# Chapter IX
# Virtual Teams and Creativity in the Mondragón Cooperative Corporation

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## ABSTRACT

*For companies in this age of globalization and innovation, creativity is a core activity in a growing section of the economy. Since virtual teams are a relatively new organizational form, very little research has been carried out on their structure, performance, routines, and of course, on their creative ability. In this chapter, a detailed insight will be provided of three experiences of virtual teams built into Mondragón Cooperative Corporation (MCC) cooperatives, providing an overview of the company's activity, going into greater depth regarding the needs and opportunities behind the decision to set up a virtual team, detailing the organizational structure adopted in each case, the dynamics incorporated to achieve higher creativity, and suggesting some practices that can put the reader on the path towards common drivers for virtual creativity.*

## INTRODUCTION TO THE MCC BATTLEFIELD AND CHAPTER OBJECTIVES

Surfing papers, folders and electronic devices, traveling miles with nothing more than the click of a mouse and a tiny Web-cam presiding over his desk, and chatting with Ian: *"How do you fancy this idea ... I like it a lot ... could you develop this part further while I check with Karl how things are going with the offshore team ... and later we'll all meet on the Chat platform at 14:00 GPM and discuss the next steps."*

This *'modus operandi,'* which we may think is far ahead of everyday practice and reserved

solely for top executives spread out across the four corners of the globe, in charge of technological mega platforms, is nevertheless becoming an increasingly regular picture in all companies. Due to such factors as the internationalization of business, the externalization of noncore activities, and the inclusion of suppliers and customers in projects, companies need to get together and redesign their creative processes so as to actively take part in the age of globalization.

This is the case of the Mondragón Cooperative Corporation (MCC), the largest cooperative conglomerate in the world, founded in the village (Mondragón, in the Basque Country in the North of Spain) from which it takes its name, in 1956. Nowadays, MCC is a business group made up of 264 companies and entities organized into three clusters: The Financial Group, which includes activities such as banking, social welfare, and insurance; the Industrial Group, which comprises eight divisions dedicated to the production of goods and services, and the Distribution Group, which is made up of various commercial, distribution, and agricultural-food companies. There are also a number of research, vocational training and teaching centers, including a university which has over 4,000 students. See MacGregor, Arana, Parra, and Lorenzo (2006) for an example on how co-creation proceeds within this unique environment.

At this point we dare to make a small plea in favor of cooperativism, because we think the choice of MCC as one of the battlefields to benchmark virtual teams and creativity is no accident. Some of the essential values of cooperativism, such as collaboration, transparency, equity, democratic management, and so on seem to be equally relevant to teamwork, members' camaraderie, personal involvement, and the like. Among the principles of cooperativism, revised by the International Cooperative Alliance (ICA) in Manchester in 1995, it is stated:

*Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership.* (p. 45) (Closely related to subjects such as involvement and collaboration within teams)

*Cooperatives are democratic organizations controlled by their members, who participate in setting their policies and making decisions. Men and women have equal rights and are organized in a democratic manner.* (p. 45) (Closely linked to the fact that equity, democracy and transparency are generally recognized as key factors for successful team management)

*Cooperatives serve their members most effectively and strengthen the group movement by working together as autonomous, self-help organizations controlled by their members.* (p. 45) (Here we see the concept of democratic team management which is discussed later as an important principle of team management)

At MCC, individual cooperatives constitute the basic organizational structure, with the General Assembly acting as the supreme body to express the will of the members and the sovereignty of the cooperative, and the Governing Council acting as the ultimate body for management and representation, bearing responsibility for the appointment of the managing director.

This structure and the constant effort in favor of internationalization and integration has allowed MCC today to have 57 production plants in 16 different countries, which accounted for 18% of total industrial production in 2005 and for 12,858 jobs. If we add the numbers of personnel working in corporate and sales offices abroad and the jobs that Eroski provides in its shopping centres in the south of France, the foreign workforce total reaches 14,121 people (at the end of 2005) which is 18% of the total corporate workforce of MCC, calculated at nearly 70,000 people throughout the five continents.

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