

# The Perception of Co-operative Values in Practice Using Baden-Württemberg, Germany as an Example

Sebastian Hill and Reiner Doluschitz

Values are gaining in importance in public perception. A form of enterprise that has based its philosophy on values since its inception around 1850 is the co-operative. In Baden-Württemberg, the co-operative association is facing structural change with a tendency towards ever larger co-operatives and concomitant alienation of members. In this context co-operative values can be used as a governance instrument. This article investigates and tries to explain the priority of co-operative values in practice in general; the differences between the co-operative sectors; and compares the co-operative values with values of other business organisations in Germany. For this purpose, a survey was undertaken in which 844 managers of co-operatives were interviewed. The results show that besides “traditional” values, co-operatives identified “modern” values in practice such as, “reliability”, “honesty” and “sustainability”. It also becomes clear that the sector of co-operative banks differs in some values significant from the other two sectors but in general there is a unity between the sectors of which values are characteristic. In comparison to other German business organisations the analysis shows that co-operatives operate to their own specific values but at the same time display many of the same values as for-profit businesses.

## Introduction and Background

From a global perspective, co-operatives became and are becoming increasingly important. Indicators like number of members and employees or turnover can be used as evidence for this development (ICA, 2014a). This is not only of economic importance but the development of society also is, and will in the future, be greatly influenced by co-operatives in many countries (ICA, 2007).

In the Federal Republic of Germany, co-operatives are one of the pillars of society and the economy. Here, the Freie Ausschuss der deutschen Genossenschaftsverbände [Free Committee of the German Co-operative Federations] brings together under one umbrella the Deutsche Genossenschafts- und Raiffeisenverband (DGRV) with 5,797 co-operatives and 19.2 million members (DGRV, 2014: 68), and the Bundesverband deutscher Wohnungs- und Immobilienunternehmen (GdW) with 1,913 member co-operatives and approx. 2.8 million members (Stappel, 2013: 7). This brings the total number of co-operatives to around 7,700 co-operatives with approximately 22 million members in Germany. To put this into perspective, this equates to one in four German citizens being a member of at least one co-operative.

As this study was carried out at the initiative of the Baden-Württembergischer Genossenschaftsverband eV (BWGV), the Federal state of Baden-Württemberg was selected as the region to be studied due to the diversified branch structure of its co-operatives. As a regional association, the BWGV is a member of the DGRV. The study focuses on three sectors: co-operative banks, Raiffeisen co-operatives, and trade co-operatives. The co-operative banks sector includes the Volksbanken and Raiffeisenbanken, which are historically closely associated with the middle class in Baden-Württemberg as they were mostly founded by medium-sized enterprises and farmers in the region as institutions for self-help. Raiffeisen co-operatives consist of a federation of co-operatives that supply cereal crops, milk, wine, fruit and vegetables, livestock and meat. The task of the Raiffeisen co-operatives consists in the supply to their members of maintenance resource, such as animal feed, fertiliser and machines. In addition, the Raiffeisen co-operatives allocate, store and convert the products of their members and support their marketing and sales activities. The last of the three sectors is trade co-operatives, which consists of co-operatives in the fields of commerce, craftsmanship, energy, services

and other groups. The aim of these co-operatives is the improvement of the economic, social and cultural situation of their members. For this purpose, they help their members for example with acquisition, sales subsidies, services or consulting proposals (Baden-Württembergischer Genossenschaftsverband eV, 2013).

For years, the Baden-Württemberg co-operative sector has faced continuous structural changes with a steady decrease in co-operatives in the territory covered by the BWGV – see Table 1, below. In the last six years, the number of banks has decreased by 9.1% and Raiffeisen co-operatives have reduced by 23.5%. Nevertheless, the figures also show that there is a significant difference between these two sectors: whilst the number of members dropped by some 8.75% in the Raiffeisen sector, the number of members in co-operative banks increased by some 10.73% in the same period.

	2009	2009	2010	2011	2012	2014
Co-operative banks						
• Number of co-operatives	242	234	232	230	226	220
• Number of members (in millions)	3,275	3,303	3,354	3,422	3,497	3,568
Raiffeisen co-operatives						
• Number of co-operatives	451	388	379	367	357	345
• Number of members	122,966	115,663	114,960	114,466	113,667	112,205
Trade co-operatives						
• Number of co-operatives	116	140	173	225	252	279
• Number of members	28,207	29,659	31,295	40,313	48,421	52,658

**Table 1: Structure of Baden-Württembergischer Genossenschaftsverbands eV**  
(Source: Jahrbuch des Baden-Württembergischen Genossenschaftsverbandes, 2014a)

The reasons behind the decline seen in the Raiffeisen sector are attributed to structural changes in agriculture and demographic developments, which result in, for instance, unclear farm succession, lack of skilled staff or cost pressure and concentration due to the liberalisation of the agricultural markets. These, in turn, led to business closures, mergers and thus a drop in the number of members and co-operatives (Horsthemke, 2000: 77, 80-84; Doluschitz and Gindele, 2012: 18, 20; Grosskopf et al, 2012: 197-203). In the co-operative banks sector, the decline in the number of co-operatives is, in the first instance, due to merger activities (Grosskopf, 2009: 34; Grosskopf et al, 2012: 26). The increase in the number of members is due to the economic and financial market crisis. During this time, co-operative banks generated trust in the German population due to their stability and transparency thereby gaining new members (Windberg, 2010; Ringle, 2010: 60). Both sectors are thus currently tending towards ever fewer co-operatives but these co-operatives are larger and have more members.

A further significant development in the Baden-Württemberg co-operative sector is the large increase in the numbers and members of trade co-operatives. Their number increased by some 58.42% and the number of members increased by some 46.43% in the last six years. The literature ascribes this rapid increase to the amendment of the Genossenschaftsgesetz: German Co-operative Societies Act (GenG) in 2006, which permitted the co-operative form of enterprise in Germany to extend to social and cultural concerns and opened it up to modern areas, such as energy, social welfare and health (GenG 2006, §1(2); Grosskopf et al, 2012: 34-36; Doluschitz et al, 2012: 32). In addition facilitation of the foundation for small co-operatives was established. In these new fields, it is often attributes such as self-determination, participation and decision-making powers that prompt new business founders to choose the co-operative as a legal form thus contributing to the rapid growth of the trade co-operatives sector (Doluschitz et al, 2012: 21-24).

A deciding factor in choosing to become a co-operative lies with the relationship between members and the role of co-operative principles and values (Ringle, 2012). Co-operatives are based on co-operation between people who, at least partly, share common values (Hill and Doluschitz, 2014: 23) and are distinguished by a particularly value-oriented business ethos (Beuthien, 2003: 2). Co-operative values here play the important role of coordinating the interaction between the members of a co-operative and their environment as well as between the members and their co-operative (Nilsson, 1996: 636, 650; Hakelius, 1996: 79). To underline the importance of co-operative values, the International Co-operative Alliance (ICA) defined a list of them, which are basis for the co-operative principles and thus guidelines for every co-operative action and the co-operative identity. These values are: “self- help”, “self-responsibility”, “democracy”, “equality”, “equity” and “solidarity” (ICA, 2014b).

Amid prevailing famines in 1850, the founding fathers of the German co-operative movement, Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch, established the co-operative idea based on a philosophy of solidarity and self-sufficiency (Raiffeisen and Drüsedau, 1966: 33; Hofinger et al, 2009: 11-19). These ideals characterised the co-operative idea. Although it is in the nature of values that they and their interpretation are primarily dependent on the culture and society surrounding them and that they face continuous developments and repeating cycles (Maag, 1991: 22; Steege, 1986: 27; Eichwald and Lutz, 2011: 41; Hakelius, 1996: 75, 84), in the current co-operative academic literature these traditional values are still at the core of the co-operative identity (among others, Hill and Doluschitz, 2014: 26; Ringle, 2012: 17; Novkovic, 2008: 2169; Novkovic, 2006: 12; Beuthien, 2003: S5; Hakelius, 1996: 79-85). Against this background, it will be interesting to investigate if the founding of new co-operatives has also changed the understanding and the view of the co-operative idea established in Germany more than 150 years ago.

The question arises as to whether values other than those described and selected by the ICA and in the literature as co-operative values are understood in co-operative practice. For this reason, this article investigates which values, represented by managers of co-operatives in Baden-Württemberg, characterize the current co-operative identity in practice and illustrates differences between the three co-operative sectors in Baden-Württemberg. Similar studies have engaged in a broader sense with co-operative values, their principles and their implementation in practice and were carried out in the international context (for example, Hakelius (1996), Bickle and Wilkins (2000), Novkovic (2006), Goel (2012), Oczkowski et al (2013) and Rixon (2013)). In addition, the present study explores the differences between co-operative values and the values of other business organisations in Germany.

## **Database and Analysis**

The region investigated in this survey comprised the Federal state of Baden-Württemberg, which is the third most highly populated German Federal state with approximately 10.87 million inhabitants and had the largest economy with a gross domestic product of €407.2 billion in 2013 (Statista, 2014). The Baden-Württemberg co-operative sector comprises in 2014 of 844 co-operatives, broken down to 220 Volksbanken- and Raiffeisenbanken, 345 Raiffeisen co-operatives and 279 trade co-operatives (BWGV, 2014a: 2), whereby the segment of Raiffeisen co-operatives is quite diversified, also including wine, fruit and vegetable co-operatives. An online survey of all co-operatives was undertaken using the survey tool, EFS Survey, and one manager from each of the co-operatives was surveyed. The questionnaire was started by 337 managers (39.9%) and completed up to the last question by 197 (23.3%) persons however it was possible to end the questionnaire without answering each question. Started questionnaires were included in the analysis as far as possible.

In discussions with experts from BWGV, inter alia the sector of a co-operative, which should be one focus of this paper, was determined as a factor influencing factors on the perception of co-operative values. Other influencing factors mentioned by the experts are the age and the size of the co-operative. In terms of sector, the sample is broken down into 96 banks (48.7%),

34 (17.26%) Raiffeisen and 67 (34%) trade co-operatives that fully completed the questionnaire. Thus, 43.6% of the co-operative banks, 9.9% of the Raiffeisen co-operatives and 24.0% of the trade co-operatives in Baden-Württemberg were reached in the context of the empirical data collection

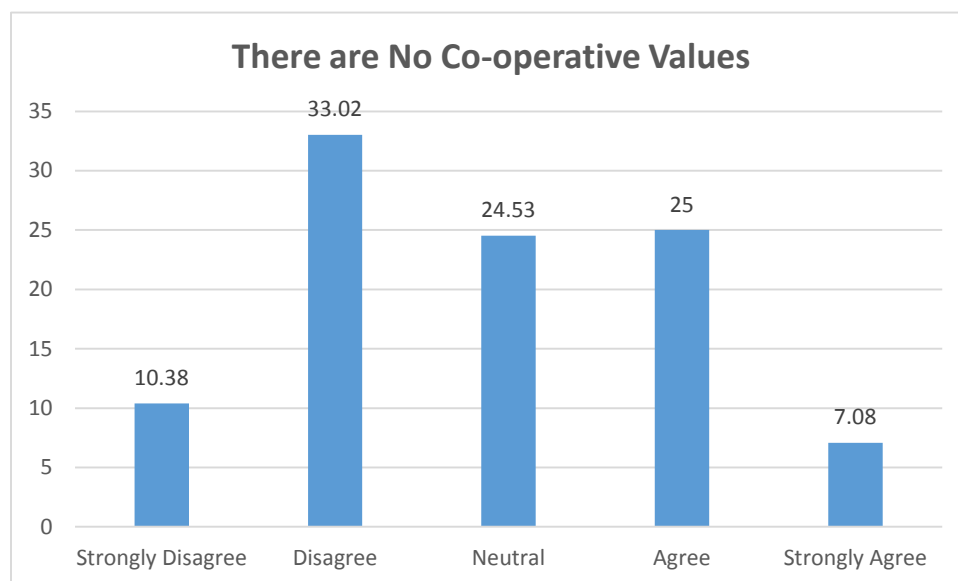
The statistics programme IBM® SPSS® Statistics® 22 was used to analyse the questionnaires. In addition to descriptive statistical analyses, a means comparison in the context of the single factor ANOVA was carried out and significant correlations were represented by means of the Scheffé Post Hoc Test to determine significant correlations between the sectors. For the article, a significance level of  $p \leq 0.05$  is determined as significant,  $p \leq 0.01$  as highly significant and  $p \leq 0.001$  as most significant.

## Results

The results of the survey of managers in Baden-Württemberg co-operatives are shown and interpreted below. In this regard, the general results on co-operative values are shown first. The results regarding the differences of co-operative values between the sectors and between the values of co-operatives and other German business organisations are discussed thereafter.

### Which co-operative values are most important in co-operative practice in Baden-Württemberg?

In order to introduce the subject matter of the study, managers were asked whether, for them, specific co-operative values even existed. The managers' answers to this question are presented in Figure 1.

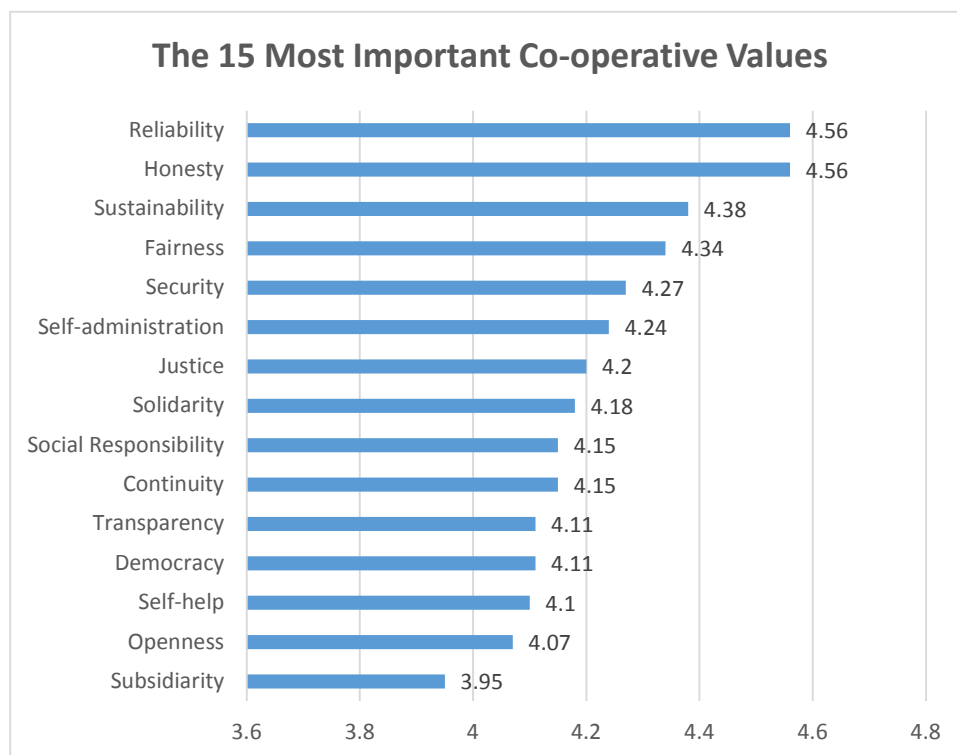


**Figure 1: Managers of co-operatives' ratings regarding the existence of co-operative values (mean values, N = 212)**

In this connection, ANOVA showed a most significant correlation ( $F = 10.152$ ,  $p \leq 0.001$ ) between the co-operative sector and the assessment of this statement. The managers of the Raiffeisen co-operatives agreed with the non-existence of co-operative values most significantly ( $p \leq 0.001$ )

Assuming the existence of co-operative values, an analysis of the literature provides a long list of values that are attributed to the co-operatives. For this reason, several authors take the path of differentiating between core co-operative values and the values ascribed to co-operatives. Figure 2 shows the results of the question. The top five co-operative values for co-operative managers in Baden-Württemberg are: "reliability" and "honesty" (1st place), "sustainability" (2nd place), "fairness" (3rd place) and "security" (4th place) Thus there are values in the top five

ranking, which are not mentioned by the International Co-operative Alliance and the literature as typical co-operative “core” values like “solidarity” (8th rank), “democracy” (12th rank) or “self-help” (13th rank).



**Figure 2: The 15 co-operative values first mentioned by co-operative managers (Mean values, N = 215)**

Further to the values shown in figure 2, managers identified additional factors of co-operative practice such as “good and fair customer advice”, “proximity, partnership and professionalism”, “commitment” and “sense of community”.

A tentative explanation for these findings could be that the financial and economic market crises has sensitised co-operative managers towards values and practices that meet members’ and customers’ need for economic security and reliability and lead to confidence in the co-operative. One could say that these values are coming into fashion and cause a mental distance to the co-operative values of the early years. In addition, if traditional co-operative core values can be seen as naturally arising from the co-operatives in practice as part of the co-operative culture, then over time these values fade into the background and other, more current values come into focus. This does not mean that these traditional values are redeemed. They exist in a more implicit way and are still in the top-fifteen- ranking as shown in the Table above. This is also shown by the answers to the question of whether the fundamental idea of Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch still has influence on the co-operatives. Answers given ranged from neutral to positive with a mean value of 3.18. In this context no significant differences between the sectors could be identified. In addition the literature specifies, that values face evolution cycles so it can be assumed that the value ranking will again change in future. However the traditional co-operative core values are and will be in the centre of the co-operative identity, thinking and acting.

### **Differences between co-operatives from the three different sectors**

The next step considered whether ratings of values differed between co-operatives from the three various sectors. As mentioned before, the co-operatives in Germany form three sectors: co-operative banks, Raiffeisen co-operatives and trade co-operatives. Table 2 shows the different value rankings in relation to these groups.



Rank	Co-operative Banks	Raiffeisen Co-operatives		Trade Co-operatives	
1	Reliability	Reliability		Reliability	Honesty
2	Honesty	Honesty		Sustainability	
3	Sustainability	Fairness		Fairness	
4	Fairness	Solidarity	Justice	Security	
5	Security				

**Table 2: The 5 most relevant co-operative values differenced after the co-operative sectors (N=198)**

The results show, that there is general agreement between the sectors. The values “reliability”, “honesty”, “sustainability” and “fairness” are mentioned in all three sectors. In contrast the values “solidarity” and “justice” represent an exception, because only the Raiffeisen co-operatives ranked them in the top-five-list. However the ratings between the sectors and these two values are not as different as expected. The trade co-operatives ranked justice at 7 and solidarity in eighth place. The co-operative banks ranked justice and solidarity at 11 and 12 respectively. Due to these results it is difficult to draw conclusions, that there are any justified differences between the sectors. Nevertheless, the ANOVA shows some significant distinctions in the mean values between the co-operative banks and the other two groups. The co-operative banks attached the value “fairness” a higher significant relevance than the trade ( $F = 4.139$ ;  $p = 0.018$ ) and the values “security” ( $F = 3.717$ ;  $p = 0.026$ ), “reliability” ( $F = 4.634$ ;  $p = 0.011$ ) and “honesty” ( $F = 3.883$ ,  $p = 0.022$ ) than the Raiffeisen co-operatives. In addition, the value “sustainability” is most significant ( $F = 5.889$ ,  $p = 0.003$ ) higher rated as in the Raiffeisen sector.

One reason for the significant higher evaluation of the values “fairness”, “security”, “reliability”, “honesty” and “sustainability” could be that the Volksbanken and Raiffeisenbanken operate in a market environment strongly characterised by competition. In addition the whole banking industry has had to face a lack of public trust since the financial and economic market crisis in 2008. These two conditions, a strong market on the one hand and significant mistrust in banks by the public on the other hand could be responsible for the ratings of the co-operative banks. This sector has to rely on and communicate a unique selling point and attract members and customers to the co-operative, which could be realised with the mentioned co-operative values. Because in the end, the whole banking sector is built on trust and this trust can be reached by living and communicating these specified values. In contrast, many Raiffeisen and trade co-operatives operate in weak markets with less competitive pressure and alternatives and a high engagement between the co-operative and the members and customers. Therefore the mentioned values are important for these co-operatives too, but do not necessarily have the same relevance and as for the co-operative banks.

### **Co-operative values versus values of other business organisations in Germany**

One question which arises from the results is are the values voted from the co-operative managers co-operative specific or do other business organisations in Germany share them too?

To handle this enquiry, three empirical studies about values of business organisations in Germany have been chosen and will be described as comparison. These investigations were chosen, because they provide an overview of the German corporate landscape as they include many legal forms and sizes of German enterprises. The first survey is the Führungskräftebefragung 2014, in which 350 managers of companies of every size and legal form were asked, which values are central for their organisations. The second investigation, which should be considered, is a survey of 28 German DAX (German share index) enterprises from the year 2008. The third study is a survey of 274 owners, directors and managers of enterprises from the region of Stuttgart (capital city of Baden-Württemberg) who are organised in the Chamber of Industry and Commerce (IHK)

Table 3 presents the top-five-values of the enterprises, included in the studies. It can be observed, that there are only a few crossovers between the top-five co-operative values and the values of other German business organisations.

Rank	Führungskräftebefragung 2014	DAX-organisations	IHK-organisations
1	Integrity	Customer orientation	Reliability
2	Trust	Innovation	Responsibility
3	Responsibility	Responsibility	Trust
4	Respect	Integrity	Loyalty
5	Sustainability	Efficiency	Honesty

**Table 3: Exemplary presentation of the top-five-values of German business organisations (Sources: Hattendorf et al, 2014: 11; Kunze, 2008: 261; Frank et al, 2007: 17)**

One conformity could be found with the Führungskräftebefragung 2014 and the value “sustainability” and two with the IHK-organisations with the values “reliability” and “honesty”. Beyond, in the top-five-ranking of all survey in Table 3 there is only the value “responsibility”, which is listed in the top-fifteen-ranking of the co-operative managers. The other values are not quoted in the co-operative ranking. These results show, that co-operative value pattern, even if it does not include the “traditional co-operative core” values, differs in some degree from other business organisations. However some of the values chosen by the other organisations could fit to the ones chosen by the co-operative managers, too.

An explanatory approach could be that although the co-operative managers voted more “modern” values, these values fit in the context of co-operative thinking and history. Hence co-operative characteristics like for example the co-operative service mandate or member-orientation, influence and impress the co-operative value pattern now. In addition the GenG defines clear objectives for the co-operatives that distinguish from the goal of the other business organisations and the values mentioned by the co-operative managers follow these targets. Though there is some kind of adjustment between the co-operatives and the other business organisations in the last years, this may be a result from the attempt of co-operatives, especially the Volksbanken and Raiffeisenbanken, to adapt modern and popular values in order to compete with other legal forms in the same market. For this reason they cannot afford not to align their communicated values to the current opinions of the public.

## Discussion

The analysis of the empirical survey shows that only 43.4% of the respondents believe in the existence of special co-operative values whereas 24.5% are neutral. With these results in mind the first focus is on the five-top-values, ranked by participants. It was the values “reliability”, “honesty”, “sustainability”, “fairness” and “security” which were voted as characteristic of co-operative in practice. Classical co-operative values, which traditionally represent the core of the co-operative self-image, like “democracy”, “self-help”, and “equality” are not mentioned in the top-five-ranking. However if we look at the voted top-fifteen-values, then “traditional” are included: “democracy” on rank 12 and “self-help” on rank 13. So the only “classical core” value which is not mentioned is “equality”. Even if the traditional values are in the top-fifteen-ranking, still the top-five-lists consist of other “new” values. One explanation for these results, as mentioned above, could be that the change in co-operative values goes along with the change of values in society. In society there is a continuous change of values, and generational differences. For example, in the 1960s, values like “participation”, “self-realisation” or “hedonism” were prominent whereas the generations before and later espouse values like “reliability”, “responsibility” and “performance” (Maag, 1991: 31; Horn and Schwarz, 2012: 29; Volkman, 2012: 7; Hill and Doluschitz, 2014: 22).

This change in dominant values is natural and continuous, but it can also be influenced by external factors like the surrounding conditions such as change of political guidance, periods of economic decline or natural disasters (Steinmetz, 2005: 12, Hiller and Verdier, 2014: 94). One surrounding condition which leads to an increasing meaning of values like “transparency”, “sustainability” and “reliability” is the financial and economic market crisis of the year 2008 (Theurl, 2012: 61). It can be seen that there is considerable overlap between the important values after the financial and economic market crisis and the “new” co-operative values, which can be one possible explanation for the results. As a result of the shift of the values in society on the one hand the “new” values enter the co-operatives because the organisations have to change their company values to, for example, attract new staff (Simon, 2006: 61; Rodeck, 2014: 3). Furthermore, the new colleagues themselves influence the identity and therefore the values of the co-operative. On the other hand the organisations including the co-operatives have to respect the values, which are important in society because this can influence their perception in public and their economic success (Henzler, 1967: 230). Therefore it could be possible that the managers voted values as typical for co-operatives because they follow the social desirability (Dunfee, 2008: 348). Another explanation for the results could be that the managers assume the members and customers compare the traditional co-operative values with the legal form of the co-operative and look to complement these with new and more modern values. So the question that can be posited is: are these five values truly the most important for the co-operatives or are they just communicated as the ones to gain more public acceptance?

It seems that “traditional” values are not lost; as the results show they receded a little into the background but still have huge impact on co-operative thinking and daily activities. This presumption is supported by the answer of the managers that the idea of Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen still affects co-operative daily business. Like the continuous change of values in society “most important” co-operative values will change too, but the “traditional” core values of the co-operatives are still influencing the co-operatives and are likely to stay in the center of co-operative culture and identity in future.

Another explanation for ranking of the co-operative values presented in this article could be that the results are strongly influenced by the distribution of the returned questionnaires in the sectors. The sector of the Volksbanken and Raiffeisenbanken amounts 48.7%, the Raiffeisen co-operatives 17.3% and the trade co-operatives 34% of the survey, which shows weighting towards the co-operative banks and the trade co-operatives. These two sectors have been influenced by two significant factors in the recent past.

On the one hand, as mentioned above the Volksbanken and Raiffeisenbanken are strongly influenced by the experiences made during the financial and economic market crisis in 2008 (Weber and Brehe, 2009: 100). The German co-operative banks got off lightly through the years of crisis because they focused on traditional co-operative values and did generally no high-risk transactions (Windberg, 2010; Ringle, 2010: 60; Steiner and Schütt, 2011: 202 Böhnke 2012: 421; Helmbrecht, 2012: 148). Furthermore, the negative development of the whole banking sector made the German public sceptical (Bastian and Köhler, 2012). As a result values like “reliability”, “sustainability”, “security”, “stability” and “transparency” gain importance for the co-operative banks to control their positive image (Gros, 2012: 206).

On the other hand the publication of the GenG from 2006 has a high impact on the trade co-operatives, because it opened this sector to social and cultural concerns (GenG 2006, §1(2)) as well as the facilitation of the foundation for small co-operatives. In this context many new enterprises have chosen the legal form of a co-operative because it guarantees an optimum vehicle for involvement, independence and public participation (BWGV, 2014a: 24; Stappel, 2014: 7-8; DGRV, 2012; Doluschitz et al, 2012: 21-24). Furthermore many new founded trade co-operatives aim to supply sustainable and local energy (BWGVb, 2014; Volz, 2011: 295-303). This trend leads to an introduction of new values to complement the traditional “core” values. Thus, the large percentage of Volksbanken and Raiffeisenbanken and the new founded trade co-operatives in the survey certainly affect the ranking of the values.



If we look at the differences between the sectors in detail, there exists a relatively high congruence of what values are important for the co-operatives, but nevertheless the Raiffeisen co-operatives list two “traditional” values, “solidarity” and “justice” in contrast to the other two sectors. However, especially between the co-operative banks and the Raiffeisengenossenschaften there are some significant differences. One explanation for these results could be that managers in co-operative banks perceive the co-operative identity, and thus the values and principles, particularly intensively as a unique selling point as they operate in a highly professional market environment, which is characterised by strong competition evidenced by 45% of Germans who stated that they had already changed their bank and that 6% plan to do so in the future (Ernst & Young and Statista, 2012). Co-operative banks must therefore differentiate themselves from competitors by individual corporate specifics, gain the trust of members and customers and thereby occupy a niche market (Porter, 1999: 73-80). For this reason, co-operative banks see co-operative values as important marketing instruments, which must be up-to-date, adapted in line with the social and public opinion and communicated externally. In addition, co-operative banks often have less tradition, compared to the Raiffeisen co-operatives. For this reason, they want to develop and retain closer customer and member relationships by explicitly communicating their co-operative values and principles. It is thus part of their business model to develop a climate of trust and stability in order to differentiate themselves from competitors, to transmit a feeling of how they perceive themselves and the way they do business and thereby gain new members and customers. They have to communicate values therefore which are regarded by the customers as most important at this time.

The Raiffeisen co-operatives stand in contrast to the co-operative banks. Raiffeisen co-operatives are managed by voluntary managers and their members are strongly tied to the co-operative on the basis of the structural requirements, historical and emotional relationships or a lack of alternatives. For example, in the wine-producing industry, 78% of vineyards in Baden-Württemberg are categorised by co-operative structures. These are mostly very small operations and are often (>50%) managed as a sideline (Statistisches Bundesamt, 2011: 13, 16). Members are emotionally and economically strongly linked to their co-operative. Both these Raiffeisen co-operatives as well as the membership in the co-operative are frequently based on tradition spanning decades. For this reason, an adoption of new values is not that important and an explicit communication of the orientation of the company in the form of co-operative values is only necessary to a limited extent. In these co-operatives, co-operative values and principles are lived in more implicit ways. From an economic point of view, members often lack an alternative as the co-operatives, as distribution intermediaries, provide beneficial transaction services, which make them appear advantageous, compared to competitors (Doluschitz et al, 2011: 153). They therefore operate in a weaker market with low competition. For this reason, explicit communication as a differentiating characteristic towards other companies and a link to members is only required to a limited extent. Because of this an adaption of “new” values is not necessary to gain new members and customers. This assumption is underlined by the results of the question if specific co-operative values exist, which is evaluated by the managers of Raiffeisen co-operatives significantly more negatively in comparison to the other sectors. This shows that the argument with this topic is not that distinctive in the Raiffeisen co-operatives and hence there is hardly a revision and adjustment of the co-operative values to actual trends. This stands in contrast to co-operatives in other sectors, in particular bank, residential and trade co-operatives.

Nevertheless all three sectors agree that the values “reliability”, “honesty” and “fairness” are in the top-five-ranking of the co-operative values even if they have different requirements (eg size: Volksbanken and Raiffeisenbanken: average 16,220 members per co-operative, Raiffeisen co-operatives: average 325 members per co-operative; trade co-operatives: average 190 members per co-operative (BWGV, 2014a: 1)) and market environment. This allows the conclusion that the perception of which values are important for the co-operatives in Baden-Württemberg is with exceptions very similar between the three sectors.

Finally the differences between the values of the co-operatives and other business organisations in Germany were considered. It was established, that there are differences between these two groups but some kind of equilisation occurs. The analysis could be interpreted that the focus in the other legal forms is more on economic success and the relationship inside the company. In this context values like “integrity”, “customer orientation”, “efficiency” and “loyalty” can be listed. In contrast, the values voted by the co-operative managers focus more on the relationship between the member and the co-operative. It is a matter, that values like “reliability”, “sustainability”, “fairness” and “security” guarantee the members business operations, which are based on stability, transparency and equality. This is linked to the aims of a co-operative, which differ from the aims of the other legal forms (van Oorschot et al, 13: 64-65) and are specified in German co-operative law (GenG 2006, §1).

If the co-operative managers believe in the existence of specific co-operative values it can be said, that they unconsciously vote for an intrinsic co-operative value pattern. Nonetheless it would appear that values identified by respondents from co-operatives do differ from the other German business forms as is often envisaged. However, traditional co-operative values, like “solidarity”, “democracy”, “self-help” and “self-administration” still have a place in the top-fifteen-ranking and have a significant influence on the co-operatives in practice. This can for example be seen in the co-operative membership, the structure and organisation of a co-operative and the co-operative self-image and approaches (Grosskopf et al, 2012: 44-45, 63, 80). While these results might be interpreted in terms of co-operatives needing to communicate “new” and adapted values to the public to follow social desirability and present a modern picture of the legal form in public, at the same time the business operations, daily work and thinking is strongly affected by the traditional values. To verify these overlaps or differences between the legal forms it would be interesting to carry out further research to analyse the statutes and approaches of different legal forms and to ask the managers from the different organisations for their opinion as to which values best characterise their companies.

In summary traditional and proven co-operative values are still relevant to co-operatives. It is therefore advisable for co-operatives to underline and communicate the uniqueness and stability of co-operatives and co-operative values, which made this legal form so successful in the past. Because these values are a singularity, which cannot be adopted by other legal forms and which impress the characteristic of a co-operative, they are crucial to co-operative practice.

## The Authors

Sebastian Hill MSc is a researcher at the Research Centre of Cooperatives at the University of Hohenheim in Germany. Professor Dr Reiner Doluschitz is Head of the Department of Computer Applications and Business Management in Agriculture as well as Managing Director of the Research Centre of Cooperatives at the University of Hohenheim in Germany.

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### How to cite this article:

Hill, S. & Doluschitz, R. (2014). The perception of Co-operative Values in practice using Baden-Württemberg, Germany as an example - Basic principles, perception and implementation. *Journal of Co-operative Studies*, 47(2), 32-43.