

Mutualism & Cooperation

I Work for a Mutual...And So?

When I get carried away as I sometimes do about cooperatives and mutuals, people say to me, "Those principles are all well and good, but at the end of the day, for someone like me who works for a mutual company, what good does it do, what difference does it make to my work, to my day-to-day life?"

Those are good questions and I'm going to try to answer them with a two-part response. First, I'd like to use a 'reverse' approach, meaning that we'll look at what could happen if SSQ were demutualized. Then, we'll look at how our company's mutual character influences its employees' work.

One of the main arguments used by companies that demutualize is that the stock company model promotes growth, growth stemming in many cases from acquiring other insurance companies. However, more often than not, it is the demutualized companies themselves that are bought up by the sector's giants. A good example of this was seen last December when it was announced that Clarica (the former Mutual Life of Canada) had been acquired by Sun Life, a transaction that should be completed sometime in 2002.

So what would happen if one fine morning SSQ were demutualized? First of all, the chances are that the company would be acquired by one of the leading players in the industry. What then? What could we expect? Well, the company's control would be somewhere else; our ways of doing things would have to change to adapt to our new owner's practices; there would definitely be a shift in business values and the staff would find themselves trying to please shareholders who would insist on the most cost-effective approach. It may not sound like much expressed that way, but it would involve a profound change, one that could mean job cuts as well. Where cost effectiveness is the goal, downsizing is never far behind. For example, a company with a major call centre somewhere could decide to move the whole staff there just to get the most out of the centre, even if the service provided by the acquired company had proven to be efficient and cost effective. Just think back to those Bell telephone operators... The philosophy of the highest profit is completely logical with the stock company model. It does not however fit so well with the mutual philosophy that animates SSQ.

SSQ's mutual character ensures that the company's control cannot be in someone else's hands. It also makes it possible to establish business priorities on the basis of the needs expressed by the company's members and on their values. At SSQ, that especially means a focus on business growth accompanied by job creation. That also explains why, in SSQ's entire history, it only once resorted to lay-offs. That happened in 1971 when such a decision had to be made to ensure the survival of the company.

And now for part two of my response: explaining the impact of SSQ's mutual character on its employees' work. As a mutual, SSQ holds to certain values that are integrated into the company's management practices. As a result, a direct and simple human contact is an