Do Co-ops Speak the Managerial *Lingua Franca*? An analysis of the Managerial Discourse of Mondragon Cooperatives

*Iñaki Heras-Saizarbitoria*  
Department of Business Organization  
University of the Basque Country UPV/EHU  
iheras@ehu.es

*Imanol Basterretxea*  
Department of Financial Economics and Accounting  
University of the Basque Country UPV/EHU  
imanol.basterretxea@ehu.es

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Abstract
A trend towards conventional managerialism has been identified in cooperative organizations, and it has been suggested that this is a symptom of the phenomenon of degeneration in cooperatives. Although managerial discourse is at the heart of the dominant managerialism, not much attention has been given to this trend. To fill this gap in the literature, the present study analyzes the managerial discourse of the organizations grouped within the Mondragon cooperative experience, based on a content and discourse analysis of the organizational information published by the Corporation and its 70 member-cooperatives. A mainstream popular managerial discourse is identified in the majority of the member-cooperatives, a discourse disconnected from the discourse of the Corporation. In the latter the basic cooperative values and principles are more strongly emphasized. Implications for managers, workers-members-owners and other stakeholders are discussed.

Keywords: cooperatives, degeneration thesis, managerial discourse, organizational rhetoric, Mondragon, empirical study.

1. Introduction
Mondragon stands out as one of the most famous examples of successful cooperative experiences in the 20th Century (Gupta, 2014). Mondragon, which is one of the instances of industrial democracy in action that has attracted most attention from scholars, practitioners and policy-makers from around the world, began in 1956 in the Basque Country and currently consists of 258 organizations (of which 111 are cooperatives and 143 are subsidiary companies), belonging to very diverse sub-sectors of financing, manufacturing, retail and education-knowledge. Mondragon cooperatives have a total revenue of 14,832 million Euros (2011), international sales of 4,505 million Euros and a workforce of more than 83,000 (82 % in Spain and the rest abroad), with 94 production plants all over the world (Mondragon, 2013a).

During the second half of the 20th Century, Mondragon has been the model for successful cooperative businesses to follow, an exemplar of the principles of democracy, equality, solidarity, and participation as fundamental parts of its management strategy (Santa Cruz et al., 2012), and a kind of expression of alternative forms of enterprise in today’s globalized economy (Arando et al., 2010). Mondragon has been claimed to reflect the combination of three basic objectives which may not be seen generally as compatible: business development in capitalist markets, democratic methods within organizations, and a commitment to the development of the social environment (Errasti et al., 2003).

Despite this long-term success, some of the cooperatives inside Mondragon have experienced significant problems during the severe economic crisis that has affected the Spanish economy so dramatically. Mondragon’s best known failure was the bankruptcy of Fagor Electrodomésticos, one of the flagships of the group, in October 2013. As recently underlined by Cheney et al. (2014), most of the Spanish and the international press has taken the opportunity to question the resilience of Mondragon rather simplistically and to express doubt about the cooperative model in general. This is a very complex issue that will certainly attract the attention of many scholars in the near future, but for the moment, with the available data, it might be better to see the way in which Mondragon had weathered this crisis — with 900 of approximately 1,500 displaced workers reassigned to other cooperatives under the umbrella of the group during one of the worst economic situations that Basque and Spanish industry have faced in years — as an indication of positive reaction and resilience.
Nevertheless, as Cheney (1999) pointed out some years ago, Mondragon has long since far exceeded its founders’ expectations for financial success, geographic reach and economic dimension. Therefore, as some scholars have said (e.g. Errasti et al., 2003; Azkarraga, 2006; Sarasua, 2010; Heras-Saizarbitoria, 2014), real tensions have arisen during recent decades over the extent to which Mondragon cooperatives can achieve their targets in terms of social values. Among many other issues, lack of substantive democratic participation, lack of self-management and participation and the rise of dominant or prevailing managerialism (Levy et al., 2003) have been criticized (e.g. Cheney, 1999, 2005; García-Insausti, 2003; Sarasua, 2010; Heras-Saizarbitoria, 2014). With regards to this last issue, Sarasua (2010) has stressed that the managers of cooperative organizations have adopted conventional managerial discourse, and we would add, the restrictive environment provided by managerialism (Baines et al., 2010). These moves towards conventional managerialism may also have influenced the decay of the Mondragon experience, although these issues have been under-researched.

Therefore, the present study makes an exploratory and interpretive contribution, analyzing the managerial discourse of the organizations within the Mondragon experience, in order to detect any possible disconnect between that discourse and the basic cooperative principles and values of Mondragon. To that end, the work will focus on an in-depth analysis of the corporate/organizational information that those organizations give their stakeholders. In other words, this paper presents an analysis of the extent to which the information included in the corporate statements and communications of the organizations in Mondragon are coherent with the principles and values at the core of the Mondragon project or are disconnected from them and adopt a more popular or conventional managerial discourse, which might be described as the conventional or popular managerial *lingua franca*. By this metaphor or figure we refer to the common lexicon and rhetoric shared by the popular or conventional managerial discourse (Barley and Kunda, 1992) that is globally disseminated (Gantman and Parker, 2006).

The paper is organized as follows. After this introduction a brief literature review on the evolution of the Mondragon cooperative experience is presented. The literature review incorporates a general overview of the degeneration thesis, the thesis that cooperatives tend over time to become more technical and managerial and lose their democratic inspiration, in parallel with a short introductory description of organizational and managerial rhetoric. The following section, the third section, presents the methodology of the empirical study. In the fourth section the results of the research are considered and the fifth and last section includes the discussion and conclusions.

2. Literature overview

The tension between business success and social values in the Mondragon experience has been studied in depth before. Surprisingly, this issue has not received much attention from the management and organizational perspective, since most of the research carried out from that perspective unquestioningly presents a monolithic view of Mondragon (e.g. Forcadell, 2005; Lertxundi, 2011; Luzarraga and Irizar, 2012). As stressed by Winther and Sørensen (2009), (self)criticism of the Mondragon model has raised the issue of whether the Mondragon cooperatives are as democratic as is often assumed by scholars. In this line, it could be said that most of these works tend to analyze the organizational and managerial reality of Mondragon cooperatives drawing only on the opinions of managers, a research perspective that is dominant in the management field, even though it has several biases which deserve greater awareness (Heras-Saizarbitoria, 2014).

From a more general perspective, this issue has been researched taking into account the transformation of the cooperative movement as it has engaged in the internationalization process (Errasti et al., 2003), in the light of the process of globalization and individualization (Azkarraga, 2006), in the light of internal reflection (Sarasua, 2010) and in the light of the
degeneration-regeneration of its governance and management (Bakaikoa et al., 2004; Storey et al., 2014; Heras-Saizarbitoria, 2014).

In relation to the last case, a general reference to the broad thesis of cooperative degeneration should be mentioned. As stressed by Bakaikoa et al. (2004) the degeneration thesis of cooperatives suggests, in short, that cooperatives fail in the long run as democratic organizations due to external or internal pressures. Cornforth et al. (1988) categorize the different strands of degeneration theory into 1) formal or constitutional degeneration, when cooperatives revert to a capitalist form; 2) goal degeneration, when cooperative goals are replaced by conventional profit seeking or standard business goals; and 3) organizational degeneration, where control becomes concentrated in the hands of a managerial elite or technocracy.

In this paper formal goal degeneration will be the focus of attention. Cornforth (1995) suggests that as a result of growth and pressure for greater efficiency, cooperatives develop new management structures. Similarly, the quest for a dynamic equilibrium between cooperatives’ economic and social objectives poses a perennial challenge for managers (Cornforth 2004). Since co-operatives must establish themselves against competitive rivals to survive, as recently stressed by Diamantopoulous (2012), business modernization is a constantly pressing necessity. It tends to trump the less evidently urgent goal of movement modernization. This has led to a situation in which the capitalist ideal of what an enterprise is has overshadowed co-operative ideology (Puusa et al., 2013).

In the field of study of co-operative organizations, Paton (2003) and Roper and Cheney (2005) emphasized, from a theoretical perspective (i.e. not empirically evidenced), that cooperative organizations and other forms of organization in the social economy operate in a different world of language and meaning than the conventional managerial discourse. Similarly, for the specific case of Mondragon, Sarasua (2010) stressed, also without any empirical evidence, that the impact of challenges from the business environment and the limited development of the ideological and socio-educational dimension in Mondragon have created a space where, “The vocabulary and imagery of cooperative managers have slipped towards a set of more conventional managerial parameters”. Sarasua also emphasizes that, “The assumption by cooperative leaders of languages, symbols and formulations emanating from the capitalistic corporate literature somehow denotes a sort of ‘surrender to the evidence’” (Sarasua, 2010; p.3).

However, there has also been an evolution over recent decades in corporate philosophy and managerial discourse, which has placed several core concepts of the cooperative movement, such as the worker participation and self-management (Stohl and Cheney, 2001) and the democratization of employee–management relations (Varman and Chakrabarti, 2004), at the centre of corporate philosophies. This is a phenomenon that has been especially noticeable in the Basque Country, which has experienced an intense regional policy to promote the adoption of ‘dominant regimes of managerialism and productivity’ (Cheney, 2005: 197), a policy in which the Mondragon cooperatives have played a key role (Heras et al., 2008; Heras-Saizarbitoria and Boiral, 2013). As a result, some researchers, such as Taylor (1994), Cheney (1999), Stohl and Cheney (2001), and Mathews (2003), have found evidence of what could be called a major clash between two cultures of management. On one hand, the conventional or dominant culture, fostering weak self-management, employee participation (with some programs such as Total Quality Management (TQM) and democratization of employee–management relations, and on the other, the culture of substantive or strong self-management and worker participation in the Mondragon tradition. In an environment in which such managerial initiatives have been nearly omnipresent and where a range of business and institutional policies involving individualization of the job market have reached their peak (Castillo, 2009), the conventional managerial discourse would appear to have prevailed, as suggested in a number of works (Cheney, 1999, 2005; García-Insausti, 2003; Heras-Saizarbitoria, 2014).
In studies carried out in a rather different economic and social context, Cheney (1999, 2005) showed that the consumer culture from “outside” and managerialism from “inside” were reshaping the nature of democracy within Mondragon cooperatives. For this researcher “the political dimension of cooperative practice was being entirely subordinated to the concerns of productivity and the global customer” (Cheney, 2005; p. 188). Cheney identified three important forces driving this change (Cheney, 2005): (1) More managers who had no specific cooperative experience were being hired from outside, (2) New systems of production, including certain types of self-directed work teams, were being structured and implemented in a fairly top-down manner, and (3) The “political” or policy-oriented aspects of employee input into decisions were being minimized, both in everyday talk and in the ritualization of assemblies. Similarly, in his qualitative study based on interviews with worker–member–owners, Heras-Saizarbitoria (2014) found that pressures for managerialism from both inside and outside, including an omnipresent managerial discourse and rhetoric, affected internal commitment to core cooperative values.

As stressed in the scholarly literature, managerial practices are accompanied by legitimating managerial discourse and rhetoric (Green, 2004). Indeed, a form of managerial symbolic, instrumental, strategic and persuasive discourse that constitutes the organization’s legitimacy seems to be ubiquitous nowadays. This is a dominant management and managerial discourse that is essentially technocratic (Rowley and Gibbs, 2008). As underlined by Barley and Kunda (1992) studies of managerial rhetoric and discourse are important, as they enable scholars to link the world of business to the general environment of which it is a part. This type of discourse can be clearly linked to the broader research avenue of study of organizational rhetorics (Cheney et al. 2004; Cheney et al., 2005). As stressed by Cheney et al. (2004), organizational rhetoric is found in several different types of formal, public messages and formal discourses, such as conventional mission statements of business organizations, corporate reports and managerial speeches. Organizational rhetoric usually has an ambiguous intent as it “seeks to have [a strategic] impact beyond a self-contained effect” (Cheney et al., 2004, pp. 81, 84).

In the general field of managerial discourse, special mention should be made of organizational mission statements (Swales and Rogers, 1995), a genre of “writing to do business”, which has received less attention than other issues of “writing about business”, such as business journals (Sun and Jiang, 2014). Mission statements are a genre of a strategic nature for creating a strong corporate ethos (Williams, 2008), aimed at communicating managers’ ideas of corporate identities to both internal and external stakeholders (Koller, 2008, 2009). In other words, they are an ubiquitous and important marketing and signaling tool to articulate the organization’s identity (Sattari et al., 2011).

Nevertheless, despite the pervasive presence of these genres and the aforementioned dominant managerial discourse — in other words, the managerial lingua franca (Hinings et al., 1991) — the study of its detailed impact in the general case of cooperative organizations and the specific case of Mondragon has not been analyzed before. In summary, it is of interest to analyze how the new managerialism of cooperatives, a modernization that affects deeply the language of organizations, has affected to the organizational rhetoric of Mondragon’s cooperatives: Do Mondragon’s cooperatives follow the conventional managerial rhetoric?

3. Methodology

With a view to responding to the questions raised, an empirical qualitative study was designed. The research carried out was interpretive in nature (Gephart, 2004), and it capitalized on an extensive content and discourse analysis of corporate information of both Mondragon Corporation or the Mondragon Group —the third-tier co-operative business group made up of 281 companies (mostly co-operatives) organized into sectors: financial, industrial, distribution, and research and training (Adeler, 2014)—, and the individual cooperatives belonging to the mentioned Corporation or group.
The qualitative method that was used for the empirical analysis combined elements of textual content analysis with components of critical discourse analysis. Qualitative textual content analysis is an appropriate methodological approach for reaching the stated objectives of this study. It has been extensively used in the literature to analyze the discourse or rhetoric of organizations (e.g. Hyland, 1998; Bart and Hupfer, 2004; Vazquez and Liston-Heyes, 2008). The type of content analysis was the meaning oriented, which might be described as subjective qualitative content analysis, which focuses on analysis of the underlying themes in the texts under investigation (Neuendorf, 2002). This analysis involves judgment by the researcher in evaluating the texts. It takes a combined view of discourse and the specific contexts of the discourse, a perspective that allows researchers to understand the social/organizational reality in a systematic manner (Zhang and Wildemuth 2009; Hsieh and Shannon 2005). This analysis provides richer insights into the reviewed texts. On the other hand, critical discourse analysis is grounded in a view of language not as a simple tool for communicating information (Machin and Mayr, 2012) but as a means of ordering social activity and offers critical theorists a way of understanding the production and consequences of dominant discourses (Ayers, 2005). Central to critical discourse analysis is the understanding that discourse is an integral aspect of power and control (Phillips et al., 2008). Regarding the Critical Discourse Analysis (CDA), we based on the model proposed by Fairclough (2003), a model of analysis aimed at exploring the opacity of the relationships between discourse and society that is itself a factor securing power (Fairclough et al., 2011).

The field work was conducted between October 2012 and July 2014. Corporate information was gathered from the Corporation and 70 of the 111 cooperatives of Mondragon, but it should be noted that most of the organizations that were not included were small ones grouped with other bigger cooperatives of Mondragon (e.g. Edertekin with Fagor Ederlan). The main cooperative organizations of the education-knowledge group were excluded from the analysis (e.g. Mondragon University). Due to its relevance, the discourse that formed corporate statements or principles of the organizations received special attention, as corporations project their corporate philosophy through this type of statement, including mission statements (Swales and Rogers, 1995; Seidl, 2007).

A huge amount of information was collected through desktop research and direct contacts established for this specific fieldwork, as well as for other research works carried out by the researchers (blind references). In total, over 1,700 pages of information were collected, from a very diverse set of sources including corporate websites, strategic plans, sustainability reports, quality management reports (e.g. EFQM reports) and corporate statements. Then, a systematic classification process of identifying themes or patterns was conducted (Hsieh and Shannon, 2005). As recommended in the literature (Schilling, 2006), to increase the reliability of the meaning orientated analysis, two reviewers independently analyzed the texts and discussed and reviewed the outcomes. From this systematic process, a set of factors or topics that were most frequently cited in the available organizational information were coded and identified and subsequently analyzed. In order to critically analyze the discourses or representational meanings of the gathered texts, the researchers tried to develop an understanding of the broader organizational and social context in which the texts were framed (Fairclough, 2003). For that purpose, both scholarly, practitioner and general and business media literature on Mondragon was reviewed. Qualitative software for text analysis and corpus linguistic techniques were used in some cases in order to provide evidence and quantify similarities and differences in the self-representation strategies of the analyzed organizations.

4. Research findings

First, the results of the analysis of the discourse in the Mondragon Corporation are presented. In the content analysis it was found that the core basic principles and values of Mondragon had a substantial presence in the documents analyzed, even though there was also a complex development, as a result of the many and profound processes of internal reflection. Needless to say, an in-depth analysis of the evolution of the complex discourse maintained by the
Corporation over time is beyond the scope of this work, but if we focus on the different general management models proposed by the Corporation we see that they have had a quite interesting development between 1996 and 2012. In 1996 the first attempt was made to adapt the cooperative model to the prevailing perspective of TQM and Business Excellence, that appeared strongly in the Basque organizational field, with the forceful emergence of this management paradigm and its main managerial models (e.g. the EFQM model of self-evaluation) (Heras et al., 2008).

As stressed in the internal documents of the Corporation (Mondragon, 2013b), the year 2007 witnessed the conclusion of an in-depth review involving a large number of people and collating the contributions made by the cooperative organizations in the design stage. As a result, a corporate management model “more consistent with Mondragon’s culture” was proposed (Mondragon, 2013b; p. 9). As a result, the discourse of Mondragon Corporation changed so that it placed more emphasis on its distinctive cooperative aspects.

More recently, in 2012, a strategic analysis was made in the framework of the 2013-2016 Corporate Business Policy, and, as a result, new corporate statements and a new Corporate Management Model (CMM) were defined. In the present study we focus on this most recent development of the statements and programs of Mondragon Corporation (Mondragon, 2013a and 2013b). The need to define a new CMM, as shown in Figure 1, was explicitly linked to the need to “foster the development of business management dynamics consistent with the Basic Cooperative Principles” (Mondragon, 2013b; p. 8). The need “to make our cooperative management style a mark of identity that generates a feeling of belonging, paving the way for inter-cooperation and helping to optimize synergies at corporate level” was also recognized (Mondragon, 2013b; p. 8). This is a general management model developed by the Corporation that establishes a general set of statements and guidelines that the cooperative organizations grouped in the Mondragon experience should adopt, after adapting it to their specific context (Mondragon, 2013b).

*Figure 1: The New Corporate Management Model of Mondragon*

Source: Mondragon, 2013b.

As summarized by Flecha and Ngai (2014), the CMM provides general guidelines that each cooperative should adapt to its concrete context and peculiarities, including the context of its subsidiaries. It is necessary to depart from and, at the same time, look for ways to implement, the Basic Cooperative Principles of the experience (Flecha and Ngai, 2014). In order to achieve a participative organization in all cooperatives of the Mondragon Group, the CMM fosters
three elements: the first is specific for subsidiaries, the ‘Corporate Development’, and the other two are common to both parent cooperatives and subsidiaries, ‘Self-Management’ and ‘Communication’ (Mondragon Corporation, 2013b: 40). Therefore, communication is intended to be one of the key aspect for a participatory organization in the cooperatives of Mondragon, and it is understood in a broad sense: implementing a policy of transparency, fostering interpersonal relationships, ensuring that important information is made available to everybody, and aimed at ensuring the existence of feedback channels (Flecha and Ngai, 2014). For Agirre et al. (2014), Mondragon established this model to foster the development of business management dynamics that are consistent with its basic cooperative principles and to help increase the cooperatives’ business competitiveness and social objectives.

Both the figure and the documents that describe the new CMM of Mondragon are very explicit with regards to the distinctive cooperative discourse. Based in a dynamic PDCA or continuous improvement-like cycle, the Basic Cooperative Principles are at the heart of the proposed model, and they provide the members of cooperatives with procedural guidelines for implementing the cooperative’s values. The people are to build a Joint project and embrace participative organization (Mondragon, 2013b). In the many statements, programs and other corporate documents an important pedagogical effort is made to explain the nature and essence of the ten Basic Cooperative Principles that are at the core of the model.

Nevertheless, as will be seen, the case is more complex and heterogeneous in the case of the cooperative organizations analyzed. Table 1 shows that eleven factors — the most recurrent themes — that emerged in the analysis carried out. Nine of those eleven factors showed a strong similarity between Mondragon cooperatives, while the other two were the supposed core factors at the heart of the organizational discourse of the Mondragon Corporation, namely specific mention of cooperative principles/values and specific reference to the principle of organizational democracy. The nine factors that were most frequently encountered in the analysis carried out of the cooperative organizations analyzed were the following:

- an explicit link to Mondragon Corporation;
- customer focus and the quality management and excellence policy;
- an explicit mention of the number of organizations within Mondragon;
- reference to the size and strength of Mondragon;
- reference to the policy of internationalization of the cooperative organization and/or Mondragon;
- mention to the innovation policy;
- mention of the environmental management policy of the organization;
- reference to a specific human resources policy; and
- the specific mention of corporate social responsibility.
Table 1: Summary of factors mentioned in the corporate information of Mondragon cooperatives

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<th>Number of organizations</th>
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<th>Dimension &amp; strength of Mondragon</th>
<th>Internationalization</th>
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Source: constructed by the authors
As Table 1 makes clear, the majority of cooperative organizations of Mondragon do not mention their relationship to such elementary cooperative principles as organizational democracy. There is evidence of a disjunction between the managerial discourse proposed by the Corporation and the discourses adopted by the member cooperative organizations of Mondragon Cooperative organization. For example, only two of the organizations — Alkargo and Maier — explicitly mention the importance of this principle in their main corporate information and statements. In both cases the reference to this principle is made indirectly, making reference to the mission statement of the Mondragon Corporation. For example, on its corporate webpage, the Alkargo cooperative notes the following¹:

“Alkargo operates in an autonomous way within the joint strategic frame of MCC [Mondragon Cooperative Corporation]. (...) The mission of MCC includes the key objectives of a business organization that competes in global markets with the use of democratic methods in its corporate organization, the creation of employment, the personal and professional advancement of its workforce and a commitment to the development of its social environment.”

Nevertheless, this is clearly more the exception than the rule, since in the corporate information of the other cooperate organizations the reference to this and other basic cooperative principles and values is absent from their main corporate documents (e.g. mission statements).

In contrast with this, the organizational rhetoric of the majority of Mondragon cooperatives is dominated by the conventional managerial lingua franca. Due to the space, we cannot provide detailed references to all cases, but only a limited number of references to the main prevailing topics/issues discussed. In all cases, a sort of underlying cult of customer satisfaction and excellence should be mentioned. This discursive topic that is dominant in most of the analyzed mission statements or similar documents of the cooperatives is in line with a certain type of rhetoric of success and excellence (Zbaracki, 1998) in the tradition of the Total Quality Management and Business Excellence literature. In this sense, one of the first factors that is generally highlighted by the cooperative organizations is the focus on the external customer as the raison d’être of the organization. For example, Tajo cooperative underlines the following in its main corporate information:

“Customer satisfaction is our top priority and our reason for being as a company”.

In the information analyzed, conventional reference to the customer, continuous improvement and excellence is omnipresent. Biurrarena underlines in its mission statement that they, “Will bring value to be perceived by our customers, offering an excellent comprehensive service and daily improving our efficiency”. Similarly, Matz-erreka Cooperative, in its mission statement, claims the following:

“Our aim is to totally satisfy the needs of our customers and all the people who form part of the project.”

And with regards to values, this organization mentions the following: “Customers, People, Quality, Innovation, Responsible Involvement, Rigour and Self-discipline, Profitability [and] Commitment to our Environment”.

Another ubiquitous idea is a faith in the robustness of the cooperative group, underlining the strength derived from belonging to an international consolidated business group, but with no mention of the cooperative nature of either the organization or the general Mondragon experience. For example, the corporate information of Domusa Cooperative states:

“We therefore belong to the most important business grouping in the Basque Country, which is the eighth biggest company in Spain by number of employees and turnover.”

¹ Translated from Spanish by the authors
This idea is strongly and universally emphasized. For example, Mondragon Lingua stresses that this cooperative organization “is part of the Mondragon Corporation, the leading Basque business group and seventh in the national ranking. Made up of 265 companies and organizations that employ over 83,000 people in productive plants and offices throughout the world, the Group’s total revenues in 2011 exceeded 15 billion euros”.

Similarly, Etorki stresses that they belong “to Mondragon corporation, an industry trade group that gathers more than 100 cooperative enterprises with over 100,000 workers. Its invoicing amounts to twelve thousand million euros per annum”. In the same line, the internationalization of the Mondragon group is also frequently underlined, as in the case of Coinma, who stress that:

“Coinma belongs to the Mondragon Corporation, one of Spain’s most important industrial groups, which operates on five continents and employs some one hundred thousand people. This dependence represents assurance, solvency and continuance, all positive values in an installation with a view to the future. Internally, the support of Mondragon Corporation entails permanent technological advance, continuous improvement, financial, human and managerial status.”

In the same vein, Orkli underlines that:

“Orkli’s wide range covers practically the whole world market. The company has manufacturing plants in China and Brazil, and a network of offices and agents on five continents”.

Therefore, the size and strength of Mondragon is one of the ideas that is more frequently underlined but with a “business as usual” perspective, with no reference to the foundational principles regarding this issue, such as the principle of inter-cooperation.

A conventional discourse on human resource management policy can also be identified. Here the statements frequently point to the key role that people play in the organizations. For example, Cikautxo Cooperative states the following:

“In Cikautxo we believe that people play a key role in the future of our business”.

In a very similar vein, Copreci underlines that “We are an ambitious company, which places its trust in people as the major figures in its business project”. In this factor the relationship with the discourse of Total Quality Management and Excellence is also dominant, as one of the main statements of Fagor Arrasate makes clear:

“The key to success of Fagor Arrasate is its staff, the greatest asset of the company. A specialized group of people, forming the heart of the company, persistently pursuing continuous improvement and excellence.”

Similarly, broad reference to one of the booming managerial terms of the local environment of Mondragon, namely the new managerial paradigm of innovation, arises in the discourses, seemingly replacing the earlier, and overloaded, paradigm of quality (Heras et al., 2008). The importance that many of the cooperative organizations give to this new and ambiguous concept should be analyzed in-depth. For example, Ederfil states that the business philosophy of the organization and that of Mondragon “is reflected in its Corpor (sic) Values: Co-oper Responsibility and Innovation”. ISEA Cooperative claims in its mission statement that its ultimate organizational aim “is to improve the competitiveness of the sector of Business Services by empowering Technological Development, Innovation and Entrepreneurship of new business activities”. Similarly, the ULMA Group of Cooperatives stress the following:

“[The ULMA Group] is convinced of the need for an integrated, dynamic and evolving approach to bring about significant change and transformation in the organization. This different approach aims to strengthen abilities, cultivating innovation and knowledge in the awareness that each of its Businesses has its own context and rate of evolution. The ULMA Group wants to turn its knowledge into value and spread it across
the whole organization. ULMA operates internal networks to carry the seed to help disseminate new learning and knowledge.”

In summary, in general terms the managerial *lingua franca* is dominant in the information analyzed, while the cooperative nature of the group and the organizations is somehow concealed. As a good example of this, the main statement of Matrici Cooperative could be mentioned, as this organization points out the following:

“[Matrici Cooperative] is an international company and reference partner for dies ready for immediate occupancy in the production of bodyworks in the car industry. Six core values are at the heart of Matrici: Customer orientation and proximity, Entrepreneurial spirit, Technological innovation and progressive project management, Independent and responsible team work, Promotion of alliances and collaboration and Integration into the industrial group Mondragon”.

In contrast with this, Goimek, a small industrial cooperative, provides a counter-example to the perspective of the most frequent and conventional discourse. This cooperative underlines the following in its general statement:

“We are a competitive, innovating cooperative, offering the market quality precision machining services based on experience, know-how and constant improvement of our processes, with a view to generating sufficient wealth to provide added-value employment and to help society advance, through the commitment of our workers and our cooperative identity.”

This type of direct mention of the nature and roots of the Mondragon cooperative experience that is omnipresent in the discourse of the Corporation is, as stated, the exception to the rule in the rhetoric of the cooperatives themselves.

**5. Discussion and conclusions**

The evidence gathered from the analysis shows that organizational cooperatives of Mondragon speak the *lingua franca* of conventional managerialism. Conversely, the discourses which emphasize the key values, and principles of cooperation and therefore industrial democracy in action, such as the democratization of employee–management relations (Cheney, 1999) or the mutual dependence of one on another in value creation processes (Jussila *et al.*, 2012), hardly make an appearance.

From our perspective the use of the mentioned *lingua franca* of conventional managerialism in cooperative organizations is not questionable per se, notably when some specific programs associated to the mainstream managerial discourse —such as the TQM— might be easily identified with the core principles and values of cooperative organizations. But in the specialized literature of the field the distinguishing feature of cooperative organizations has been underlined and this is the idea under question in the light of the gathered evidences. For example, these findings would appear to be incompatible with many previous observations, such as that of Paton (2003), who stresses that cooperative organizations and other forms of organizations of the social economy operate in a different world of language and meaning than the conventional managerial discourse. As underlined by Roper and Cheney (2005) in the case of social entrepreneurship, cooperative organizations and other forms of alternative organizations (Trethewey and Ashcraft, 2004), language is a key component in the shift towards rationalization, as discourse acceptance precedes or runs in parallel with material acceptance. Thus, if the colonization of the social economy field by the language of business is accepted, the breakdown of barriers between the sectors becomes normalized (Roper and Cheney, 2005).

Similarly, in the analysis it was evidenced that cooperative organizations camouflage the presence of their supposed foundational values and principles, as they might produce a negative impression on some of the stakeholders, such as potential business partners and financial intermediaries. Moreover, a clear disconnection between the managerial discourse
proposed by the Corporation and the discourses adopted by the member cooperative organizations of Mondragon is found. The Corporation seems to act as a sort of Praetorian guard of the core basic principles and values of Mondragon as they are ubiquitous in its discourse. In contrast with this, in the discourse of the cooperative organizations the cooperative nature of both the group and the organizations seems frequently to be concealed.

These conclusions also have implications of a more practical nature for the management of cooperative organizations. Nearly two decades ago, when the mentioned vulnerability was in its infancy in the region where Mondragon flourished, Kasmir (1999), by critically reading the way Mondragon is constructed in popular and scholarly literature, claimed that this alternative experience was a revealing case of the production of global capitalist discourses in a period of economic and ideological shifts to post-Fordism. Therefore, keeping these ideas in mind, the promotion of a specific managerial language or discourse, as well as other managerial initiatives to ensure the embeddedness of the basic principles and values of the cooperative organizations, seems to be of crucial importance in the regeneration efforts to maintain a project involving an alternative organizational form and efforts to create more democratic workplaces in practice (Heras-Saizarbitoria, 2014).

This article has several limitations. First, although meaning oriented content analysis and critical discourse are extensively used in management and business economics, their analysis is subjective and can be controversial (Neuendorf, 2002). Second, the analysis carried out is not dynamic but static, especially in the case of the cooperative organizations as just the statements of a specific period of time were analyzed. This limitation of the study provides a direction for future research, where analysis could be designed to shed light on the evolution of the discourse of the cooperative organizations that are members of Mondragon. Similarly, future works could focus on many issues related to the mentioned conclusions that need to be analyzed in more depth. Among others, specific rhetorical and discursive strategies (Cheney et al., 2004) that are found in the organizational statements of both the Mondragon Corporation and the cooperative organizations of Mondragon could be analyzed. It would also be interesting to analyze the imagery that goes with the general statements of the cooperative companies.

On the other hand, in the light of the study of the possible degeneration of the Mondragon experience from an organizational and managerial perspective, the study of the plausible disconnect between the promises of the organizations included on the mission statements (the ‘talk’), and the actions (Brunsson, 1989) might also reward closer attention, as recently underlined by Heras-Saizarbitoria (2014). In the specialized literature of the field, Murphy (2002) provides evidence, in a rather different organizational and cultural environment, that employees are indifferent to official corporate statements of vision, mission and values, because they perceive little evidence of those statements acting as drivers of company practice. While this research has focused on goal degeneration of Mondragon cooperatives, many other researchers have found evidences of other kinds of cooperative degeneration (mainly the tendency to employ non members) since the early 1990s (Bakaikoa et al., 2004; Cheney, 1999; Errasti et al., 2003; Kasmir, 1996; Storey et al., 2014). In a context in which the proportion of non working members in the workforce of Mondragon cooperatives has gone from 14% in 1991 (Moye, 1993) to 70.5% in 2007 (Altuna, 2008), we could argue that ‘the talk’ of the cooperatives—in comparison to that of the corporation—is closer to ‘the walk’. Recent research on Mondragon highlights that a cooperative regeneration process could be slowly reversing the degeneration (Azkarraga et al., 2012; Storey et al., 2014). Further research could analyze, from a dynamic perspective, how the mission statements and discourse of those cooperatives more involved in regeneration practices have evolved in time, and find possible links or temporal cause-effect processes between organizational regeneration and other forms of cooperative regeneration.

Therefore, beyond the critical study of the persuasive use of the mainstream managerial discourse—or, in other words, the managerial lingua franca—, there lies the promising
research field of the practical implications of that discourse for action. As Brunsson (1989) emphasized, the significant divergences between ‘talk’, ‘decisions’ and ‘actions’ are often the norm, albeit an unwritten convention, in the organizational life.

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6. References


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