

ICA CCR EUROPEAN RESEARCH CONFERENCE 2022

“Rethinking co-operatives: From local to global and from the past to the future”

13-15 July 2022, Athens Greece

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& ΜΕΛΕΤΩΝ (ΙΣΕΜ)

Can anti-social behavior foster pro-social behavior in cooperatives? The role of organizational gossip in restraining side-selling

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Abstract:

Agricultural cooperatives (coops) provide ample benefits to their members and society at large but repeatedly face internal opportunistic behavior. A dominant opportunism form is coop members' side-selling to competing actors. As coops rely on member patronage and commitment, side-selling hurts coops' viability. Several studies have focused on side-selling and empirically examined different individual determinants, particularly production (e.g., farm size, product portfolio) and socio-economic characteristics (e.g., farmers' age, off-farm income). Interestingly, evidence is mixed, in contrast to social aspects, like relational commitment, trust in coop leadership, and the appreciation of a trustful relationship with the coop, which have been shown to boost member deliveries. We introduce a conceptual framework examining the influence of trust towards others in the coop (e.g., other members) on members' own side-selling behavior, but we also explore the role of a generally deviant social demeanor, that of organizational gossip. Gossip is a ubiquitous characteristic of human life, observed across cultures and in various social organizations, typically considered idle or malicious talk about a person who is not present. However, research has also conceptualized gossip more broadly and demonstrated that it could stimulate pro-social behavior, facilitating the spread of value-laden information about those organizational members not adhering to group norms. Drawing upon the beneficial functions put forward by gossip research, we hypothesize that informal organizational gossip related to members' opportunistic conduct influences side-selling behavior, despite the likely effects of trust, official detection mechanisms for opportunistic behavior, and background characteristics on such behavior. With survey data from 182 coop members in Greece, we show that organizational gossip lowers side-selling, while trust has an indirect negative effect through perceived coop benefits (e.g., higher prices, high-quality services). Accordingly, our findings confirm and extend past coop and gossip studies, and offer a novel avenue to combat the major coop challenge of side-selling.

Keywords: opportunistic behavior, side-selling, organizational gossip, trust, perceived coop benefits.