

On The Role Of Member Value In Cooperatives

BACKGROUND & RESEARCH OBJECTIVE

Understanding the value for members is crucial when researching cooperatives. In comparison to traditional firms that exist to maximize profit, cooperatives exist for the **purpose of maximizing the value for its members**, while at the same time ensuring sufficient profit generation. The term **member value** has been discussed in the literature during the past decades, but is still not clearly defined.

A combination of the customer satisfaction literature and perceived value as well as the shareholder value concept are often used to describe the value for members of cooperatives, as **members are customers and owners at the same time**. Nevertheless, the proposed customer value and shareholder value concepts cannot capture the member value concept as a whole, as they neglect the **variety of values and principles that are particularly associated with cooperatives**, including voluntary membership, member participation, and democratic member control.

Relevance Of Cooperatives Worldwide

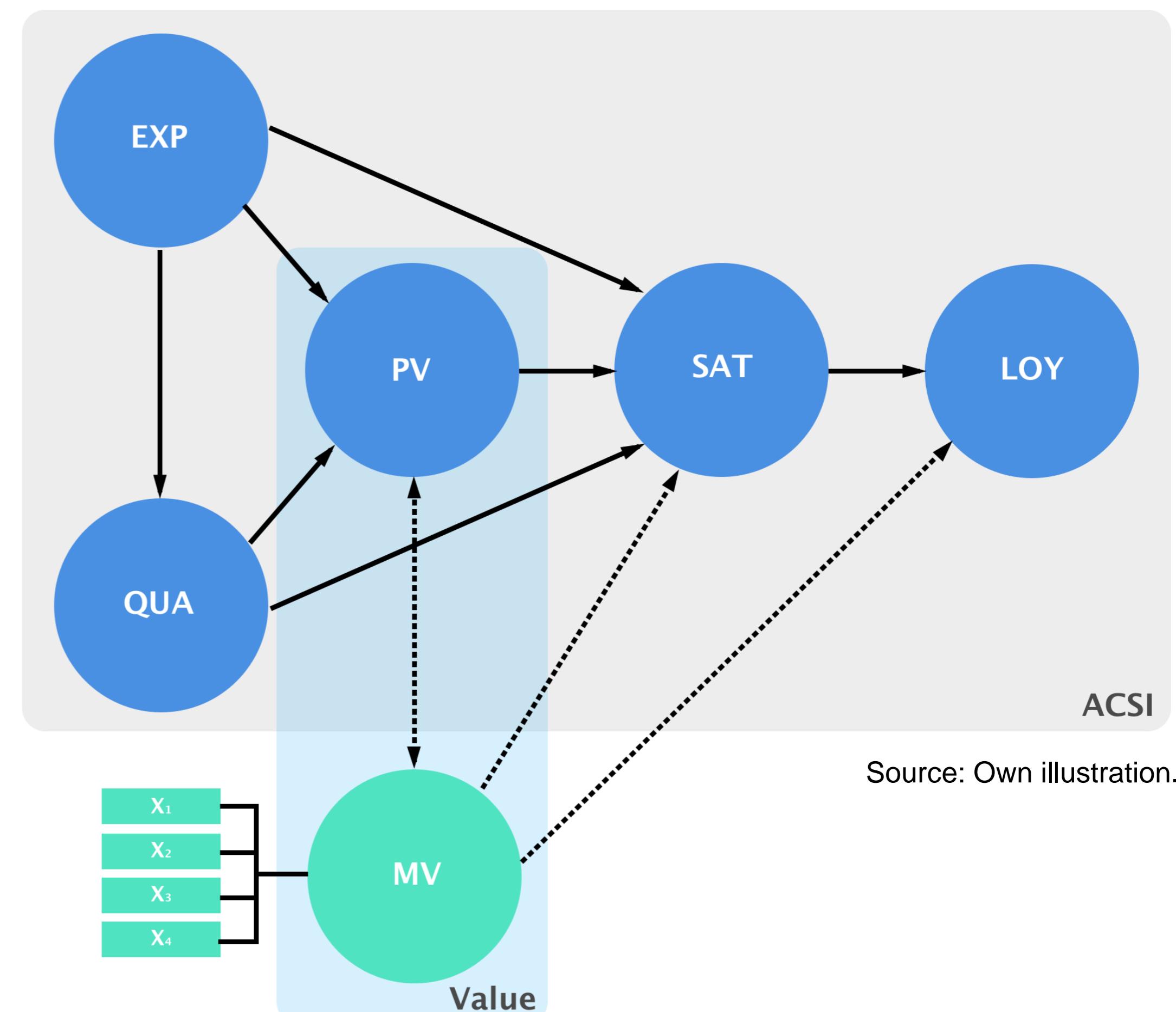
Topic	Fact
Membership	12% of people worldwide are a member of at least one cooperative.
Turnover	Top 300 cooperatives report a total turnover of 2,1 trillion USD .
Employment	10% of the world's population are employed in a cooperative.

Source: Own illustration.

THEORETICAL MODEL

The basic underlying theoretical model of this research is the **American Customer Satisfaction (ACSI) model**. Given the dual role of members in cooperatives, it is argued that their perceived value differs from the original customer satisfaction literature in a way that the concept member value includes further elements, consisting of a monetary and a non-monetary element.

The underlying values and principles of cooperatives play a role when understanding the non-monetary element. Especially the exploration and definition of these non-monetary elements of the **member value construct (MV)** is the focus of this research project. Furthermore, the relationships between the established model and the newly researched member value construct are determined within the path model.



Source: Own illustration.

RESEARCH METHODOLOGY & APPROACH

The research project starts with a **systematic literature review**. In order to gain a deeper understanding of the elements of the member value construct, **expert interviews with members of cooperatives** in Germany are conducted. Stage 1 concludes with the derivation of the main hypotheses. In Stage 2, a **PLS path model** is developed, using the key drivers from the literature as well as results from the expert interviews. Based on the PLS path model, a **survey** is designed, which is sent to **members of cooperatives**. In Stage 3, the **data is collected** and the **empirical model is tested**. In Stage 4, the dissertation is finalized.



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