

‘EXPANDING ETHICAL BUSINESS : “Talking locally around the world”’.

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ABSTRACT

Globalisation increases complexity for any company but for a Common Ownership, ethical business, organisation there is additional complexity to be managed, such as the need to harmonise the sets of social principles underpinning the way the expanded business group operates, in addition to harmonising its operations per se. There is also the issue of how to retain worker democracy with increasing size of constituency. This paper provides a glimpse of an organisation’s valiant efforts to manage these elements.

The organisation is Scott Bader, which has evolved from its U.K. base into a group of companies operating in eight countries. I see much of what they are doing to manage both structures and processes as resonating with systemic thinking and practice, although not formally based in systems models. For example, the phrase, “Talking locally around the world”, from the third page of their brochure, predicates a range of activities that include a conversational change-process related to systemic co-design. Also, the current U.K. Managing Director perceives a need for a model of, “The Scott Bader Way”, of doing business, in pursuit of their founder’s view that the proper role of business is creation of a better world. With them, I hope to co-create a systemic model, systemically.

Keywords: common ownership; social principles; international expansion; business.

INTRODUCTION

At the 2002 conference in Shanghai I considered the place of ethics in decision-rules hierarchies, in the context of some U.K. Common Ownership Companies. Within the feedback I received was the postulate that companies probably had to be below a certain size for Common Ownership to, “work”.

Whilst this paper introduces a, “found experiment”, that may begin to test this as an hypothesis, its main purpose is to set before the reader an alternative approach to business that probably is unique, even within the Co-operative Movement.

Since so much is going on in my chosen organisation currently, I have selected evolution of its ethical principles as my main topic and communications in relation to recent cross-cultural harmonisation of The Principles as an illustrative

issue. However, a significant proportion of this paper is descriptive background to the company featured here. I see two justifications for this; as an aid to understanding the key issues they face but also to allow interested readers sufficient case detail for them to gain insights into their actions, both successful and unsuccessful, so that readers can begin to form opinions about transferability of this, alternative approach to other organisational contexts.

I offer some personal reflections on the organisation, its situation so far and how I hope to play my part in its affairs, before concluding. Feedback from colleagues will be most welcomed if it helps me to help them.

BACKGROUND

This section is a brief outline of an organisation and its commercial history. Scott Bader is a producer of chemicals, to be used in the products of other businesses. It has been described as “A private company of modest size in an industry of giants”. (Oakeshott 2001, p. 3) Once solely U.K. based, it is now a group that operates under various business arrangements in eight countries.¹ However, it has also had overseas companies manufacturing its products under license in at least 16 countries, at different times. (Oakeshott p. 107)

The Swiss-born founder of the U.K. manufacturing company, Ernst (later Ernest) Bader, was a pacifist and a visionary egalitarian, a lifelong capitalist who always valued money but became uncomfortable with the share of profit he had been taking during the early years of the company, founded in 1923. In 1940 they moved out of London to their present location in order to escape the bombing.

In 1951 Ernest set up a dual structure which persists, consisting of a registered charity (Scott Bader Commonwealth Ltd.) which owned 90% of the commercial company (Scott Bader Co. Ltd.). A constitution was devised giving the charity an overarching role in maintaining a set of principles to inform every aspect of its own and the manufacturing company’s activities, participating in decision *making* but not, in the case of the operating company, decision *taking*. There were to be no employees; all workers were to be Members, who had responsibilities in both structures.² Ernest Bader, in effect, gave his company away to his employees, not to do what they liked with, but to do good with. Although he stood down in 1956/7, the family played a “steering” role until 1963, when the remaining 10% of shares were handed over to the Trustees. (Oakeshott 2001).

Ernest had anticipated co-operation and acceptance of responsibility to the point where there would be no need for managers. Thus it was not until the early 1990s that professional executives began to be recruited externally. Commercial expansion duly ensued.

A key overseas acquisition was in 1978, in France, as part of a package entailed by acquiring a U.K. company but most acquisitions took place during the 1990s. The current position is that there are Scott Bader companies in eight countries. Transition to formalising the resultant commercial structure and roles into a Group level system began in 2001 with internal appointments of a Group Managing Director and two European product stream managers, with the aims of achieving more delegation and greater flexibility. (Management briefing note 375) By 2004, commercial restructuring was complete and charts of that side of the enterprise now look much like any other, with executive teams and managerial titles at both Group and National levels.

The workings of the Commonwealth have also undergone modification. Currently U.K. democratic participation opportunities are via four constitutional bodies, plus delegates' rights on the Group Board and the National Board of Scott Bader Ltd. A great deal of work has been done by the current Commonwealth Company Secretary and Chair in enabling the clarification and separation of Members' roles and responsibilities within this framework. (Commonwealth Office July 2004)

The roles and responsibilities of the democratic bodies of the company have evolved, as the organisation has grown; some Members see this as dilution of the original aims and purpose of the enterprise and are saddened by it. Some hope for regeneration of the Commonwealth by the interest and energy of enthusiastic overseas Members.

Since its shares are untradeable, the U.K. company was and is invulnerable to hostile takeovers. Voluntary mergers and acquisitions are possible, however, hence growth. Suspecting that Scott Bader is selective in choice of expansion companions, I questioned the development strategy and yes, they do include ethical stance as a criterion when seeking commercial relationships.

Two cases illustrate briefly how this can happen in practice.

Case 1

Scott Bader's presence in South Africa began in the 1960s, as a licensor to a manufacturer in what became a township area. During the anti-apartheid unrest of the late 1980s, a controlling interest in the licensee was sold to another company, which expected its managers to behave "traditionally", to staff (and also breached its Scott Bader license).

Having experienced, "another way", the management team previously had balked at this and left. They set up another company and asked for Scott Bader's co-operation. After a period in a three-way joint venture Scott Bader were subsequently asked to, and did, take them over.

Case 2

What was initially a joint venture in the Middle East turned out differently. The ethical differences between the two companies caused difficulties to the point where Scott Bader wished to withdraw. An ultimatum, was issued, tantamount to, "If you wish this project to continue, one of us will have to take over the other, because we can't work together". To their surprise, the partners chose to sell to them. Thus Scott Bader, "inherited", a cohort of immigrant workers, who were equally surprised by better working terms and conditions, and projects put in place extending educational and training programmes through and beyond the company (including basic literacy).

Source: Company Secretary. Scott Bader Commonwealth. Ltd.

More detail on some elements of that brief overview appears below, beginning with a personal overview of the evolution of the organisation's current ethical stance.

FROM ONE MAN'S VALUES TO SHARED PRINCIPLES

This section attempts to follow the evolution of a system for ethical business. It begins with the values held by the founder of Scott Bader Ltd. and stops (this process will never be concluded) at the time of writing - spring 2005, with the current state of The Principles.

Some formative influences on the founder's Values and The Fellowship.

The move in 1940 from London to escape the bombing may have reinforced Ernest Bader's beliefs in fellowship and community. Certainly he read widely, including literature obtained from the Manchester Co-operative Union during World War II, wrote his first paper in 1945, joined the Society of Friends in 1945 and thereafter badgered them to, "...do something constructive in industry with their Eight Points [Testimony]". (Hoe 1995 p. 78). In Britain, the Quaker-owned businesses, that in their day had set new standards in benign treatment of employees, had their attitudinal roots in Victorian, philanthropic *owners'* paternalism. The Co-operative Movement, on the other hand, had sprung from voluntarily aggregated workers' groups, in which religion often played some part but was not the driving force. Top down versus bottom-up.

Ernest wanted it both ways and searched for the means. A particular influence on his thinking at that time is thought to have been the founder of an early co-operative common-wealth (i.e. its wealth held in common) Peter Cornelius Plokhoy. Hoe (Ibid) cites the following passage from "The introduction to his life and work".

"A way to Make the poor in this and other Nations happy.
By bringing together a fit suitable and well-qualified people unto one Household-government, or little Common-wealth.
Wherein every one may keep his property, and be employed [sic] in some work or other, as he shall be fit, without being oppressed.
Being the way not only to rid those and other Nations from idle, evil and disorderly persons, but also from *all such that have sought and found out many inventions to live upon the labour of others.*" (Plokhoy 1659).

The italics represent Ernest Bader's annotation of the text.

Ernest's 1945 working paper was entitled "The Search for Truth and Happiness. Our need for a fundamental change and a Possible Solution", followed by, "Proposals for the formation of a Scott Bader Fellowship, suggested Constitution".

He struggled to get his workers to commit to this proposal for two years but was disappointed. In their Fellowship Members' booklet, there were 20 pages of Codes, Articles, Principles, Objects, Duties, Contributions (etc.) with supporting information, diagrams and lists of further reading. A half-hour prayer meeting each Saturday morning was not well attended.

Hoe suggests that cross cultural differences were an impediment, in that Ernest's background in the European culture of codification and written constitutions was at odds with British expectations that institutionalised practice would emerge from precedent. I would add the view that the non-too-well-educated British public in 1945, who were (and mostly still are) irreligious, royalist and class-stratified; they probably did not understand the mindset of a Swiss, with no history of such things. Furthermore, there would have been those among them with vivid and bitter memories of the General Strike of 1926 and entrenched suspicions of management. The social change recommendations contained within the Beveridge Reports of 1942 and 1944 had yet to be implemented, such as public spending for full employment and the National Health Service. All in all, the environment was not yet, "fertile ground", for Ernest Bader's proposed new system. Subsequent attempts, up to the present day, have placed increasingly more emphasis on worker education, in the hope of kindling their enthusiasm for participation and social responsibility.

Further influences and the U.K. Commonwealth

The next major influence may have been a paper on Gandhi's understanding both of the profound effects of their work on the quality of people's lives and of Western exploitation of human labour (Wellock 1949). Wilfred Wellock was a Member of Parliament and a member of the International Labour Organisation who became a personal friend to Ernest. Enthused by other Gandhian ideas on basic education and the first Ashram experiment, Ernest sought out useful minds and asked them for advice. The array of his contacts is impressive. It includes John S. Lewis (founder of the John Lewis Partnership, now a spectacularly successful U.K. Common Ownership company), Fritz Schumacher, Leonard Ragaz and George Goyder. Some of them became involved in longer term relationships with the company.

The experiences of common ownership ventures that had failed also were studied; the next Scott Bader experiment was meant to rest on solid foundations of both business practice and academic research. I would identify a key gap here. "Management Science", was in its early stages of development and the work of many of its early gurus (including scions of the Systems Movement) was not widely known. I could conjecture that both wings of Scott Bader might have avoided some problems if Ernest's early contacts list had also included folk from the Tavistock Institute (it did, later), the Rand Corporation and M.I.T.

Ernest tried again and in 1951 the Commonwealth was formed. The structure of the Commonwealth in 1951 was as follows:-

- i) The Community Council, whose members were elected by the Commonwealth Members, could discuss anything and was, de facto, the board of the Commonwealth.
- ii) The General Council, whose members were elected by company departments, was to undertake consultation and judicial duties.
- iii) There was and is also a Commonwealth Annual General Meeting for all Members.

Two manufacturing company members plus an “outsider” member were to sit on the Community Council and two Commonwealth Members to sit on the Board of the manufacturing company.

The Commonwealth had three functions;

- i) Owner of 90% of the shares in Scott Bader Ltd. (and the rest at some future date).
- ii) Registered charity distributing a proportion of its income to charitable causes annually.
- iii) Collective shareholder in charge of annual profit distribution.

Members individually and the Commonwealth as a whole were given a duty to change the world. At that time this duty entailed replacement of commercial values with Christian ones, promotion of Christian ethics in industry and encouragement of Christian Principles inside and outside the workplace. The former shareholders and employers were required to divest themselves of power and the former employees to accept their share of responsibility for the organisation’s policy, efficiency and general welfare. (Oakeshott, Ibid)

Function (i) was achieved by the Bader Family assigning 90% of their holding to the Commonwealth - there were systemically important reasons why the manufacturing Company should not own itself, of which more later. In order to reinforce feelings of ownership among the membership, Function (iii) was achieved by the sale of shares to the former employees, for a nominal sum. The proceeds formed the first charitable donations of the body newly formed to carry out Function (ii).

The maximum size of the workforce was set at 250, the maximum pay differential between Members at 6:1 before tax and each Member was issued a Certificate of Mutual Security. This included guaranteed protection against compulsory redundancy and a formula for shared wage cuts in the event of a trade recession.

Trying to fend against all eventualities by statute is a classic bureaucratic error. On the one hand, if you get it wrong, something vital may be missed and on the other, even if you get it right rigidity can cause unforeseen problems. An internal issue that emerged early and has continued to plague both wings of the

organisation is about powers of dismissal - who has what rights and does dismissal from the one wing automatically entail dismissal from the other? Another arose soon after the handover of the remaining 10% of the shares in 1963 - since the Commonwealth now owned the whole company, did that mean they had the ultimate say in all appointments? And in every aspect of the manufacturing company's activity?

The situation has always been much simpler in the case of the organisation's relations with "The World"; the Constitution has remained essentially the same for over half a century. Its three constitutionally prescribed duties are:-

- (i) Corporate, charitable giving
- (ii) To refrain from the manufacture and sale of weapons of war (including materials for incorporation by others into products for that purpose)
- (iii) Eco-Friendliness (as we would now call it).

As noted above, the Constitution was revised in 1963 when the final 10% of shares passed to the Membership. As before, the Commonwealth paid for them (at face value) and the proceeds went to a Third World charity. In the period 1951 to 1963 the organisation had attracted both empathetic and cynical researchers. Hoe suggests that their scrutiny both raised workers' political awareness and made Ernest apprehensive about the organisation's readiness to assume complete control. (Hoe pps 176&7) A revised Constitution added a body of trustees; the board of the commercial company became subject to an annual vote of confidence at the A.G.M. and Members were set rules of conduct with twelve main points and three subsidiary ones.

No great difficulties emerged from the structure per se or the religious emphasis of the early principles. I would conclude that most problems arising subsequently have concerned multiple perspectives on them and effects of the consequent ambiguity on the passage of proposals and resolutions through the various democratic bodies.

A more subtle set of differences has caused a series of ructions with the U.K. Charities Commissioners. I would, "read", this situation as a system boundary issue. The Commissioners accept or reject registrations for charitable status on grounds largely of humanitarian interest versus political or self-interest, the latter as evidenced by a profit motive. Scott Bader's case is not that simple and whilst the Commissioners could approve of the donations etc., they have balked at words in the preamble to the Articles of Association which they have deemed political. Specifically, they could not cope with what they described as an ... "attempt to conduct business on lines not approved by Government nor the large majority of our fellow men", (Letter to the Company dated 24th Jan 1967, quoted in Oakeshott). In consequence and more than once, Scott Bader has been forced to present its egalitarian objects (objectives) in language that is acceptable to the Commissioners but which makes those objects opaque to its membership.

Statements of principle have also evolved from the original 20 pages-worth of the Fellowship and have varied over time. In the 80's all employees were invited to a 3-day workshop to remind them of the basic principles. At these workshops the principles were stated as:

Love
Peace
Stewardship
Self Giving
Love of Neighbour
Integrity.

Additional clauses also have been added to the initial constitution over the years in order to cope with both unforeseen and changing circumstances, increasing complexity both of its content and the structures needed for practice. The degree to which perspectives are shared by all members has become problematic.

This, “drift”, was and is not helpful to clear communications of, “The Scott Bader way”, for example those necessary to induct new Members and ensure the efficiency and effectiveness of the democratic bodies.

Group-Wide Commonwealth Membership

When the U.K. company's overseas presence was solely through agents manufacturing and distributing under license, Commonwealth membership was not an issue; as autonomous agents, they were outside the Democratic Participation System boundary. During the period of expansion of the system boundary, disquiet was expressed by U.K. Commonwealth Members, through their various fora, that no provision was being made at the same time for workers in the overseas companies. My view is that part of the non-provision problem was structural, in that the operational detail of feasible, world-wide participation appeared too daunting under the existing structure to those who would have to implement it.

If true, this is, dare I say it, probably linked to an issue about the effectiveness of the Company's and the Commonwealth's training and education programmes. Historically, the latter set has been strongly focussed on conduct of, “The Ideal Member”. (In parenthesis, the enthusiastic new French presence recently has produced a template for this, the latest in a long line of such attempts). Maybe ideals are not enough. I would hold that, whilst it is unrealistic to expect the organisation to take responsibility for improving every worker's, “business literacy”, it is also unreasonable to expect the Commonwealth to undertake complex structural re-organisation of itself (or take a critical view of its and the company's strategy and policy) unless workers (or at least their democratically elected representatives) either *are* business literate, or have lots of help.

Another set of pressures on the Principles arose as a consequence of the professionalisation of Scott Bader's business managers through external recruitment. This change in practice was one response to what were seen as various forms of stagnation. Strategic decision-making had become unacceptably slow, labour turnover was very low indeed, hence the innovative zest which had made the company so buoyant was diminishing. And the, "big boys", had become even bigger and more aggressive. The Managing Director who was appointed in 1990 argued successfully in the Company Board for two, linked overseas development strategies, for manufacturing and for distribution and sales.

In parallel with the changes in the commercial personnel structure, there was what Oakeshott describes as "...a pervasive and sustained accumulation of negative evidence..." including articles by successive chairmen of the Trustees, "...punctuated by pained expressions of disappointment from friendly outsiders". There was an increase in expressions of dissatisfaction similar to those found in any commercial enterprise, including, "negative feelings towards the high-ups". (Oakeshott 2001 p, 254) . In 2000-2001, when I was researching Scott Bader U.K. as a case-study for an Open University course, I too encountered both tight-lipped expressions of, "them and us", attitudes and what some workers saw as dilution of their democratic autonomy and the ideals and practices of the company.

There are hypotheses to be formed about probable cause, effect and likely, effective corrective action. I could take a diversion from this narrative and thrash through the "cause", literature-base here, e.g. on attitude change, organisational culture, opinion leading, professionalisation and so on, but I expect my readership to know all that or know where to find it and it would not add much to my argument.

My point is that these feelings are present in U.K. and organisational rhetoric may suggest there is some justification for it. I have not (yet) analysed organisational papers or transcripts of meetings for creeping incidence of terms like "employee", instead of "Member", or descriptions of the enterprise implying that it exists *and* gives donations to charities, rather than that it exists *as* a means of expression of social principles, but from the few meetings I have attended so far I would not be surprised to find some. Neither have I (yet) trawled for examples of decisions taken in the operating company first, and democratic approval only sought afterwards, but I suspect they exist.

Again, I could mine the Industrial Relations literature for examples of, "imported culture", effects, but I see the important task ahead for the Company and the Commonwealth as addressing the negative feelings and "drift", as perceived in U.K., not producing an academic hypothesis for how it came to pass. The situation in the overseas companies probably varies widely and may be quite different from the U.K.

Rolling out Membership

Whilst there were concerns in the U.K. about their overseas colleagues' as yet unenfranchised state, the impetus to Membership came from other Group companies. A series of workshops followed pilot sessions with U.K. senior management, on the grounds that if they did not champion this cause, it would be a lost cause. The workshops' declared purpose was, "To provide senior managers and directors with information about Scott Bader as a Common Trusteeship Company and its principles to enable extension of Commonwealth membership in their areas of responsibility". The series began in South Africa in 2000; next in line was the Middle East (where there was a lone Frenchman on the Board) followed by France.

Globalisation increases complexity for any company but for a Common Ownership, ethical business, organisation there is additional complexity to be managed. In the case of Scott Bader, this is generated by a perceived need to harmonise the sets of social principles underpinning the way the expanded business group operates, in addition to harmonising its operations per se. The goal that they use currently, as both workable and realistic overseas, is to be the best employer in the local environment and to allow workers to opt in or out of Membership responsibilities.

During the course of the Commonwealth roll-out programme, it emerged that employment practice in the Group member countries already resembled "The Scott Bader Way", unlike many other companies in their local business environments. For example, Middle East already shared information with all workers; South Africa had an unique extra provision in their funeral policy for Aids victims.

In July 2000, officials of the U.K. Commonwealth held a two day workshop in South Africa for senior managers of the South African company. Its declared purpose was, "To provide senior managers and directors with information about Scott Bader as a Common Trusteeship Company and its principles to enable extension of Commonwealth membership in their areas of responsibility." This meant, in essence, "What it's about is how you treat people - doing business, day-to-day at work, in the local community". The case example below illustrates the roll-out process.

South Africa Workshop

On the first day the history, purpose and principles were covered then the U.K.'s version of the process and criteria for admitting Members. The rest of the time was spent in facilitated discussion. Topics covered included potential advantages and disadvantages if the S.A. company adopted the new version of the Principles and the U.K. model for admission to Membership. Membership of an extended, U.K. Commonwealth was offered; it was made clear that any application would have to meet the criteria outlined in the Workshop programme notes, the third of which was:

"As part of their application, they will be required to propose how to introduce the "Scott Bader way of working" and Commonwealth Membership to their location, including timescale."

Thus the “What”, was agreed but the, “How”, was left up to each individual country. South Africa chose to start with their own, “body with three feet”: office, plant and management, which was to have a, “narrower remit”, meaning matters to do with working conditions, training, community care and so on. The worldwide Members Assembly whose first meeting is arranged for June 2005. This body will concern itself with Group issues, (of policy, strategy and the like). Local issues will have a place only if they impact on the Group as a whole.

South Africa could have opted to keep its own body completely separate from the U.K. Commonwealth but has chosen to maintain, “an umbilical cord” to U.K., enabling the mother body to act as advisory consultants, on request.

Sources: Commonwealth Workshops notes and interviews with the Commonwealth Secretary.

WHAT ARE THE OPPORTUNITIES FOR SYSTEMICITY IN ALL THIS?

I hope to help Scott Bader to co-create its own model of, “The Scott Bader Way”. I see several pre-requisites to this task. The first is to do what I have done above and follow what I see as some relevant strands within the history of the enterprise; the second is to look for evidence of systemicity within their history - is this fertile ground for systemic thinking?; the third is to use the systemically-understood history as a facilitating point of departure for a model. What has preceded this section goes some way towards the first pre-requisite. The second will take more time than is possible in a conference paper but here I make a start with three examples.

The 1951 share handover

Although Commonwealth membership to 2005 has been voluntary, the 1951 share handover was, in a sense, co-ercive, a proposition that few employees could refuse. Ernest Bader was quite clear what he wanted the new system to do and, with some help from his friends, designed it accordingly. Notable features include ownership of capital by the Commonwealth as a body, not directly by its Members, who thus have no shares to sell, hence cannot undermine the enterprise by selling bits of it.

A very large dilemma of all democracies is the extent to which constituents have the right to be wrong. The limit of this dilemma is whether democracy itself can be voted out of existence by a democratic vote. If the Members should vote to dissolve the operating company, the Commonwealth’s source of revenue would disappear and with it any possibility of the charity continuing. Furthermore, the proceeds of any sale by the Commonwealth must, as a condition of its charitable status, be distributed to charities. It is not possible for workers to vote to take, “their share”, of the company capital and run. The 10% of shares remaining with the family from 1951 carried special voting rights for the duration of their holding. Those rights were transferred to the newly formed Trustee body in 1963

along with the remaining shares. Since two of the first Trustees were family members, this change was less than radical.

None of the above was accidental. Working backwards from the safely systemic way he set it up, it seems clear that Ernest Bader intended that this organisation was meant to endure and be ethical, a model of an alternative approach to employment, to doing business, and to channelling wealth creation into social purposes (whether its workers liked it or not!). Oakeshott's (also hindsighted) belief is that the organisation acted intuitively in 1951 when it formed a structure that could move in the direction of capability to cope with the power of international business, seen by him as "the most powerful institution on our planet". (Oakeshott p. 170).

The company clearly has had some contact with formalised systemic thinking. For example, the Reed report of 1969 (a Grubb Institute consultancy report whose main focus was senior executive re-structuring) clearly saw systemicity at work in the Commonwealth education programmes. "...The inputs are requests for literature and speakers, visitors, enquiries from the external environment about the operation of the Scott Bader organisation; the conversion process is the answering of those queries by means of articles, speakers, conducted tours, books etc; the outputs are men and women in society with an increased sense of social responsibility in their own field of influence." (Oakeshott p.290) I can attest that various members of the Open University Systems Group, (including myself) involved themselves with the organisation in a variety of ways during the 1990s.

Raising the Principles to a new system level.

I also perceive systemicity at work in the way the Principles have developed. In order to ease the transition from Eurocentricity to international Commonwealth Membership acceptability, it was recognised that the rhetoric, if not the spirit, of these values would have to be modified. The longstanding Commonwealth Secretary, Denise Sayer, reports the perceived need for simpler language and a clearer idea of what was most important to understand about this unique organisation .

The way to achieve a result that satisfied these two needs was achieved by what Denise calls, "discussions", but what I would understand as co-creative conversations; I see the process she has described to me as resonating strongly with Bohm's writings on what he calls "dialogue". (e.g. Bohm 1966) It was recognised that the early statements of values were egocentric and subsequent versions Eurocentric, whereas the hope was for a set of Principles that anyone around the world with respect for their fellows could accept.

The representatives involved eventually produced a new list of Principles, in more ecumenical language and closer to the elusive philosophical concept of,

“Universals”. So “globalisation”, in this particular case means elevating the terms embodying the concepts to a higher, more embracing system level.

It was and is hoped that the new, simplified set of seven principles that has been developed can apply in all Scott Bader companies, wherever they are located.

They are:-

Care

Equality (of opportunity)

Ethics

Involvement

No discrimination

Respect (human dignity)

Service

The most important difference, for me, is that they are flexible enough for each country to interpret them in a manner congruent with local, cultural expectations. How they will do so is in the future. Ultimately, will there be many small, local Commonwealths or one large one? Crucially, it is not intended that this important question will be decided by a majority vote; emergence is the hope for the new model(s). Based on a working lifetime of experience with the various versions of the U.K. model, Denise Sayer’s best guess is that the new, global Members’ Assembly will come to focus on strategic-level issues and that a bevy of local Commonwealths will take responsibility for matters closer to the day to day interests of Members - two levels of the same system.

SO MUCH FOR THE REST OF THE WORLD; NOW WHAT ABOUT THE U.K.?

The “feel” of Scott Bader U.K.

Oakeshott (who was a long serving employee of the company) alleges that all of the many consultants who have worked at Scott Bader have reported a different culture and atmosphere there. Granted, there is less than full democratic participation or acceptance of responsibility but even among the, “passengers”, there are expectations that are different from elsewhere, what Bohm has called “a bond of impersonal fellowship”; their feelings of connectedness and occasional flashes of realisation reflect awareness that they are what Bohm would call, “part of a solution, not part of a problem”. Bohm’s idea of, “Proprioception of thought”, (Bohm 1966 p 24) seems an apposite metaphor to explain how this comes about even in, “passengers”.

The downside of the U.K. situation.

At the same time, there is, “drift”, to be reversed, amongst those holding managerial roles as well as shopfloor workers, as has been noted earlier. As far as I know, there are not yet any concrete proposals for doing so.

The Commonwealth Secretary holds that there is probably, “...more work to do in the U.K. than anywhere.” Asked why, her hypothesis is that the U.K. company is a microcosm of the state of the outside world. She means this in terms of, “commitment to community and willingness to accept responsibility”, i.e. is focussed on the U.K. Members, who have grown up in a society shaped by a leader who famously denied that Society exists and championed Individualism to the point of callous selfishness. There are two hopeful signs, however. One is the enthusiasm of new Members from the overseas companies, who are not at all blasé about, “the wonderful thing we have here”. (e.g. Jean-Marc Bain, Commonwealth Board meeting, February 2005). The second is the two recent, senior appointments of U.K. Managing Director and Group Managing Director, both of whom see the “Scott Bader Way”, as having commercial potential. Based in his connections with N.C.V.O. the Group Managing Director also perceives in this generation of graduates (and not only those recruited to Scott Bader Ltd.) a hunger to do something good in the world and sees offering them sponsorship for volunteer work as having potential for payback in many ways. Some major U.K. companies are already doing this. The current Commonwealth Chair and Secretary both have seen cyclical behaviour in the fortunes of the U.K. Commonwealth and now hope for a period of regeneration.

CONCLUSION

This paper has offered a glimpse of Scott Bader’s perception of the nature of their role in the world and their valiant efforts to address it. Whilst they have not (so far) proceeded from any theoretically-based systems model, I see much of what they do as demonstrating systemic thinking and practice. They are searching for better ways of communicating these, simply. I see that (simple, clear communication of systemic ideas) as a key issue for them and for systemics in general.

It is my view that case evidence of any serious attempt to act out a set of social principles in a business context, despite many difficulties, must be of interest to other organisations, both in terms of what can be learned from the processes used in that attempt and, perhaps more importantly, from confrontation by a different mindset. It would be tempting to add the rider, “whether the attempt is successful or not”, but I feel this should be resisted, since among the many questions raised that might stimulate reflexive and reflective organisational learning is a review of the appropriateness of one’s own criteria for, “success”. My current view is that an enterprise that sticks to its principles for over half a century, survives

commercially, and, “exports”, the importance of social ethics in business, would still be a huge success if they collapsed tomorrow.

Even if they did, would that be the end of it? Of the “dialoguing approach” Bohm says (Bohm 1966 p.36), “ ... our movement has the quality of the solution ...the important point is to start something which has the quality of the solution....we don’t know how fast it would spread.... in the thought process and the mind process, this sharing together will spread.” That could be a metaphor for the Commonwealth and the hopes of Ernest Bader.

I joined the company in January 2005, as a non-executive director. Although I have visited Scott Bader with graduate students many times in recent years, my new experiences as a participant in their affairs already have revealed the shallowness of my understanding and increased my respect for them. I expect my learning journey to be both lengthy and convoluted.

Footnotes

- 1 Countries in the Group are: Croatia; Czech Republic; Dubai; England; France; South Africa; Sweden; U.S.A.
- 2 Members’ current responsibilities are detailed in Appendix 1
- 3 U.K. Constitutional democratic bodies are: Members in General Meeting (A.G.M.s and E.G.M.s); Commonwealth Board of Management; Trustees (required by the U.K.Charities Commissioners); U.K. Community Council.
From June 2005 there will also be an international General Assembly.

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APPENDICES

1) VISION STATEMENTS

We strive to build and sustain an enterprise which is successful because:-

- We provide education and training, and show willingness to learn, grow and accept responsibility.
- Managers lead by example, involving their teams and enabling each person to maximise their contribution.
- We are committed to meeting customers' needs by constantly improving our products and services
- We have the courage to face and resolve conflict openly and honestly.
- Our work is founded on collective responsibility and mutual trust, and we commit ourselves to decisions once taken.
- We make our decisions on an ethical basis, caring for each other, the wider world and the environment.
- As joint stewards of all our economic resources, we use them effectively, not for our own livelihood but for coming generations.

▪ 2) BEHAVIOUR STATEMENTS

- In enhancing the Vision we must:
- Be committed to the care and welfare of the working community and those within it.
- Meet the needs of customers by dedication of our own skills within the framework of the vision statement.
- Seek to use the resources as effectively as possible by flexible, waste conscious, creative working practices.
- Recognise our own failures and weaknesses and strive to improve ourselves.
- Participate fully in the consultative and democratic processes of the community , and support the decisions of the community bodies.
- Talk openly, directly and honestly with others and not about them in their absence.
- Act in way which is worthy of the trust of others.
- Carry out our own duties conscientiously, striving to meet work objectives and constantly improve the quality of what we do.
- Support the good, positive and creative in others and avoid being negative.
- Enjoy working co-operatively and enthusiastically with fellow workers.