

## EXPANDED ABSTRACT

### **Cooperative work venture: results, expectations and business performance. An analysis of Valencian worker cooperatives**

#### **Contextualisation and aims**

This research adopts the initial, general hypothesis that the entrepreneurial process of the worker cooperative, in its various stages of development and establishment, has some unique features in comparison to the traditional entrepreneurial model, which has an impact on the results of the cooperative and the entrepreneurs. This hypothesis is justified by the fact that there are significant organisational differences between the worker cooperative and the traditional capitalist company due to the majority of the cooperative's members acting as both owners and workers, thereby establishing business relationships between equals and circularity in principal-agent relationships. This has been shown by various studies.

These differences are characteristics inherent to the worker cooperative that determine a unique and distinctive organisational context that will affect the cooperative's management processes. Based on this organisational uniqueness, this study aims to contribute to the understanding of business behaviour by investigating the entrepreneurial process of the worker cooperative and its relationship to company performance and the expectations of the cooperative entrepreneurs. Bearing in mind that, for these people, the main aim of their entrepreneurial activity is achieving personal and professional development using a participative business approach.

In line with the above, from a multidimensional perspective, a model has been created that analyses this business behaviour, or entrepreneurial orientation, using a set of factors obtained from the most relevant theories within the sociocultural and institutional approach and that are present in the entrepreneurial process in the inception, creation and implementation phases of the cooperative.

In this manner, the impact of sociocultural factors on the results of the cooperative entrepreneurship can be studied, analysed through two components or constructs: a) material results arising from the cooperative's performance (and which fundamentally affect it), and b) the level of achievement or meeting of expectations, or personal results, which are much more important for the entrepreneurs.

The relationship between or influence of the sociocultural factors of entrepreneurship on the results or performance of worker cooperatives is studied based on thought within the research area known as entrepreneurial orientation, based on a multidimensional construct that includes the constant search

for innovation, proactiveness and predisposition to take moderate risks (and to which some authors have subsequently added new dimensions to the initial construct).

### **Methodology and research design**

The research used information provided by 103 worker cooperatives in the Valencian Community, selected from the 633 created in the period from 2008 to 2014. The information was obtained using questionnaires structured into various sections that were answered by the founders and managers of the cooperatives. The methodology used in the research is based on a model of structural equations, having used the PLS-SEM tool, which is suitable for studies with small sample sizes using an exploratory approach, as is the case here.

In accordance with various studies on entrepreneurial orientation and its relationship to business performance, the aim was to connect the sociocultural factors to some of the dimensions of the entrepreneurial orientation construct, and analyse its influence on the performance and results of cooperative entrepreneurship, presenting a specific model based on the multidimensional approach of entrepreneurial orientation. With this goal, an exploratory study using structural equations was chosen in order to explain the relationship between the factors that determine the entrepreneurial process and the results of entrepreneurship.

The selected sociocultural factors were: reasons for entrepreneurship, the entrepreneurs' prior experience, relationships with local agents, attractiveness of the sector and the influence of the contractual form of the cooperative, each one of them connected to a theory from the sociocultural approach. With regards to the results of the venture, these were presented as two concepts: the cooperative's performance and the meeting of the members' personal expectations.

The empirical study analyses the direct influence of sociocultural factors on both entrepreneurship result types, as well as the indirect or mediation relationship between the sociocultural factors and the personal results when the other result variable, performance of the company, acts as the mediator in this relationship.

In addition, the restraining effect of factors that are independent of each other was studied, in terms of their relationship to or influence on the entrepreneurial result variables, in accordance with other studies on entrepreneurial orientation that have carried out similar analysis (Green, Covin and Slevin, 2008; Stam and Elfring, 2008). The study was completed by verifying the effects that a group of demographic control variables may have on the model.

## Results and practical conclusions

The main aim of this study was to clarify the multidimensional nature of the entrepreneurial process in worker cooperatives, as well as to suggest alternative contingency models that, similarly to other studies on entrepreneurial orientation, may provide additional information on the entrepreneurial orientation-performance relationship. In summary, it is worth highlighting the following results regarding the sociocultural factors studied:

The reasons for entrepreneurship factor is the only one that directly or significantly influences the personal results, without any kind of impact or influence on the cooperative's performance, while the prior experience and attractiveness of the sector only affect the levels of performance in the company without any significant influence on the personal results. The other factors have a direct and significant influence both on the improvement of performance as well as the personal results.

With regards to possible mediating effects, the results of the analysis confirm that the business performance factor has a mediating effect on the indirect relationship between the independent factors, including the control variables and the personal results, this mediating relationship being significant, with the exception of the reasons for entrepreneurship factor.

Regarding the behaviour of the demographic control variables, the results show an intermediate or moderate predictive relevance for all of these considered as a whole with regards to the personal results variable, and a wide or strong predictive relevance with regard to the business performance variable.

In terms of the moderation and interaction between factors, the variables analysed as a whole verify that the entrepreneurs' prior experience of a working, professional or business nature moderates the influence that establishing relations with local agents has on business performance.

In terms of the conclusions, and considering that the worker cooperative does not fit exactly with the standards of entrepreneurship in traditional businesses and that its entrepreneurial process can be considered a new phenomenon within this research programme, this study has taken this restriction into account and contributed to the understanding of business behaviour, materialised through the entrepreneurial process of the worker cooperative, and its relationship to the businesses' performance and the expectations of the cooperative entrepreneurs.

The aim of this study was to build on prior research and theories in order to, firstly, clarify the multidimensional nature of the entrepreneurial process in worker cooperatives, and secondly to suggest alternative contingency models that, similarly to other studies on entrepreneurial orientation, may provide additional information on the entrepreneurial orientation-performance relationship.

It is for this reason that, from this multidimensional perspective, a unique model is proposed that analyses this business behaviour, or entrepreneurial orientation, using a group of factors selected from the most relevant theories within the sociocultural and institutional approach, these being present in the business process. The research efforts aimed at understanding the dimensionality of the business process of worker cooperatives will contribute to a greater development of the theory in the field of entrepreneurship.

**KEYWORDS:** Cooperatives, Associated Work, Entrepreneurial Orientation Entrepreneurship, Performance, Structural Equations.