Member Value in
Housing Co-operatives

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Abstract
Housing co-ops are very important for the housing sector in Switzerland (about 5% of housing supply in Switzerland and almost 20% in Zurich). Nevertheless, although they enjoy a positive image and they are supported by the public authorities, they face several challenges in their daily business. One major challenge is dealing with the decreasing motivation of their members to assume responsibilities inside the co-op and to participate actively. However, a high level of member participation is crucial, because this is what turns a housing co-op into a civil society organization and what allows lower rents (cost-induced rents) and public funding. In the end, the members themselves, which are the owners as well as the tenants of the apartment, differentiate co-ops from profit-oriented landlords. Furthermore, only a living housing co-operative provides the benefits co-ops are known for. Therefore, it is essential for every co-op to make its values and benefits visible to its members in order to strengthen its commitment and bond. The present paper presents an interdisciplinary approach to identify the member value of housing co-ops and examine the best practices of their management.

Keywords: Member value, housing co-operatives, civil society, basic needs
Problem and Research Interest

I Problem and Research Interest

Switzerland is a country of co-operatives. There are about 10,000 co-ops, even more than in Germany, whose population is 10 times bigger – that means one co-op per 830 people (Eidgenössisches Amt für das Handelsregister, 2013). However, despite the size and economic significance of the co-operative sector, community awareness of the sector runs far behind community reliance on it. Recent studies in Germany, Australia and Switzerland concur with the fact that knowledge about co-operatives differs widely between countries and sectors of the population. In Australia, for example, only 16% of survey respondents were aware of being a member of a co-op, whereas 42% indicated that they were not sure. In Germany, most people know what co-operatives are and how they work. However, there is consensus in one regard: in all three studies, the vast majority of respondents had a (very) positive image of co-operatives and a high level of trust (Denniss & Baker, 2012; Gernet, 2012a, 2012b; Theurl & Wendler, 2011). Co-operatives seem to be generally in vogue in Western societies, especially since the economic crisis in the course of which co-operatives have proven their reliability and sustainability.

In Switzerland, co-operatives are mainly active in the agricultural, retailing, banking and housing sectors. Whereas most co-operative branches are mainly present in rural areas, housing co-operatives are concentrated in the bigger cities and agglomerations such as in Zurich, where every fifth person lives in a co-operative flat. The housing sector is a very important part of the co-operative movement with about 1,800 co-ops. Altogether, these provide more than 160,000 apartments, which represent approximately 5% of the whole housing supply in Switzerland (Schmid, 2011, p. 42). In view of the relevance of housing co-operatives, it is no surprise that citizens of Zurich voted in favor of a new fundamental article in the municipal code concerning urban housing policy. More than 75% of voters supported the goal of increasing the percentage of co-operative housing in the city to 33% (from 20% in 2012) (Stadt Zürich, 2011a, 2011b). Although these numbers and political efforts portray a positive image of and large public support for housing co-operatives, co-ops face a number of challenges in their daily business. External factors such as growing wealth, the increasing costs of building land and structural conditions are just one part of the challenge. Much more important are internal factors: members have increasing demand for apartments and the infrastructure and at the same time decreasing motivation to assume responsibilities inside the co-op and to participate actively. It is becoming very difficult to find people who are willing to take responsibility within the co-op, while the sense of community and solidarity is also decreasing (Schmid, 2011).

However, these elements are exactly the core of the co-operative housing form. Without members that engage themselves actively, the co-op becomes an empty shell and is unsustainable in the long-term. Therefore, it is essential for every co-op to make the value of co-operative housing visible to members, thus strengthening their
commitment and bond. Distinct from customers of a firm, members of a co-op are much more than just buyers of goods and services. They rather take at least four distinct roles: (1) investor; (2) patron; (3) owner and (4) community member (Mazzarol, Mamouni Limnios, & Soutar, 2011). For this reason alone, it is obvious that the needs of a member towards a co-op are different compared to a customer of a commercial service provider and mostly more varied too. As a result, the generated benefits can take a variety of forms. Nevertheless, until recent years, the mainstream of co-operative research has focused mainly on economic aspects such as the value of a co-operative to its members. One reason for this economic focus is the particular position of co-operatives between the private and the third sector, which causes Levi and Davis (2008) to describe co-ops as the “enfants terrible of economics”. Furthermore, this economics-focused view is supported by many co-operative laws that define the primary purpose of co-ops as “promoting or safeguarding the specific economic interests of the society’s members by way of collective self-help” (e.g. Art. 828 "Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations)," Status as of 1 January 2012). Finally, this economic fixation is caused by the origins of the value concepts based on traditional marketing research.

However, housing co-ops offer much more than just a roof over their members’ heads at an affordable price. The value of the provided flats and services at a low price is undeniable and, in many cases, the main value driver for members. Nonetheless, other aspects of member value should not be ignored since they are often the USP of a co-operative and are what make it special. Many members of housing co-operatives are not even aware of the additional value due to the co-operative form, such as the right of co-determination, because it cannot be measured in monetary terms.

From this line of argumentation, it follows that housing co-ops act at the interface between the housing market and civil society (Ludl, 2013, p. 203). Hence, this particular position results in a difficult challenge for management:

- On the one hand, housing co-ops are companies that offer attractive housing infrastructure at a low price to members (or at least in the interests of their members for a particular target group) on the “free” market.
- On the other hand, housing co-ops are part of civil society and therefore obliged to the general good beyond the law of the market. Examples of this commitment are apartments that are especially built for elderly people, a family-friendly atmosphere and special conditions for young families (a cheaper price) or the observance of high ecological and energy-saving standards.

From this perspective, housing co-operatives possess a double nature. They are players in the housing market like their profit-oriented competitors, but at the same time they are characterized as civil society organizations, which gives them two essential competitive advantages:
Problem and Research Interest

- For society and the public, the civil society character builds a good reputation and leads to favorable treatment and consideration by the public administration. Therefore, some housing co-ops are supported by the government in terms of preferential treatment through the acquisition of parcels of land and financial incentives.
- For members of the co-op, the co-operative benefits from its reputation as a civil society or a nonprofit organization. The non-distribution constraint of co-operatives is a clear signal of trustworthiness (Greiling, 2007). Members’ attitudes towards their lessors are generally more positive than they would be to a commercial rental company, because all rental fees stay inside the co-op and do not go to a private landlord or shareholders. The non-distribution constraint in housing co-operatives follows the principle of cost-induced rents. According to a rent comparing survey in Switzerland, cost-induced rents reduce the average rent for the same living space by 15% (Bühlmann & Spori, 2010).

These two financial advantages of housing co-ops “allow” them to offer cheaper rental prices. Therefore, an essential task of a housing co-op’s management is to ensure its status and reputation as a civil society organization in order to receive preferential treatment by the public administration and to maintain the trust of their members as well as the wider public. Without these two factors, a co-op would lose its good price/performance ratio and a part of its identity.

At the individual level, members profit from the co-operative’s advantages just as much as they are willing to make their own contributions to the civil society character of the organization. At this point, a dilemma arises: on the one hand, housing co-operatives need professional management to handle the multiple challenges according to members’ demands; on the other hand, co-operatives have to maintain their (nonprofit) character through member involvement, whereby fewer and fewer members are willing to take their shares of the responsibility. The key to this dilemma lies in the identification and increased visibility of member value. In addition to the challenge of member participation, housing co-operatives face a significant reduction in public funds that support co-operative housing. At the national level, the efficient support of co-operative housing no longer exists in Switzerland – unlike the past 80 years – due to austerity measures. Therefore, it is necessary to keep working on promoting the advantages of co-operative housing. Not only do members have to realize their proper value but also the broader public must be convinced of the co-operative form of housing in order to re-increase financial support. Although housing co-ops are very important and well known in Switzerland, their share of total housing supply (5%) is marginal. Hauser (2013) states that an equal market share of 33% between homeownership, tenancy and co-operative housing would be the best way to fit the people’s interest in the way of living. Therefore, the WBG is not only supporting existing co-operatives but also helping new co-operatives to start up, with the intention of increasing the share of co-operative housing in Switzerland.
Line of Argument

In view of the double nature of housing co-operatives, the benefits they provide for their members and the challenges they face, there are three essential research questions to answer:

1) What characteristics and benefits of housing co-operatives generate value in the eyes of their members?

2) Which type of member value is connected to the willingness of a member to participate in the co-op?

3) What are the key management factors to be successful in generating member value and public awareness of the advantages of co-operative housing?

II Line of Argument

In order to analyze these three research questions, the present study uses an interdisciplinary member value approach that stresses the importance of the match between the co-operative and its member characteristics (see Suter, 2012). In contrast to established member value theories in the co-operative sector, this approach focuses on the non-economic aspects of member value (see Theurl, 2013). The economic benefits and actual services or goods are very important for members and their satisfaction. However, the latent and non-economic benefits of a co-op (the characteristics of a civil society organization) are the unique features of the organization and these are what distinguish them from classic market players. Furthermore, it can be expected that non-economic aspects are crucial for the participation of members in the co-op. By way of an analogy with the double nature of co-ops, members ask for the twofold benefits of economic goals and latent preferences. As mentioned before, the member value approach focuses on the latent benefits and values of the co-op.

On the basis that the perception of member value is highly individualistic and members are the heart of any co-operative, the member approach follows an individual-centered perspective. As a result, the starting point of member value is the set of individual needs and preferences of co-operative members. In order to discover these needs and preferences, an interdisciplinary needs theory was developed that understands members as a whole and helps ask the right questions. The member value approach is based on the assumption that actual value is generated when members’ needs meet the benefits provided by the co-operative. Member value is thus not a static construct and cannot be “produced” solely by the co-operative. Member value depends on matching members’ preferences and economic goals to the co-operative’s ability to provide latent and manifest benefits. Co-ops provide benefits not only in the form of products and services but also in the form of their specific characteristics and structures. Therefore, the comprehensive range of benefits offered by co-ops is not restricted to the fixed activities in the articles of association or program but includes other characteristics such as the culture and community feeling, too. Briefly, the better
**Member Value Approach**

The provided benefits of a co-op match members’ latent preferences and economic goals, the bigger is the resulting member value (see Figure 1).

**Figure 1: Member value as an overlap between needs and benefits**

Hence, the management of a co-op has to know its members’ needs in order to be able to provide the appropriate benefits to satisfy them. The first challenge for member value-oriented management is therefore to create an instrument that enables it to investigate members’ needs.

### III Member Value Approach

The member value approach can help create such an instrument by providing a framework and support by asking the right questions. The theoretical foundation of the member value approach is based on three need and motivation theories: Abraham Maslow (1943, 2010), David McClelland (2010) and Manfred Max-Neef (1991). All three of these cover a wide range of disciplines and research approaches. Maslow (1943) classified human needs into five basic categories and arranged them in order of priority to form a hierarchy. That means that the appearance of a certain need usually rests on the prior satisfaction of a more pre-potent need: (1) physiological needs; (2) safety needs; (3) belongingness and love needs; (4) esteem needs and (5) self-actualization needs. He later revised the original theory and suggested two additional needs: knowledge/understanding needs and aesthetic needs.

The interdisciplinary theory of Max-Neef (1991) covers all the needs of Maslow except the aesthetic need, although he does not refer to Maslow and differentiates his need for esteem and self-actualization in participation, creation, identity and freedom. Whereas Maslow uses rather abstract terms such as the need for esteem and for self-actualization for his growth needs, Max-Neef’s needs list is more specific and closer to practice. Furthermore, he added the need for idleness; however, idleness should not be misunderstood negatively as laziness but rather recreation, comfort, convenience and pleasure. The omission of Maslow’s aesthetic need is probably due to Max-Neef’s focus on development work and his non-psychological (political) background. However, aesthetic needs have to be added to the nine other needs. In contrast to Maslow, Max-
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Neef understands needs as a system in which all needs are interrelated and interactive. He denies any hierarchy between the different needs, except the need of subsistence, to remain alive (Chiu & Lin, 2004). Furthermore, Max-Neef differentiates between needs and satisfiers. For example, food and shelter should not be seen as needs but as satisfiers of the need for subsistence. There is no one-to-one correspondence between certain needs and satisfiers, but needs can be satisfied by many satisfiers and vice versa (Max-Neef, 1991). This argumentation fits with Maslow and Freud, who see acts mostly as motivated by more than one human need. As satisfiers may vary, needs remain constant over time. Max-Neef postulates nine universal human needs, which are the same in all cultures and throughout all historical periods:

1) Subsistence (e.g., physical and mental health, etc.)
2) Protection (e.g., care, solidarity, trust, etc.)
3) Affection (e.g., respect, friendships, family, share, etc.)
4) Understanding (e.g., curiosity, rationality, investigate, study, etc.)
5) Participation (e.g., interact, propose, willingness, rights, etc.)
6) Idleness (e.g., imagination, have fun, free time, spectacles, etc.)
7) Creation (e.g., skills, invent, compose, change, build, etc.)
8) Identity (e.g., sense of belonging, reference groups, norms, values, etc.)
9) Freedom (e.g., autonomy, choose, be different, etc.)

From a management perspective, what motivates members to participate actively in the co-op is also interesting. Some motives and needs are already included in the list of Max-Neef but it does not take into account that many co-operative members are also employees and some join the co-op particularly with regard to their opportunity to make progress. From this point of view, it is fruitful to take a closer look at McClelland’s (2010) three needs of achievement, power and affiliation. Affiliation is very similar to Max-Neef’s “affection” and Maslow’s “love”, but the other two outline new kinds of human needs. In his studies, McClelland (2010, pp. 167-168) defined power as a concern “with the control of the means of influencing a person”. Power describes therefore an interpersonal relationship “in which there is a superior person having control of the means of influencing another one who is subordinate” or more in general being able to put a point across, giving commands and to prevail (quoted from McClelland, Atkinson, Clark, & Lowell, 1958, pp. 220-225). By having a closer look at the reasons behind the foundation of a co-operative, it is obvious that the need for power is the trigger in many cases. A single person is not able to pursue his or her goals and thus the only way to achieve this goal is by accumulating more power through collaboration with other people. Many co-operatives were funded on the basis of precarious conditions and economic necessities, especially during the beginning of the co-operative movement and in developing sectors or countries (Bonus, 1994).
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Therefore, co-operatives have often been and still are an opportunity to increase bargaining power and to make the voices of members heard. However, this collective power is just one side of the coin. The need for power also has a more individualistic aspect, as some members can occupy a position in the co-operative that they might not have in their working lives. Additionally, a (high) position in a co-op can also be linked to social recognition. In this manner, the need for power is similar to Max-Neef’s need for identity. The other need analyzed by McClelland (2010) is the need for achievement. This is defined as “success in competition with some standard of excellence” or, in other words, an individual’s need to meet (realistic) goals, receive feedback and experience a sense of accomplishment (Moore, Grabsch, & Rotter, 2010, p. 25).

1 Model structure of the basic human needs

To sum up, 12 basic human needs have to be satisfied by housing co-operatives. Although it is impossible for any co-op to satisfy all their members’ needs, they are a reference point for any strategic decision. As these needs are interrelated and can be satisfied by a wide range of satisfiers, it is important to arrange and systemize them. For this purpose, Schilling’s (2000, p. 249; 2004, pp. 167-168) idea of man will be applied that describes a human as a(n):

- bodily/physical being ➔ senso-motoric dimension
- sentient being ➔ emotional-affective dimension
- thinking being ➔ cognitive-rational dimension
- acting being ➔ psycho-actional dimension
- social being ➔ social-communicative dimension
- cultural being ➔ cultural-ethical dimension

Similar to Max-Neef, Schilling (2000, pp. 248-251) points out that the distinction of the six dimensions is only analytical. All dimensions are interrelated and man has to be seen as an integrated being. Therefore, the dimensions are mainly an operationalization of man as a whole. In these six dimensions, Schilling differentiates between intra-personal and inter-personal dimensions, whereby the psycho-actional dimension is the interface between the inside and the outside. By considering the context of co-operatives and nonprofit organizations in general, the psycho-actional dimension is mainly part of the inter-personal aspect. At an even more general level, the six dimensions can be broken down by using the taxonomy of Bloom (1984) into cognitive, affective and psychomotor. Bloom’s classification and the distinction between the inter-personal and intra-personal spheres allow arranging the six dimensions of Schilling in a hexagon (see Figure 2).
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Figure 2: The six dimensions of Schilling in a hexagon

Although Schilling refers to Bloom, he chooses a different – anthropological – model to structure the six dimensions with particular attention to the psycho-actional dimension, which results in his understanding of the interaction of all the other dimensions. The advantage of the combination of Bloom and Schilling and the hexagonal structure lies in the mutual enrichment of both approaches and the better understanding. For example, in the inter-personal area of Bloom’s affective dimension are the personal emotions of a person, whereas on the inter-personal side are rather the expressions of these feelings. By contrast, the social-communicative dimension has a strong influence on a person’s emotions. Therefore, the reasons and expression of emotions can be located along the affective dimension. Nevertheless, the interactions in the model do not just follow the main dimensions of Bloom but also cross them, and these cross-connections are important.¹ The cultural-ethical dimension, for example, can influence the senso-motoric dimension, as the status of a person in society can be linked to poor living conditions and malnutrition. Therefore, the hexagon has a model character and man should be seen as a holistic being who integrates head (cognitive), heart (affective) and hand (psychomotor).

In the last step, the adapted hexagonal model of the idea of man has to be combined with the 12 basic human needs (see Figure 3). While some needs are very easy to locate on the six dimensions, others are trickier, and it is necessary to take a closer look into each need and dimension. The reason for the difficulties in the classification of these needs arises from the interrelationship of the dimensions, which have primarily an analytical character. A good example is aesthetics: on the one hand, the perception of art is a cognitive act, but on the other hand, it is strongly associated with emotions

¹ Accordingly, all dimensions should also be interlinked by a line, but that would overload the illustration.
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(Leder, Belke, Oeberst, & Augustin, 2004). Therefore, aesthetics is located on the cognitive-rational dimension close to the emotional-affective dimension, whereas understanding is more or less a pure cognitive-rational need.

Figure 3: The basic human needs arranged along Schilling’s six dimensions

2 Theoretical Conclusions

Every co-op and its members have a different structure and culture, thereby generating a distinct member value. Although it is impossible for any co-op to satisfy all its members’ needs, the member value framework gives an idea of what members want and how important they consider certain benefits. Although the presented member value approach mainly examines the latent preferences of members and the according benefits of the co-op, it does not ignore the economic goals of members. For the majority of co-op members, economic goals are the main reason to live in a co-operative apartment. This is also one of the reasons why co-operative housing is popular in Zurich, as people on average incomes just would not be able to afford a flat due to the high rental level. In rural areas, the situation presents a different picture: lower rental prices and lower rates of co-operative housing. These economic aspects have to be taken into consideration as well, but a complex theoretical framework is not needed, inasmuch as these economic data can be collected easily as well as the actual services of the co-op unlike the latent values. The members’ needs and organizational preferences, however, are not always obvious, and therefore direct contact with members is needed in order to detect them. According to Hauser (2013), the interim manager of the WBG, in modern Swiss society, members of housing co-operatives have two needs that must be satisfied: security and affection. Housing co-operatives provide
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higher standards of protection against dismissal, which is particularly important for people at a lower socio-economic level; additionally, housing co-ops tend to provide higher security in regard to criminality. The community culture, the composition of the tenants and sometimes the whole housing scheme with courtyards and playgrounds support the member’s image of the co-operative as a secure place to live. The affection need, by contrast, is closely connected to this argument and somehow is satisfied by the same satisfiers. Many elderly people, for example, are afraid to be lonely and to live on their own. They are looking for a place with the possibility of social exchange with their neighbors. Some housing co-operatives therefore provide particular services for elderly people in the form of social events and meetings as well as support in their daily lives. These are just two examples named by Hauser; there are probably many more benefits that housing co-operatives provide to their members that are not obvious at first sight.

However, the goal of any co-operative is to offer the best set of satisfiers according to their members’ needs and economic goals at a certain time and to build their own specific co-operative culture, which is desirable to members. Nevertheless, it is not possible to define a set of satisfiers that will be valid eternally for the co-operative and all its members. The needs of members and the environment by which they are influenced change just as the co-operative itself does. Therefore, the unique characteristics of a co-operative and the lifecycles of the co-operative itself and its members must be taken into consideration (see Gmür & Lichtsteiner, 2009). Figure 4 summarizes the different aspects of the member value approach and brings them together in a model.

It should be kept in mind that one specific benefit or co-operative characteristic can satisfy several latent preferences of different members. Briefly, members have different expectations towards the co-operative, whereas latent preferences, based on the 12 basic needs, and economic goals must be distinguished. Nonetheless, the co-operative is responsible for the set of satisfiers that meets the latent preferences and economic goals of their members. Member value arises as a result of matching the latent preferences and economic goals of members to the latent and manifest benefits (set of satisfiers) provided by the co-operative; therefore, member value is not static, but rather a dynamic concept.²

² The theoretical framework is based on a qualitative pre-study about the Swiss car sharing co-op “Mobility” (Suter, 2012). The actual study thus represents a follow-up study that will provide quantitative data about member value in housing co-ops for the first time.
3 Theoretical Approach to Analyzing the Management of Housing Co-operatives

In addition to the member value approach, which focuses mainly on the member level, the study analyzes the management of housing co-operatives according to the AGIL scheme of Parsons (1961, 1971) and the Freiburg Management Model (FMM) (Lichtsteiner, Gmür, Giroud, & Schauer, 2013). Whereas Parsons’ structural functionalism theory is a macro sociological analysis, with a focus on the social structures that shape society as a whole, the FMM is a standard reference for the management of nonprofit organizations. The approach of Parsons – as a grand theory – and the FMM – a practice-oriented management textbook – are completely different in their levels of abstraction. Nevertheless, several identical key issues make it possible to combine both approaches. They both have a systemic perspective of (nonprofit) organizations and share a common understanding of the basic principles of a functioning system. In order to get a better understanding of the similarities of both approaches, in Figure 5 Parsons’ AGIL scheme is combined with the main aspects of the FMM.
**Figure 5: Parsons’ AGIL scheme and the FMM combined**

<table>
<thead>
<tr>
<th>Adaptation</th>
<th>Goal Attainment</th>
<th>Integration</th>
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<td>NPO as a productive system</td>
<td>NPO as a targeted and purposeful system</td>
<td>NPO as a social system</td>
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<tr>
<td>NPO as a learning organism</td>
<td>goal-setting</td>
<td>operational and organizational structure</td>
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<tr>
<td>goods and services</td>
<td>vision/mission</td>
<td>Articles of Association</td>
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<tr>
<td>adaptation-/change-/innovation-processes</td>
<td>strategy/politics</td>
<td>principal and voluntary work</td>
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**Figure 5** clearly illustrates the fit of the core principles and topics of the FMM with the AGIL scheme. The FMM is structured into three main sections: system management, resources management and marketing management. As illustrated in Figure 5, system management covers most of the aspects of Parsons’ integration function, while resources management and marketing management fulfill the adaption function. The goal attainment and latent pattern maintenance functions, by contrast, are not specified in detail in the FMM, but they are integral principles of its whole management understanding. Furthermore, the FMM speaks of narrow and wide system boundaries, and this refers to Parsons’ axes of internal and external orientation. This combination allows us to break down Parsons’ theoretical approach and operationalize it. The main question is thus, what efforts the management of a housing co-operative is making in order to guarantee all four functions of its system. Or linked to the member value approach, how should the four functions be developed in order to provide a member value?
Methods and Research Design

Methods and Research Design

Most housing co-operatives in Switzerland are organized into one of the two national umbrella associations: “WOHNEN SCHWEIZ” and “Wohnbaugenossenschaften Schweiz” (WBG). WOHNEN SCHWEIZ includes about 400 housing co-operatives and foundations with approximately 25,000 flats, while the WBG includes more than 1000 members and about 140,000 flats (WOHNEN SCHWEIZ, 2013). These two big associations make it possible to get access to the mass and diversity of housing co-operatives in Switzerland. Hence, in order to analyze the member value of housing co-operatives, a research collaboration with the WBG was established. The WBG is organized into nine regional sections all over Switzerland. This broad coverage allows us to investigate regional differences in member value such as urban versus rural areas or German-speaking co-ops versus French-speaking co-ops. The study is designed in two phases. First, we carry out a qualitative study with active members and the managers of the WBG in order to develop a questionnaire and, in the second step, we employ a quantitative online survey with the inhabitants of co-operative flats and the management.

For the first part of the study, it is planned to conduct 5–10 expert interviews in order to ascertain a deeper understanding of the co-operative housing sector and to develop the questionnaire for the second part of the study. The member value framework is only a theoretical construct that has to be broken down and adapted to housing co-operatives. What is the meaning of the security need in the context of housing co-operatives? Is it a properly built and safe house and/or the knowledge that the rental contract cannot be canceled and/or the neighborhood is safe? A need can be satisfied by a wide diversity of benefits (satisfiers), and thus a comprehensive understanding of the subject is necessary to elaborate on the potential satisfiers for the different needs. Owing to the heterogeneity of the co-operative housing sector, the sample of interview partners will be selected in order to cover the widest range of different orientations and cultures possible. The goals of these expert interviews are to identify the potential needs of members and the provided benefits that aim to satisfy these needs. Hence, items for the questionnaire can be deduced. The core of the questionnaire will be the importance that members attach to certain needs and to what extent they perceive these as satisfied by the co-op. In practical terms, scales and items will be developed that cover the member’s needs and the co-operative’s benefits. Furthermore, interviews with the managers of housing co-operatives will provide insights into the way management is organized and how it works. These results are necessary to create a secondary questionnaire for the management of housing co-ops.

The second part of the study – the quantitative part – includes two surveys: one to the management of the housing co-operative and one to its members. The proposed

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3 Except the small Italian-speaking part.
Research Goals and Expected Results

The study pursues several research goals that are additional but strongly linked to the actual research questions, which are specifically interesting for housing co-operatives and their management:

- The identification of members’ needs and the determining variables such as sex, age and socio-economic status. What needs are dominant by what kinds of members and how can these differences be explained? These results will help co-operatives assess the consequences of a change in the composition of the membership base on the member’s needs and on how the co-operative can adapt to this. Knowledge about the member’s needs could lead to the creation of special services or increased efforts to strengthen the feeling of community. Therefore, the identification of the member’s needs lays the foundation for potential new benefits provided by the co-op, which can lead to higher member value.

- The analysis of the main management functions and activities of housing co-operatives according to the FMM and Parsons’ AGIL scheme. What are the characteristics of housing co-operative management (e.g. degree of professionalization, financial and human resources, composition of the membership base etc.) and how do they perform their essential functions? Of the more than 1000 housing co-operatives of the WBG, only about 75 have professional management. The vast majority is managed by volunteers; although they are paid properly, they are doing this work in addition to their jobs. Hence, managements cope with their challenges in their own ways. The comparison of the different management models in turn can help identify deficits and potential improvements.
Research Goals and Expected Results

- The member value approach is an instrument for performance measurement. Which co-operatives generate high member value and in what way? The sample of about 150 housing co-operatives makes it possible to compare management members and understand what member value they are able to provide. From a management perspective, the results can lead to evaluate the best practices of housing co-ops and show ways to increase the member value of other co-ops.

The inhabitants of co-operative flats are not expected to be a homogeneous group. As the characteristics of housing co-operatives vary widely, such as co-ops that are especially founded for elderly people or small co-ops based only on a few families, so, most likely, do the characteristics and preferences of their inhabitants. It is expected that different types of co-operative members can be identified based on the member value they perceive as important. Furthermore, participation with the co-op and a general willingness to participate is expected to be mainly a result of the co-operative’s community structure and the individual preferences of inhabitants and not the manifest benefits of the co-operative itself. In other words, the ability of a co-operative to activate its members lies mainly in the latent benefits it offers and the match of this offer with the member’s organizational preferences. In line with this perspective, member activation does not follow an economic calculation; it is rather soft factors such as normative and affective commitment to the co-op that are important. The possibility to participate in a co-operative and be a part of the organization is the main difference to other kinds of organizations and this makes it possible for co-ops to satisfy a much wider range of needs. In the end, a member is only ready to participate actively and to assume responsibility for his or her co-op if he or she is – more or less consciously – expecting a (member) value out of the engagement, but this value need not be economic.

With regard to the theory, the interdisciplinary member value approach will be validated empirically and adapted according to these new insights. It is a research goal to develop a new tool to measure the value of membership in a co-operative and to make the organizations more accountable to their members, especially due to non-economic benefits. Therefore, the contribution of this micro-level study also affects the meso level by developing a wider theory of member value.
References

VI References


Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations) (Status as of 1 January 2012).


References


