

Inside a Community Company

It is 3am, 21st February 2003 and I'm leaving home to start a work placement at Custom Products. The early start is due to a "community development day" – a day trip to Venice. My nerves are exacerbated by a dark mood but twenty hours later my face is beaming.

During the day I meet Fiona whose friends cannot believe she *volunteered* to work nights to keep promises to customers. Tanya (a sales rep) natters about Harry and John – the directors she thinks are most responsible for the *Community Company* idea. Diane prefers to banter with a gondolier. Being part of this elicits the warmth of social acceptance. And that is the point of the day.

Most members of Custom Products are upbeat about the annual development day. Despite its focus on fun, it has a serious purpose. "People talk about it for months in advance and for months after," explains Harry. It's true. Two months earlier Larissa and I learned about the trip during our induction and we could barely contain our excitement. After the trip, photos appear on the notice-board and stories are exchanged over the lunch table.

The day is based on the belief that having fun together is the best way to develop relationships that make a community thrive. The Community Company Model – evolved over 15 years – is based on the idea that individuals and organisations (including commercial businesses) thrive if their members explicitly agree - and make a commitment to uphold - shared values. So this year staff and shareholders voted to go overseas in pursuit of some fun (and to spur themselves towards a £1m profit target). Once there, I found democratic values set aside to express gratitude to one particular person.

Fiona says that "Harry boss" is the person who deserves most thanks. I laugh, because Harry's view is that it is *their* hard work that has paid for the day (he also regards "boss" as a taboo word). Tanya has been around long enough to avoid a faux pas, but broadly agrees with Fiona's views. It is "Harry's baby", she says, "he holds it all together".

All the other directors, however, share Harry's desire to focus minds on community thinking – through ownership and control of the business by its employees. In January 2004, John will head a project to introduce an elected Governing Council with powers to appoint and remove Harry. In addition, over 50% of shares will pass into an Employee Benefit Trust (EBT) while others are "paid" to employees out of annual profits. This, they believe, will lock the wealth created within the local community – profits won't go to absentee shareholders or distant parent companies.

Democratic ideals are applied beyond structures and shareholdings. At the company's community classes, Diane stresses rights and responsibilities by inviting everyone to "walk the talk". We build imaginary communities (of Eskimos, of Thieves, of Beach Bums and Beautiful People) before discussing the Custom Products "community pillars" – ideals and behaviours democratically agreed by the workforce to protect its values.

Not everyone thrives, however. Attendance at the development day is regarded as a community responsibility - repeated inexplicable absences may prompt the offer of a severance package. Avoiding the voluntary community classes damages your career prospects – and some people have avoided them for years. Staff who agree with the values are committed. Others leave quietly with "culture mismatch" on their staff record. Staff turnover is only just under the national average so stresses and strains exist.

When I witnessed team members voting on criteria that managers would use to “downsize” their department, I realised two things. Firstly, the level of flexibility and responsibility expected of each employee goes significantly beyond the norm. The pay back is involvement in decisions and employment protection. Secondly, the level of trust that staff and managers have in each other surpasses anything I’ve previously witnessed. The pay back here, it is reasoned, is a less adversarial environment that provides a competitive advantage – the reason for their market-leading position. It is not left to chance. A rigorous recruitment process, based on John’s psychology insights and refined over the years by Diane, uses behavioural interviews to spot people who value trust, respect and mutual support.

At its heart - the *Community Company Model* offers a framework that guides people through the process of agreeing shared values and using business opportunities to realise them. The product of a business is regarded as a means, not an end. It is the realisation of the values, not the products or services themselves, which are seen as the purpose of the business. As such, it embodies a different (but compatible) set of ideals to the Community Interest Company (CIC) proposals recently published by the Government. It is a useful framework for social entrepreneurs who wish to leverage community values in the pursuit of wealth creation. Its adoption, it is believed, will contribute to the longevity of the social enterprise sector.

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