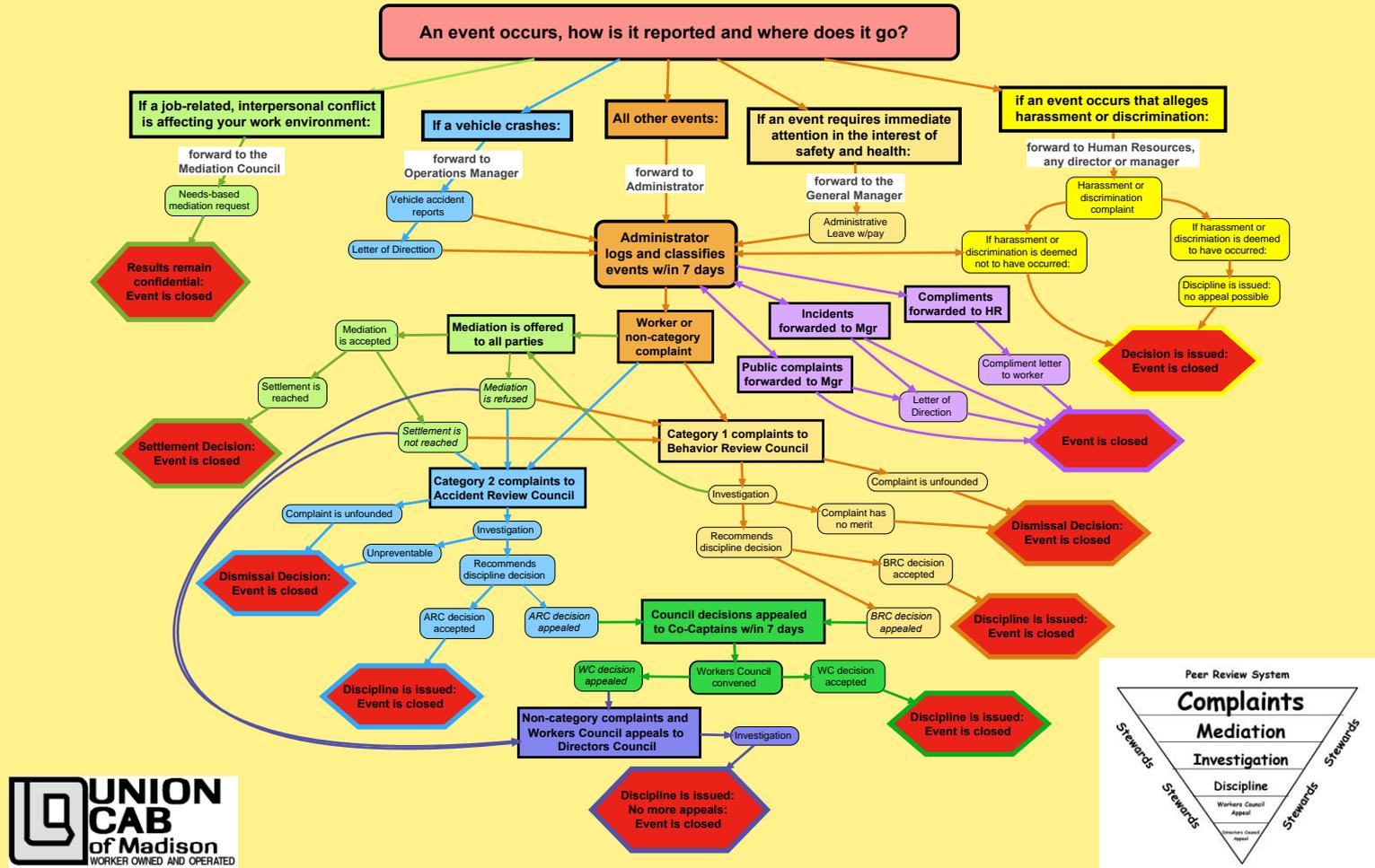
- Founded in 1979 after two strikes failed to secure contract
- Reorganized with General Manager in 1985
- Traditional Hierarchy
- Today: 250 workers, \$7 million sales
- 9-member board



Embracing Democracy and Accountability

- Crisis in faith: inability of General Manager to execute discipline
 - Social Audit Results
 - The Shop
- Development and implementation of Peer Review—power to discipline taken from management and given to board appointed councils.
- General Manager position replaced with co-Business Managers and Steering Team (consisting of managers, supervisors and senior “at-large” members”.
- Management teams empowered to make key managerial decisions, managers engaged to convene and coordinate team activities.

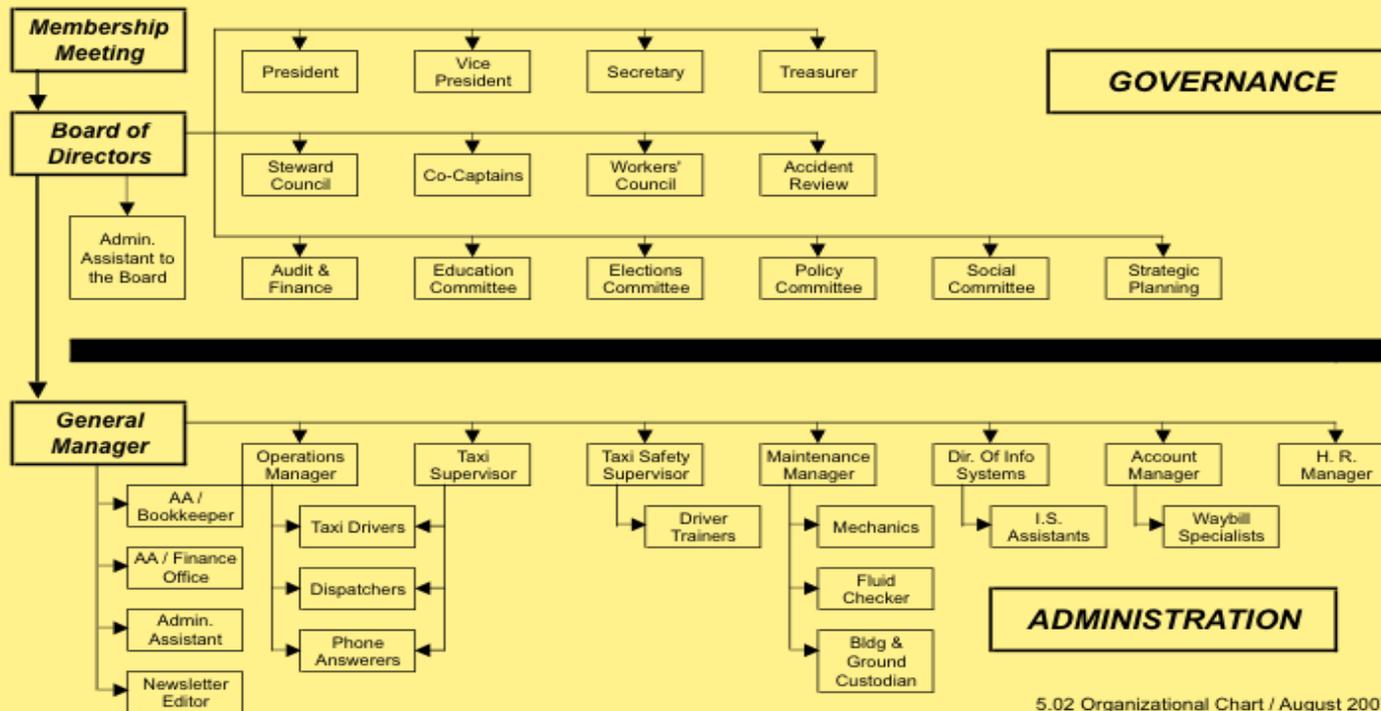
Peer Review

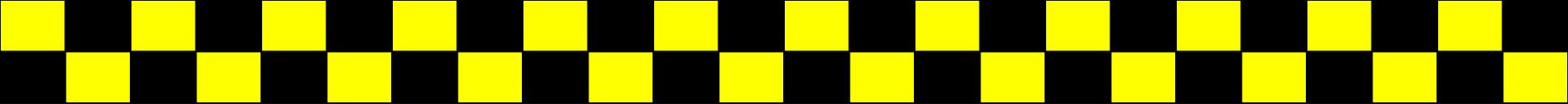


THIS IS WHAT DEMOCRACY LOOKS LIKE!

The Old Governance Structure

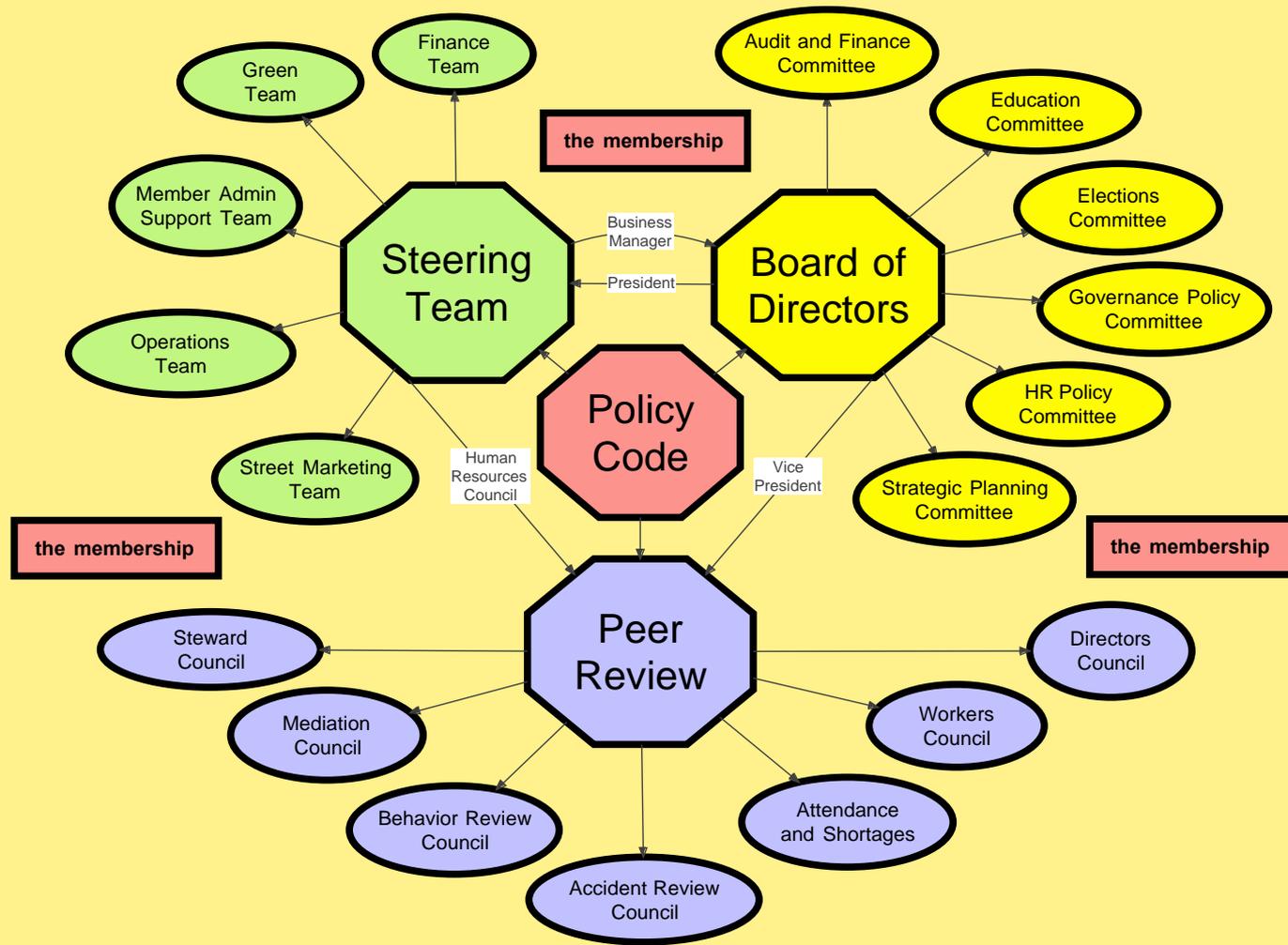
Union Cab of Madison
Organizational Chart
August, 2007



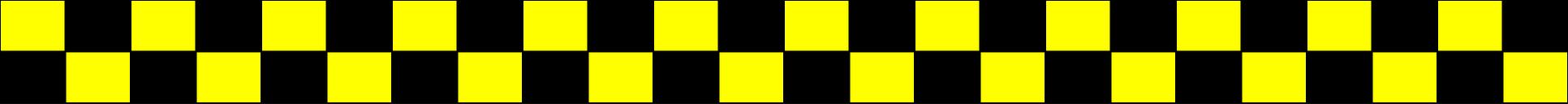


Democratic Team Management

- Operations Team
- Finance Team
- Green (Facilities) Team
- Marketing Team
- Member Assistance and Support Team
- Steering Team
- Membership by JD
- 2-4 at-large appointments
- Decisions by modified consensus
- Managers coordinate and facilitate

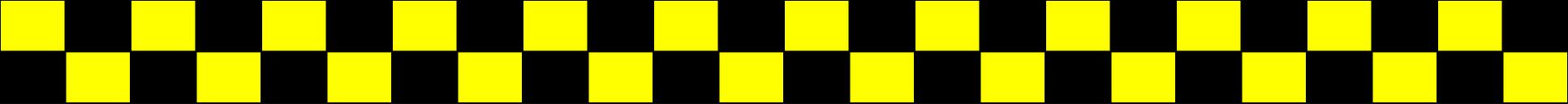


“At a certain point, the policy manual becomes the boss.”—Melissa Hoover, USFWC



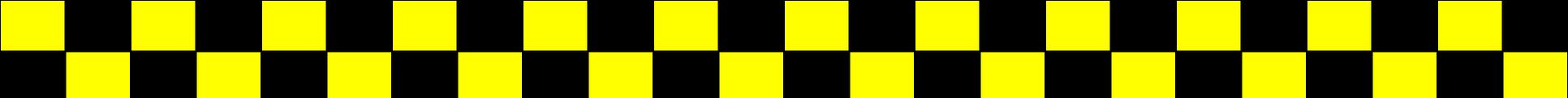
Blowback

- Concern over “expense” of Democracy
- Informal power structure weakened
- “Tea Party” Revolt
 - Invitation only off-site meetings
 - Attempt to take over board with list of members to fire
 - Collapse of “Black and Blue Party”



Payoffs

- Customer Complaints drop by 60% in first year.
- Union Cab switches to seasonal schedules to keep wages stable during off-season with over 50 members helping to form procedure
- Union Cab declared exempt from NLRA due to “managerial nature” of all workers based on structure and by-laws.
- Maintains market share and expands to new services.



Final Thoughts

“Our co-operatives must primarily serve those who see them as bastions of social justice and not to those that see cooperatives as refuges or safe places for their conservative spirit”

Reflections, 461

Don José María Arizmendiaretta