

Can Differential Member Demands Lead to Tensions Within a Cooperative?

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Abstract: If one considers the topic of wine cooperatives in the current context, one increasingly encounters the problem of declining membership and the associated reduction of cooperative vineyards (DRV, 2016). So far, hardly any members of the cooperative or other internal stakeholders have been asked about their wishes, views and plans for the future (Fischer 2011), which could possibly have an influence on remaining in or leaving the cooperative. In the context of this work, such an internal view on the expectations of the interest groups is considered as an example by means of a complete survey in the form of case studies within two wine cooperatives. In order to obtain a complete picture, not only the members as such are included, but all interest groups involved according to their role/position in the wine cooperatives. On the basis of theoretical assumptions and expert interviews, a model was created which represents the formulation of perspectives and serves as an interpretive basis for drawing conclusions on existing areas of tension within the cooperatives. A change in the view or role of the cooperative can therefore be a reason for the resignation of members.

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1. Introduction

In Germany, wine production has a tradition of more than 200 years in each of the 13 German quality wine-growing regions along the rivers Rhine, Neckar, Main, Mosel, Saar, Ruwer, Ahr, Saale, and Unstrut. Traditionally, viticulture was one of several different plantations on most farms, and the farms as well as the vineyards were very small. Corresponding with structural change in the agricultural sector, the farms have increased their acreage and production as they specialized. The necessity for intensive hours of labor on the one hand and the simple equipment for small growers on the other hand have made viticulture economically attractive for full-time as well as part-time farmers (Hanf/ Schweickert, 2007).

The grape industry is still dominated by small wine growers. There are more than 34,375 wine producers, not including wine businesses, which focus solely on grape production. Nearly half of them cultivate less than 1 hectare (ha) vineyards while only about 2,000 growers own more than 10 ha. The majority (more than 40,000) of growers are members of cooperatives. In 2015, the German cooperative sector could be divided into 158 primary cooperatives and two secondary cooperatives. However, only 92 of the primary cooperatives possessed their own vinification facilities. Overall, members of cooperatives planted 28,033 ha of vines representing about 28% of the total German area under cultivation. Together they produced 2.68 million hectoliters of wine, accounting for about 30% of total wine-production in Germany (Deutscher Raiffeisenverband, 2016; Deutsches Weininstitut, 2016). In particular, in the regions of Baden, Württemberg, and Franken, where grape production is dominated by part-time

viticulturists, membership in cooperatives is widespread. In those regions, cooperatives hold a market share of nearly 70% (Hanf/Schweickert, 2014).

According to their statutes, wine cooperatives are self-help organizations for grape growers¹. Their aim is to improve the economic situation of their members. However, in order to achieve this aim, the general understanding of cooperatives has to be outlined.

In 1995, the International Cooperative Alliance released a definition of cooperatives along with a description of the values of cooperatives, and the seven cooperative principles. A cooperative is defined as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.” Besides the self-help nature of the organization, values such as self-responsibility, democracy, equality, equity, and solidarity are stressed. For the identity, seven principles are claimed (ICA, 1995):

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

These broad definitions account for all kinds of cooperatives. Within this paper, the focus is set on the business literature on cooperatives. In this context, Barton (1989) distinguishes a cooperative from other businesses by three principles: user-owner principle; user-control principle; and user-benefit principle. He views as fundamental to the governance of a cooperative that these rights are possessed simultaneously by the same party, i.e. the users (or patrons) of a cooperative (Feng and Hendrikse, 2008). Even though this definition of a cooperative is shared by many authors (Robotka, 1947; Phillips, 1953; Savage, 1954; Trifon, 1961; Helmberger & Hoos, 1962; among others), there still exist differences among the authors regarding the understanding of cooperatives (ibid.). However, two schools of thought have emerged in the business literature on the structure of cooperatives which represent the extreme poles in a continuum. The first school has been based on Robotka (1947) and Phillips (1953). They understand a cooperative as a collection of profit-maximizing economic enterprises engaged in economic activities involving the use of a common set of productive assets. In their view, a cooperative can be understood as an *extension of the farm* (King et al., 2010). The second school is based on Helmberger and Hoos (1962). Their work identified the cooperative as an economic enterprise consisting of a production function, efficiency-maximizing criteria, and a rule that distributes the economic surplus to the suppliers of one input resource. In their model, the *cooperative is a firm* (King et al. 2010). The two views can be seen as extreme perspectives, with a range of less extreme perspectives in between. It can be assumed that the different views of cooperative are accompanied by different, sometimes contradictory, demands and expectations of the members and this can therefore lead to tensions. Each member's view of the cooperative is shaped by the attributes of each member farm.

Members who see the cooperative as an extension of their own farm tend to expect optimum support for their own farm in the form of payments and also through other services such as risk diversification, advice, etc. On the other hand, there are members who see themselves as suppliers and the cooperative as an independent company. They usually have expectations only with regard to payouts and do not expect additional services. Due to increasing competition, an ever-stronger customer orientation by the cooperatives must take place, in order to exist in the wine market successfully. As a result, to meet market conditions, management is forced to run the cooperative as an individual company rather than as an expansion of the members' farms. Thus, the decision-making power is increasingly shifting to the managing director, which changes the business policy and the members' perspectives on the cooperative (Hind 1999) and the position of the members, or rather the suppliers, becomes weaker. These contrary perceptions – for example, between the management, which sees the cooperative as an independent company, and the members who see it as an extension of their own farm – can therefore lead to tension. The diverse

and sometimes contrary inner views and demands can lead to conflictual tensions, which could possibly lead to a decline in membership.

This work considers the different internal understandings of the co-op members alongside the originating expectations by the means of case studies within two German wine cooperatives. The aim is to investigate whether diverging and conflicting expectations and views of the cooperative can be a reason for members to leave. In order to obtain a complete picture, all members are included along with those who have positions in internal interest groups (e.g. CEO, board members, etc.). Thus, a picture of the inner perspectives will be shown, with the help of the expectations of the different internal interest groups to their wine cooperative. On the basis of theoretical assumptions and expert interviews, a model has been created which represents the formulation of perspectives and serves as an interpretive basis for drawing conclusions on existing areas of tension within the cooperatives.

2. Cooperative theory - tensions and perspectives

Perspective on cooperatives

Philips (1953) and Staatz (1989) describe the cooperative as an extended arm of the member farms. This view is called "extension of the farm" (Cook et al., 2004) by the authors and represents a form of vertical integration. The cooperative then serves as a platform for the individual member companies, which see the cooperative as belonging to their own business and thus see themselves as a part of the entire community. In contrast to this is the view of the cooperative as an independent company: "cooperative as a firm" (Cook et al., 2004). Here the member companies are not regarded as part of the whole, but as suppliers who have a supplier-customer relationship with the cooperative and receive a monetary compensation for their product. If these two points of view are compared, they differ above all in terms of the place of decision-making power. If the cooperative is regarded as an independent enterprise, it is assumed that decisions and specifications are made by the cooperative (the enterprise as a whole). In opposition to this stands the cooperative as an extended arm of the member businesses, which is guided by the decisions of the individual members. It can be presumed that the different views of the cooperative are accompanied by different, sometimes contradictory demands and expectations of the cooperative and can thus lead to tensions that even cause members to resign. The two views can be regarded as contradictory and represent two extremes of a continuum. It can be assumed that there are views that fall between the extremes, which is why they can also be represented in the form of a spectrum.

Attributes influencing the members' point of view

The area of tension is formed by the different views of all members of the cooperative. The formation of the individual points of view is influenced by various attributes, which are individual for each member and described below. Based on the literature research, **five** dimensions of influence could be defined, which lead to the formation of the perspectives. In their entirety, the five attributes determine the views and demands of the individual members and provide the member's personal view of the cooperative. In the spectrum between the two extreme views, there are therefore many individual views, some of which overlap but they can also differ considerably. In the following, the five influencing dimensions are presented in detail with exemplarily selected influencing factors.

Differences already exist at the **level of the member farms**, e.g. location, company size, and the existence of an operational successor also makes significant differences between the farms (Dentoni et al., 2012). Both Bijman (2005) and Cook (1995) emphasize the difference between part-time and full-time farmers as an important heterogeneity factor within a cooperative. Full-time farms have different objectives, as they are entirely economically dependent on their cooperative, whereas part-time viticulturists usually have other economic sources of income and their objectives are less influenced by their dependence. In addition, Cook and Burrell (2009) show an increasing proportion of full-time wine growers in recent years. This is also accompanied by an increase in the cultivated areas, i.e. an enlargement of the farms, so that, unlike in the past, there is an increasing number of "larger members" within the cooperatives (Becerra et al., 2016). It can be assumed that this causes tensions that influence the view of the cooperative.

Various attributes can **influence the personality**: age, gender, ethnic origin, values and goals are just as important for the development of character as experience, educational level and the attitude to risk-taking in decisions

(Horwitz and Horwitz, 2007; Staatz, 1983; Iliopoulos & Cook, 1999; Höfer & Rommel, 2015). In this context, reference is often made to the horizon problem, which is primarily caused by existing age differences (Hanf & Schweickert, 2014; Capitello & Agnoli, 2009).

Older members in particular perceive the original cooperative idea, the cooperative as the social pivotal point of the community, as very important, whereas younger members increasingly perceive economic factors as important and regard the cooperative community rather as an "economic", i.e. independent, enterprise and less as a "social association" (Hanf & Schweickert, 2014). In terms of values and goals, the quality awareness of members is another factor. Different contributions of individuals to the added value of raw materials due to their quality awareness necessarily leads to an area of tension within the cooperative (Kyriakopoulos et al., 2004) since a great heterogeneity of members leads to a lack of investment incentives, stagnation and indifference of members. This makes it difficult for the cooperative and its representatives to show that they work in the best interests of all members, which often leads to passivity on the part of the members (Österberg & Nilsson, 2009). Due to increasing competition, an ever-stronger customer orientation of the cooperatives must take place in order to survive in the market. As a result, to meet the market conditions, the management is forced to run the cooperative as a company rather than as an expansion of member farms. This means decision-making power is increasingly shifting to the managing director, which changes the business policy and the view of the members of the cooperative (Hind, 1999), and the position of the members or suppliers becomes weaker. A great heterogeneity therefore leads to problems and influences perceptions within the cooperative.

In relation to the organization, a strong **identification** means that the organizational affiliation forms an important part of one's own self-concept. The values, norms and goals of oneself and the organization are perceived as congruent (Van Dick, 2004). The identity of the organization or group is determined by the self-concepts of all members. Therefore, identification describes the degree of attachment to an organization or group (Alvesson 2015). In connection with the concept of identity, it can be assumed that a strong identification and thus a strong attachment to the cooperative promote the view of the cooperative as an extension of the member farm, whereas a low degree of identification is linked to the view of the cooperative as an individual company. It can be assumed that members elected to committees have a stronger identification and thus see the cooperative more as an extension of their own company. Becerra et al. (2016) even describe too little identification with the cooperative as a withdrawal factor. Current problems in the cooperative sector are in particular the estrangement of members, which is promoted by mergers, for example. An expansion of the cooperative also entails a greater distance between members and board members, which can lead to so-called agency problems (Chaddad & Iliopoulos, 2013).

In the **regional external environment** of a wine cooperative, there are some potential grape buyers other than the cooperative itself. These can be, for example, wineries, champagne and wine cellars or other cooperatives. In this respect, grape revenue is often the strongest binding factor (Becerra et al., 2016) to the cooperative. The amount of the latter is decisive for a decision to join, withdraw or switch to other better paying grape buyers (Becerra et al., 2016). In comparison with other grape buyers, the high degree of planning security, which is provided by the existing legal form of cooperatives, is rated as a motivator for accession. It guarantees regular payments and a low risk of failure, as well as the acceptance of the entire harvest, even in vintages of lower quality (Becerra et al., 2016). These advantages rather support the view of the cooperative as the extension of its own member enterprises.

As the fifth dimension of influence, the **degree of satisfaction** plays an essential role because it is closely related to the influences already mentioned. Conversely, a reduced degree of identification, possibly due to a pronounced agent problem, leads to lower satisfaction and declining member loyalty (Hakelius & Hansson, 2016). Also the satisfaction with the support of the member's own farm, through technical assistance, knowledge transfer and an appropriate payment of grape money, is a decisive criterion. The absolute amount of the service received is usually less important as long as the necessary costs are covered and the total amount of services received is higher than that of other competitors in the market. Becerra et al. (2016) also consider a high degree of satisfaction with the aforementioned influencing factors to be decisive for a strong bond with the cooperative. It can therefore be concluded that the affinity to a cooperative is particularly high when there is a high degree of satisfaction. Especially when all areas of the cooperative are covered, the bond is sustainably strengthened. Internal communication, manufactured end products, public image, decision-making processes, duration and type of decisions, to name just

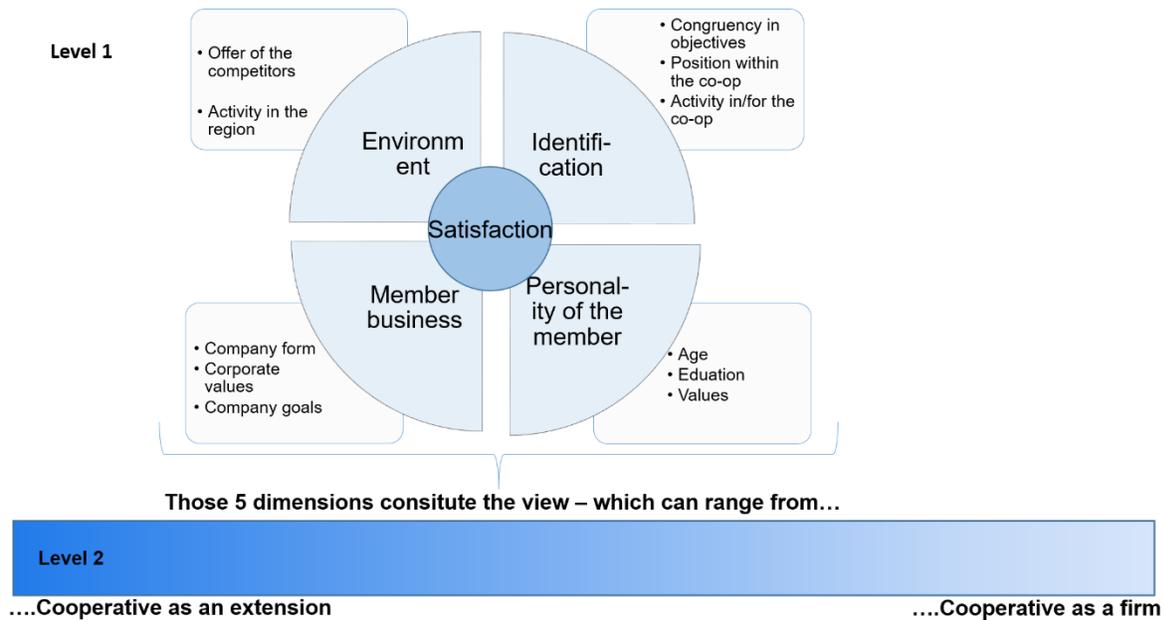
a few, are either beneficial or detrimental in their form to the satisfaction of individual members. They also affect the existing perspective and suggest that a low level of satisfaction reduces the sense of attachment and this has a reinforcing effect on a more distanced approach (cooperative as a company), just as a high level of satisfaction and attachment promotes the position of "cooperative as an extension of the member farm". The following assumptions should be considered essential for the evaluation of the case studies and the creation of the field of tension. According to the literature, tensions can be created through:

- Differences in the member farms, e.g., farm size;
- Differences in the member personalities and attributes, e.g., age; holding different positions within the cooperative; values;
- Differences in the degree of commitment and identification among the members, e.g., operations and the objectives and strategies they entail;
- Differences or changes in the environment of the cooperative;
- Differences in the degree of satisfaction with the cooperative's remuneration prices and/or other services.

Watkins (1986) argues that unity among cooperative members is important. Unity and solidarity are necessary for the successful business venture of cooperatives. We therefore argue that it can be presumed that the tension rises the stronger the differences are among the members in their personal views of the cooperative (lesser solidarity and unity). The more consistency in the views prevails, the lower the areas of tension. The theoretical dimensions above were checked for accuracy and applicability to wine cooperatives by using exploratory expert interviews. The interviews covered seven experts for wine cooperatives from the fields of science, business and politics. The interviews revealed that satisfaction is a central element that is related to all the other dimensions of influence and links the dimensions with each other. The expert interviews strongly supported the questionnaire and model development by assuring a fit between theoretical assumptions and applicability to the practical environment. Based on the literature review and the expert interviews a model was created.

Figure 1 is a simplified representation. It shows the formation/composition of the individual views and their disposition within a spectrum of the two opposite views according to Cook and Chaddad (2004). Level 1 shows the four dimensions (environment, identification, member business and personality of the member) alongside their formative attributes (e.g. activity in the region, congruency in objectives, values, company form). The four dimensions are connected with the most important dimension, satisfaction (in the center). Overall, Level 1 shows the constituent dimensions with their influencing attributes, which form the individual views of the members. Based on the dimensions from Level 1, the views are positioned on a spectrum between the opposing views "cooperative as a company" and "cooperative as an extension of the member farm". Level 2 represents the continuum of the extreme views "cooperative as a firm" and "cooperative as an extensions" to demonstrate that individual views can range to the extreme poles, but multiple views between the poles are possible as well.

Figure 1: Layer model of perspectives



3. The Case Studies design and the model

A case study represents an empirical research strategy that is flexibly adapted to the analysis and the research objective and is defined by research design, applied methods and analysis approaches. The case study method here allows us to empirically explore wine grower co-operatives in their real-life context. This approach has a long pedigree in the social sciences for both exploring behaviours and processes and testing theories and finally for developing theory (Dul & Hak, 2008).

The cooperatives chosen for the case studies are located in the state of Baden-Württemberg. The majority of the German wine cooperatives are located there. In addition, two medium-sized cooperatives were deliberately chosen to ensure anonymity after the data analysis. A medium-sized cooperative was a prerequisite for not allowing any conclusions to be drawn about the company from anonymous evaluation of the results. Both cooperatives have around 450 members and are comparable in size, sales, distribution and profits. Both cooperatives are not affiliated with either of the two secondary cooperatives within the wine market. Further information on the cooperatives cannot be given to ensure their anonymity.

Due to the large number of members and the existing individual views in the cooperatives, a quantitative approach was chosen. The questionnaireⁱⁱ included all influencing factors and dimensions. For Cooperative 1, 80 members answered the questionnaire (30 online, 50 in writing) and for Cooperative 2, a total of 64 questionnaires from the members (15 online, 49 in writing) were generated. After checking the data for completeness and usability, a total of 5 questionnaires were removed. This resulted in two data sets with 61 questionnaires for Cooperative 2 and 78 questionnaires for Cooperative 1. Analysis and evaluation were carried out in two steps. First, a descriptive analysis of the collected data was conducted and then the validity of the previously created model was checked (Ringle et al., 2015).

4. Results of the quantitative survey

Case Study 1

Our results show that the largest number of the members surveyed in Case 1 consider the cooperative more as an extension of their own member farms (46.7%). More than one third (38.7%) could not be clearly allocated to one of the two extreme views while 14.6 % perceive their cooperative as an individual firm.

The assumption that a strong perception of a "cooperative as a company" goes hand in hand with a lower sense of solidarity should be examined in this context. For the existing case studies, the review reveals a connection between the prevailing viewpoint and the existing solidarity. With regard to assumptions already made, possible connections between the point of view and other attributes were examined. The results are compared below and the differences are identified.

In Case Study 1, it could be observed that the average values of the company sizes for the points of view are different. It can therefore be assumed that members who cultivate bigger vineyard areas regard the cooperative more as a company and less as an extension of their own businesses.

A connection between the viewpoint and the forms of employment (secondary or full-time occupation) could not be found in this case study. Furthermore, it was noted that members who see their personal wishes and goals strongly represented by the cooperative increasingly tend to view the cooperative as an extension of the member farm and less as an independent company. Here the obvious assumption is that, with stronger fulfilment of the desires and goals, a stronger solidarity with the cooperative also exists. However, this assumption could not be confirmed.

In Case Study 1, the demand for higher or fairer payout prices became the most frequent wish. This desire was also indirectly mentioned several times in the demand for higher retail prices to make higher grape revenue possible. This makes it clear that (as the experts suspected) grape revenue, or the payment price per hectare, is a key issue for the members of a cooperative.

In Case Study 1, the four most important groups of values were "honesty", "responsibility", "cohesion" and "economic security", which, like the wishes, were formulated by categorizing the answers that were received. It can be seen that the values of the elected members were assigned to the categories "honesty", "responsibility", "cohesion" and "economic security". It can be assumed that most people prefer such values among people in leadership positions.

The degree of satisfaction is another important factor in the model and was measured using various variables. The results for Case 1 showed a high degree of satisfaction with the information and communication as well as with the work of the Supervisory Board. The other committees were also rated positively, but average satisfaction was somewhat lower.

On average, there was a very strong connection with the cooperative in Case Study 1. Most members also saw their personal goals and values well represented by the cooperative and felt they were in good hands in this community. The internal cohesion of the cooperative community was assessed as less positive, but somewhat better than in regional comparisons. Despite relatively strong ties, the members seemed to consider the importance of their membership in the cooperative less important. A high evaluation of the solidarity and at the same time a lower evaluation of the importance of the cooperative in one's own life could possibly be a reason for current development of the views.

In Case Study 1, the connection between the size of the company and the position held in the cooperative was particularly striking. It turned out that members of the Management Board and Supervisory Board manage larger companies on average than members without a specific position or in other bodies. It can therefore be assumed that members with large companies are more frequently members of the Management Board or Supervisory Board than members with small company premises. In Case Study 1 no influence of age was detected.

Case Study 2

In Case 2, 39.6% see the cooperative as an extension of their member farm, but fewer members (10.4%) see the cooperative as an individual firm.

For Case 2, the most common requests and wishes were for "marketing, products and image" followed by the payout price and requests for organization and administration. Due to the small number of respondents in Case 2, it is not possible to make any more profound statements.

For Case 2, the values stated focused on the groups "honesty", "trust", "community" and "quality". For both case studies, there were hardly any differences in terms of wishes, personal values and goals between members of committees and other members of the cooperative.

In Case Study 2, satisfaction in all categories was measured to be 4.4 or higher on a scale of 5. Approval of satisfaction statements given in the questionnaire also showed high median values and ranged on average from "relatively strong approval" to "very strong approval". This can be plausibly linked to the high average value of connectedness and it can be assumed that if there is a low satisfaction together with a low agreement of own and cooperative values and goals, the overall connectedness is low due to less identification with the cooperative.

In Case Study 2, there was no indication of a connection between the size of the company and the position held. For both case studies, no differences were detected between members with and without a position in the internal interest groups in the cooperative.ⁱⁱⁱ

In Case Study 2, however, the following findings could be made with regard to the age groups of the members: There are significant differences between age groups in their satisfaction with the cooperative's quality improvement program. On average, older members are more satisfied with it than members under 36 years of age. Cooperative 2 also shows a positive correlation between the age groups and the active participation of members in meetings. On average, older members of the cooperative participate more actively in meetings than the younger ones.

5. Conclusions

Overall, it has to be highlighted, that in both cooperatives, more members took the view of the cooperative as an extension of the farm than the view of the cooperative as an independent company. In both cases, the number of waverers was high at approximately 39% and 50% respectively. The results of the case studies thus clearly show that the majority of member farmers tend to view the cooperative as an extended arm of the members.

One main conclusion shows that many attributes and not just one constitute the view of the members on the role of their cooperative, which is why the two extreme views "cooperative as an independent enterprise" and "cooperative as an extension of the member farm" have to be regarded as the ends of a continuum. In between these extreme poles, many different natures of a cooperative are possible.

If one looks at the more detailed assumptions made at the beginning of this research, the following evaluation of the assumptions that influence the area of conflict becomes apparent:

- Holding different positions within the cooperative

With regard to the different positions of the members within the cooperative, no divergent effects on the view could be determined in either case study. It is possible that the difference is overestimated or simply disappears due to the small share of the total sum of all members within the given model analysis.

- Forms of operation and the targets and strategies they entail
- Company sizes of the member companies

Assumptions about the influence of the types of business (full time and part time employment) and sizes could not be confirmed. However, it became apparent that for Case Study 1 other variables lead to divergent views. These concern organized succession, quality control of the delivered grapes, harvest yield and the quality of the grapes in general. There are also differences with regard to various operating objectives and values, which indicate a possible area of tension. In Case Study 2, this could not be confirmed.

- Age differences between members

Case Study 2 shows an existing influence of age groups on the developing perspectives, as well as current satisfaction and activity at meetings. Younger members are less satisfied with the quality improvement program than older members are. Older members also participate more actively in cooperative meetings than younger members. It can

therefore be confirmed for Cooperative 2 that possible tensions exist due to different views based on age, i.e., horizon. This could not be shown for Case Study 1. Case Study 1 excludes age differences as a reason for tensions.

In addition, some attributes could be inter-connected. For example, differences in the case studies became particularly evident with regard to the size of the company and participation in committees as well as age and influence on the behavior of members. In future research, the interconnectedness should be addressed.

- Personal values and goals of the members

This assumption can only be established to a limited extent. We found that the values of the members are different and varied, thus how these influence their viewpoint cannot be directly confirmed and their influence on areas of tension cannot be confirmed by the case studies.

- Degree of satisfaction with the cooperative's payout prices and/or other services

The statistics showed that in both cases the payout price is an important satisfaction criterion – as assumed by the experts. The respondents seem to be all in favor of higher payouts, but are generally satisfied with the current level. The situation is similar with other services.

- Degree of commitment to the cooperative or identification and attachment

Assumptions were confirmed for both case studies. The sense of connection and identification shows a strong influence on the point of view itself. Differences in the characteristics of the individual factors therefore also lead to differentiated views, which create areas of tension. A low degree of identification and solidarity is especially detrimental to the view, "cooperative as an extension of the member farm," and tends towards the view, "cooperative as a company". The fact that there are hardly any major differences in the degree of identification and connectedness within the two cooperatives creates a relatively low area of tension with regard to current perspectives. A high degree of solidarity exists in particular when the cooperative's performance is assessed much better than other grape buyers in the economic environment of the region. In this context, the existing knowledge and information of members about payout prices and market of the (not exclusively regional) environment also proved to be favorable for a high degree of commitment.

- "Small" cooperatives show stronger solidarity and identification of the members than cooperatives with very many members.

However, the concentration of the majority of views in the middle between the two extremes can also be caused by the size of the cooperatives themselves. If one assumes that cooperatives were deliberately chosen as medium-sized cooperatives and there is the assumption that in very small cooperatives in general there is a stronger bond and in very large cooperatives this bond is very small, then it must also be concluded that especially small cooperatives would have to show a very strong development in the direction of the view "cooperative as an extension of the member farm" and vice versa. The results of the two medium-sized wine cooperatives analyzed here therefore support the assumption made previously.

Our results furthermore show that there are no consistent / identical results for the two cooperatives. Each cooperative has its own areas of tension, which cannot be explained only by the wishes and demands of its members, but also by the solidarity, identification and satisfaction of all members with their cooperative. The influencing attributes can have varyingly strong effects in different cooperatives (e.g., age). This shows that, despite the same structure and management system, cooperatives are rarely the same, but must always be measured by specific standards, which also include members and the environment. Every cooperative must be aware of its own areas of tension and know its different member groups and their demands and expectations. In one way or another, the cooperative has to decide on its own role. Tensions can then be reduced or avoided by open communication, mediation between member groups and positioning of the cooperative; by querying expectations; or by restructuring cooperative processes in order to meet previously unfulfilled expectations and ultimately prevent a resignation. This is needed in order to develop a good *co-operative management culture and concept of leadership*

which are critical for the survival of the co-operative. A knowledge of expectations and values helps the management to adapt communication and to demonstrate the needs / benefits of producer solidarity (Davis, 2004). By doing so, unity and solidarity increase, harmonizing conflicting views and, thus, lowering tensions. The management and leadership culture are important tools to keep members and manage the cooperative successfully.

This finding is in line with the concept of Feng and Hendrikse (2008). They see the cooperative as a system of attributes integrating the two contrasting views. On the one hand a cooperative is an independent firm in itself consisting of many suppliers (and their attributes) who are the owners. On the other hand Feng and Hendrikse (2008) show that there is a difference between cooperatives and investor-owned firms in terms of the expectations of the stakeholders owning the company. This means the cooperative serves as a strategic instrument to foster the member businesses.

Presumably, this is in contrast to the views of co-operative industry associations and management / managing directors. Due to competitive market conditions and customer orientation, management is urged primarily to make decisions in the interests of the cooperative as a firm and secondly to focus on promoting its member businesses. These opposing positions between members and management / managing director within the cooperative can lead to tensions that can have a great influence on the member economies and can even have the effect of members leaving the cooperative. In addition, it can be assumed that associations tend to share the view of a cooperative as an independent company, since they usually only interact with the managing directors.

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Notes

ⁱ By law, wine cooperatives are only allowed to produce wine from grapes that are produced by their members. They are not allowed to buy wines or grapes from other producers. This induces a considerable brake on the co-operatives' competitive potential as non-co-operative wine producers can purchase as much as they like from whomever they like, providing them with advantages to react to market demands.

ⁱⁱ The questionnaire (in German) can be requested from the authors directly.

ⁱⁱⁱ Hanf et al. (2018) showed that members with a position tend to view the cooperative as an individual firm and that

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these members mostly interact with industry associations. Therefore, it can be assumed that the cooperative associations see the cooperatives more as individual firms. Due to the small sample size of the two case studies, it could be that the views of the members with positions in internal interest groups are marginalized. A separate evaluation of members with and without positions was not possible, because then anonymity would not have been guaranteed.