

Serving two masters: opposing institutional pressures and isomorphism in agribusiness cooperative organizations.

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SERVING TWO MASTERS: OPPOSING INSTITUTIONAL PRESSURES AND ISOMORPHISM IN AGRIBUSINESS COOPERATIVE ORGANIZATIONS.

INTRODUCTION

Although cooperative organizations are well researched and related literature is abundant, the institutional impacts of eventual inner opposing logics (Vatn, 2009) on their production and diversification strategies still needs more research (Cook, 1995; Mooney, 2004). Whereas investor-owned firms (IOFs) may operate adequately and thrive in several different businesses – since they all share the same *root* business-driven institutional logics – cooperatives are market entities that are also bound to traditional cooperative principles, with their own internal codes and values (Ortmann & King, 2007; Nilsson, Svendsen & Svendsen, 2012). These may induce less organizational and productive flexibility as well as feebler financial performance (Lerman & Parliament, 1991; Kyriakopoulos, Meulenberg & Nilsson, 2004; Gagliardi, 2009), if compared to IOFs in the same sectors.

This may be especially true in Brazilian agricultural and husbandry cooperatives, since these are restricted by local laws in terms of organizational formats and decision-making processes (Chaddad, 2004). Additionally, the most prominent cooperatives in Southern areas of Brazil are examples of community-centered organizations, with several instances of close-knit, immigrant farmers' areas (Chaddad, 2015; Teixeira & Dea Roglio, 2015). In such a scenario, both market- as well as community-related logics will dictate somewhat opposing views and takes on how to conduct a cooperative organization. These may influence the general direction of their decision-making processes on how to organize resources allocation and area expansion (Reay & Hinings, 2009).

Literature on opposing institutional logics (D'Aunno, Sutton & Price, 1991; Powell & DiMaggio, 2012) applied to agricultural cooperatives is not extensive (Levi, 2001; Hagedorn, 2002; Schneiberg, King & Smith, 2008; Leszczyńska & Thénot, 2015), although examples exist mainly focusing on the European and American environments. A few examples of analyses performed on Brazilian cooperatives are also present (Chaddad, 2012; Teixeira & Dea Roglio, 2015). Mostly, the literature forks in two directions – either cooperatives should stick to their traditional, community-based values and logics, or should otherwise try to mimic IOF general behaviors to become competitive (Soboh et al., 2009). The impacts of such orientations (as well as possible hybridization of strategies) (Ménard, 2004), on the other hand, is much less studied (Soboh, Lansink & Van Dijk, 2012). In this paper, we discuss the implications of such opposing duality of institutional logics on the productive and financial performance in Brazilian agribusiness cooperatives.

This paper contributes to the development of institutional theory in two ways. First, it discusses opposing institutional logics inside different institutional 'roots' (i.e., market-driven versus community-gearred) nested in the same organizational setting. Second it allows to present empirical findings on the repercussions of these opposing institutional logics operationalized through the expansion of area and number of associates in Brazilian agribusiness cooperatives. The practical implications are a series of warnings to cooperative managers and associates as to how to manage and select membership in one of such cooperatives.

Finally, this paper has other sections. First, we present a short section on the research problem. Then, two parts on the literature review and methodology, followed by the analysis and discussion of the results. A conclusion finishes the paper with the contributions of the paper as well as future, potential research avenues and eventual limitations.

LITERATURE REVIEW

Cooperative values, at least in their early philosophical phase, originally aim at subverting the capitalist order and creating a quasi-communist society, where not only production means but also civil government would be in the hands of people (Jossa, 2005; Alexandra, 2013). However, such naïve principles would not survive contact with the real world (Robotka, 1947; Helmberger & Hoos, 1962; Ortmann & King, 2007). The cooperative movement only succeeded when the industrialization process settled in its early stages of development in Europe (Stratford, 2008). That is, a great deal of their unrealistic ideals, as founding alternative societies goals are left behind (Metcalf, 1995), to achieve long-term organizational survival (Ortmann & King, 2007; Hernández-Espallardo, Arcas-Lario & Marcos-Matás, 2012).

This led to the different approaches to understanding cooperatives – as farm extension, vertical integration or as firms on their own (Feng & Hendrikse, 2008). Feng & Hendrikse (2008) argue that cooperatives are complex organizational forms, that conjugate the values and logics of the three aspects (from the point of view of the farmer, from the point of view of the production entity as well as from the standpoint of the organization), but affirm that stakeholders controlling the organization (the board) have a predisposition to see it as a full-fledged organization.

Cooperatives only became sustainable when they began to play a prominent role as intermediaries between small producers and large oligopsonistic actors, sedimenting their organizational rather than ideological role (Schneiberg, King & Smith, 2008). This role of intermediation is still played by cooperatives, especially in underdeveloped countries, such as Brazil, where cooperatism is seen as a form of compensation for the apparent lack of governmental investment as well as as a strategic state mechanism of economic control and adjustment (Giannakas & Fulton, 2005; Henri, 2006). From the point of view of the lack of state regulation, cooperatives attempt to fill the gaps in the market, so that their format depends on the dynamics of supply and demand as well as of locally intervening institutions (Bass & Chakrabarty, 2014; Venkataraman et al., 2016).

Industrial-oriented agricultural cooperatives have surpassed the original role of supplying the market as alternatives to intermediation, to become central elements in large productive chains (Schneiberg, King & Smith, 2008). Being effectively informal coordinators of large-scale local production systems, some of these cooperatives have become producers at the international level. Today, high-performing cooperatives rival with IOFs, as much so that a large extent of their business-driven logics has migrated to cooperatives (Valentinov, 2007; Smith & Rothbaum, 2013).

Due to the need for growth and adaptation, contemporary cooperatives take many different forms, influenced by their geographical, political and legal limitations (Ortmann & King, 2007). In addition, they suffer from isomorphic pressures in their own organizational configurations (Chaddad & Cook, 2004; Cook & Chaddad, 2004; McBride, 2012). In the last decades, new cooperative organizational forms have taken place and the economies on which they depend have undergone fluctuations and transformations, giving rise to entirely new scenarios, forcing cooperatives to adjust to new realities (Nilsson, Svendsen & Svendsen, 2012).

That is, cooperatives, with their internal structure and decision-making processes that intrinsically differ from IOFs, have become true industrial complexes similar to existing conglomerates. However, they end up containing a wide divergence between capital ownership and decision rights compared to the same IOFs (Valentinov & Iliopoulos, 2012; Chaddad & Iliopoulos, 2013). Consequently, they do not demonstrate the same flexibility in decision-making processes and changes in structure and strategy as IOFs (Henehan & Anderson, 1994; Chaddad & Iliopoulos, 2013), especially in Brazil, where local laws bars cooperatives from

adopting other organizational formats and decision-making processes as in the USA and Europe (Chaddad & Iliopoulos, 2013; Costa, Chaddad & Azevedo, 2013).

That is, they present a great level of homogeneity in structural terms, as well as decision-making and accounting processes, due to restrictions related to legislation, which is conservative and limiting and induces high isomorphism (Martins & Lucato, 2017). In other words, Brazilian cooperatives have not undergone the profound changes in decision systems and the relationship between control and ownership which are the focus of development and growth in other countries (Kyriakopoulos et al., 2004).

HYPOTHESES DEVELOPMENT

Cooperatives, like any organization, are at the mercy of market pressures and state regulations. However, agricultural cooperatives suffer from such pressures in a double way, by having to satisfy both internal, community-driven goals as well as external, market-driven performance targets. In addition, they deal with organizational models that most commonly decouple control, decision making and property rights (Klerx, Aarts & Leeuwis, 2010; Kontogeorgos et al., 2016). In the same way, they are embedded in internal and external institutional systems (Tortia, Valentinov & Iliopoulos, 2013), so that the very essence of cooperatism is a way of benefiting from “institutional advantages”, particularly from the economic point of view (Valentinov, 2007: 55).

Such a situation is problematic, since even though cooperatives compete against IOFs in the market and are often interpreted as their counterparts, the social function of a cooperative - interpreted from its final objectives, financial or otherwise - is often a priority, even though their ideological aspects are somewhat residual (Kimhi, 1998, Fulton, 1999, Borgen, 2004). That is, market logics coexists with institutional, mostly state, regulatory pressures. However, these institutional pressures also influence deeper institutional aspects linked to the foundation of such cooperatives, their original interests, features that led them to survive, and the addition of members motivated by factors other than the initially present.

Because they are essentially the translation of the need for survival through collective effort, agricultural cooperatives end up having a dependence on the community, the need to adapt the cooperative's production according to the needs of the cooperative and how to encourage belonging to the community (Borgen, 2004; Cechin et al, 2013). Consequently, some institutional aspects are largely neglected in the agroindustry cooperative literature to the detriment of economic, control and decision-making concepts that may not sufficiently explain the reason why cooperatives continue to exist and perform functions rather than mere market intermediation (Novkovic, 2008).

That is, while the literature studies the concepts of 'group decision' and 'economic democracy' in cooperatism under the pure and simple economic standpoint (Mooney, 2004, Gupta, 2014, Mori, 2014), there is ample room for interpreting phenomena under institutional theory (Valentinov & Iliopoulos, 2013).

As such, one must understand agricultural cooperatives, as the ones in Brazil, ranging from the most extreme market-driven to the most community-driven (see Table 01). While all cooperatives have market-gearred attitudes (as they are a collective effort to market local produce to larger players), they all also display community-gearred values.

	← Market-driven		← hybrid →	Community-driven →	
	Market	Corporation	Profession	State	Family
Symbolic Analogy	Market as transaction	Hierarchy as corporation	Professions as a network	Redistribution mechanism	Family as a firm
Sources of Identity	Faceless	Quantity production	Personal reputation	Political ideology of class	Family reputation
Sources of legitimacy	Share price	Market position of organization	Expertise acquired	Democratic participation	Unconditional loyalty
Sources of authority	Activism shareholder	Board of directors	Professional associations	Political parties	Patriarchal dominion
Base strategies (increase of...)	Efficiency of transactions	Size and diversification	Reputation	Collective good	Honor, security and solidarity
Organizational form	Market	Multi-divisional form	Network organization	Legal bureaucracy	Family partnership
Logic investment (capital committed to...)	Capital market	Corporation	Relationship link	Public policy	Home

Table 01: Adapted from Teixeira and Dea Roglio (2015:05).

Market-driven cooperatives are those that seek primarily the ongoing survival of the cooperative as an organization. They do not necessarily primarily focus on the associates' needs from a *familial* or *coalitional* standpoints, but rather on the size and diversification of the cooperative and the efficiency of transactions and resource allocations, although these are necessary preconditions for maintaining their cooperative statuses. They tend to distance themselves from the associates becoming a faceless, highly hierarchical organization, where several problems arise – such as portfolio problems (Fulton & Giannakas, 2013) and control problems (Cechin et al., 2013; Bijman et al. 2013), as well as influence costs problems (Nilsson et al., 2012). The multidivisional format they adopt, the logics of quantity production (which may be contradictory to a potential large number of small farmers) as well as the isolated position from the board of directors also means a larger incidence of agency problems as well (Valentinov, 2007; Chaddad & Iliopoulos, 2013).

More specifically in the Brazilian scenario, such cooperatives aim to fill market voids, by targeting to become the whole supply chain – i.e., playing the role of bridging farm production to final customer produce distribution. Worldwide, cooperatives compete against IOFs for market penetration (Rhodes, 1983; Sexton, 1990; Karantinis & Zago, (2001). In Brazil, they also compete against IOFs for resources, since their industrial structures are complex and cannot be idle. Consequently, there is a general tendency of mimicking and adopting behaviors traditionally seen as IOF-like, market-driven orientations. Such cooperatives tend to expand their area, and membership to achieve more control over geographical area (market and resources) as well as exploiting scale economies (and cost leadership). In this group of cooperatives, commitment to community-driven values falls into the “surface isomorphism” (Zucker 1987:455) or, in the words of Greenwood et al. (2008:), “*ceremonial conformity* is achieved by deliberately decoupling symbolic practices from the organization’s technical core”. That mean cooperatives may induce associates and external entities to believe they are still community-bound organizations, when community-centered activities are residual, a façade for a more IOF-mimicking, market-driven approach (Chloupkova, Svendsen & Svendsen, 2003; Nilsson, Svendsen & Svendsen, 2012). Their final goal is financial performance, through efficiency and production quantity, relegating the social role of cooperatism to the background. As such:

H1: Cooperatives comprising large areas as well as large number of associates are related with better financial performance.

Community-driven cooperatives, on the other hand, focus on the small farmers' side of the equation. They exist because of the pre-existing communities surrounding the production of certain crops or husbandry in an area, especially around European immigrant communities (Chaddad, 2015). They tend to be clustered in smaller areas and comprise small numbers of farmers, so that collective decision making is more democratic and overlapped with community leadership (Teixeira & Dea Roglio, 2015; Schneider & Gazolla, 2015).

However, they cannot fully abandon the cooperative model (local laws forbid) and cannot abandon the logics and discourse of traditional cooperative values (inner institutional logics). While these coops may not have top notch financial performance due to smaller production, they can achieve specialization not found in larger cooperatives, as well as count on local communities' support. They can, as such, focus on exploration strategies and higher quality and achieve differentiation leadership. As such:

H2: Cooperatives comprising concentrated areas as well as smaller numbers of associates are related with better financial performance.

A third path is also possible. Hybridization of strategies is not unheard of in cooperative settings. Especially since cooperatives that wish to attain control over larger areas and pools of resources need to go through this middle ground. However, be it an intermediate, transitory organizational form or a final organizational format, it does have the inconveniences and problems of both sides. As such:

H3: Cooperatives comprising intermediate areas as well as medium associate numbers are related with poor financial performance.

Three main paths are thus possible – focusing on IOF mimicking, focusing on Traditional Cooperative orientation, and attempt a hybridization process.

METHODOLOGY

Defining and measuring financial performance in agricultural cooperatives is a difficult task, and there is no definitive methodology to cope with the several handicaps in measuring financial outcomes in such a different organizational format (Martins, 2013; Martins & Lucato, 2014). To accomplish this, we created a performance variable (PERF), based on a simplification (both conceptual and in terms of mechanism) of the competitiveness model of Lucato et al. (2012) and can be described as a vector that measures the degree of adequacy of the cooperative in relation to a benchmark coming from the sample itself.

For the financial variables return on sales (ROS), return on capital employed (ROCE) and current liquidity (ILC), a ranking was made from the highest to the lowest value and for the variable indebtedness (DEB), the same ranking was made using the formula $1-DEB$, since the higher the indebtedness, the lower the performance. We proceeded to remove outliers found per each variable, to avoid distortions, and for each of these variables, the lowest incidence (v_{low}) was subtracted from the highest incidence (v_{high}) and its result divided by 3, obtaining v_{degree} .

Thus, for each variable, the following score (POINT) is assigned:

- 0 = if the cooperative has value $\leq v_{low} + v_{degree}$
- 1 = if the cooperative has value $> v_{low} + v_{degree}$ and $\leq v_{low} + (2 \cdot v_{degree})$
- 2 = if the cooperative has value $> v_{low} + (2 \cdot v_{degree})$

Thus, the variable PERF can be defined as the vector:

$$D = \begin{bmatrix} \text{POINT}_{ROS} \\ \text{POINT}_{ROCE} \\ \text{POINT}_{ILC} \\ \text{POINT}_{1-DEB} \end{bmatrix}$$

Its transposed version is:

$$D' = [\text{POINT}_{ROS}, \text{POINT}_{ROCE}, \text{POINT}_{ILC}, \text{POINT}_{1-DEB}]$$

Finally, the value PERF is the length of D' ($L_{D'}$), which can be determined by:

$$L_{D'} = (\text{POINT}_{ROS} + \text{POINT}_{ROCE} + \text{POINT}_{ILC} + \text{POINT}_{1-DEB})$$

Given that the maximum score to be obtained in each variable is 2 and 4 are the existing variables, and if the cooperative has maximum score in all the criteria, D' will be expressed as [2,2,2,2], which Results in $L_{D'} = 8$. Thus, the variable PERF ranges from 0 (worst possible performance) to 8 (best possible performance).

This PERF variable is compared to the area of a cooperative and its number of associates. For the variable Area (AREA) we chose to employ the number of points of reception (warehouses, stores, purchasing stands, etc.) (Ferreira, 2002) where associates may trade in their produce with cooperative staff. As for the number of associates (NASS), only the number of active members was used. By active membership we define as those frequently trading in produce with the cooperative, since Brazilian laws do not obligate associates to trade in (one may become member and use the services of a given cooperative without having to trade in, causing a lot of free rider problems).

To compare the three variables, we employed a local regression method, where a simulated surface is drawn, taking into account all points in a three-dimensional plane. This avoids bi-dimensional distortions that sometimes plagues traditional statistical methods. The plot was developed in R (statistical software package) and the code can be obtained from the authors as well.

ANALYSIS OF RESULTS

The full results, all associated tests, data sets and questionnaire (scales) can be obtained from the authors. Only large cooperatives were included in the sample (over R\$ 100 million in yearly profit). This is to avoid small cooperatives that have small area and associate numbers.

Sampling was calculated according to Gil's (2008) parameters for a 90% confidence degree and maximum 10% error, amounting to a minimum sample of 52,65 instances. We obtained data from 57 cooperatives (fully answered questionnaires) – see Table 02 for the size of the cooperatives and distribution.

Size	No. of coop.	total %
≤R\$ 100 million	3	5,5%
> R\$ 100 million to R\$ 300 million	16	28%
> R\$ 300 million to R\$ 600 million	16	28%
> R\$ 600 million to R\$ 1 billion	7	12%
> R\$ 1 billion to R\$ R\$ 3 billion	12	21%
≥ R\$ 3 billion	3	5,5%
TOTAL	57	100%

Table 02: Sample of cooperatives and their size

While all cooperatives in the sample can confidently be considered as large cooperatives in Brazil, by far the largest observations is in the R\$ 100 to 600 million in yearly revenues categories, amounting to 56% of all the cooperatives in the study. This forms a cluster in Figure 01, and are related to the H2

However, a considerable part of the sample is concentrated on the top performers (> R\$ 1 billion in yearly revenues), amounting to 26,5% of all observations.

As for the observation of the PERF variable in the sampling, see Table 03. After conference, no cooperative achieved minimum performance (0), which would mean low scores on all components of the variable, and all cooperatives have the minimum threshold of 1.

Only two cooperatives received the maximum score (8). It was possible to evaluate, in a simple way, two distinct behaviors, one in which the cooperatives have high scores in ROS and ROCE and low scores in ILC and DEB and the other in which the result is contrary. We expect to further investigate the reason for such a distinction in subsequent studies.

		Frequency	Percentual	Valid Percentual	Cumulative Percentual
Valid	1,00	16	28,1	28,1	28,1
	2,00	8	14,0	14,0	42,1
	3,00	8	14,0	14,0	56,1
	4,00	12	21,1	21,1	77,2
	5,00	5	8,8	8,8	86,0
	6,00	4	7,0	7,0	93,0
	7,00	2	3,5	3,5	96,5
	8,00	2	3,5	3,5	100,0
	Total	57	100,0	100,0	

Table 03: Sample of cooperatives and their PERF values

The results of the simulation surface for PERF can be found in Figure 01. The data gathered, as detailed in Figure 01, allow to understand a few tendencies. First, per H1, there is a sharp tendency of ‘large area / large membership’ strategies to work out adequately in terms of financial performance. The global maximum in the plot is directed towards maximum results in AREA and NASS and thus we confirm H1.

Second, according to H2, one should expect the same sharp results yielded by H1 parameters, but it is not entirely so. While H2 parameters do not yield as much financial result, it still provides a local maximum that offers insights about alternative strategies to attain financial stability. As such, we deem H2 partially confirmed.

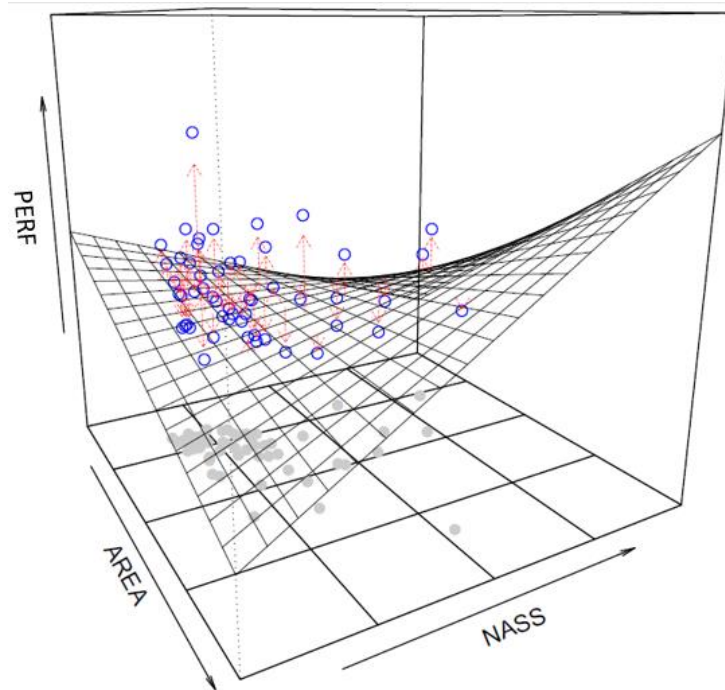


Figure 01: Plot for surface simulation of PERF according to AREA and NASS

While H1 and H2 are located in the global and local maxima, H3 points to the middle area of the plot. It is possible to see that there is a valley (linearly from maximum to maximum), pointing to a lower financial performance, and we deem H3 confirmed. The data gathered provides evidence for supporting H1 and H3 while partially supporting H2.

DISCUSSION

Brazil's largest cooperatives are concentrated in the South and South-eastern areas of the country (Chaddad & Iliopoulos, 2013), where a large influx of European immigrants settled in the past few centuries (Stattman & Mol, 2014). With them, new agricultural techniques as well as a steady flow of skilled laborers forged this new agricultural and husbandry panorama. A large number of cooperatives were founded by the collective efforts of such farmers and their history is still preponderant in the cooperative movement in Brazil (Cechin et al., 2013).

However, not all cooperatives have maintained their original values and community-centered approaches, through either the movement of people to larger urban areas or the present process of professionalization in Brazilian agribusiness (Martins & Lucato, 2014). Such cooperatives find themselves in a crossroads between two different institutional logics, in the same strategic organizational setting: either move forward and adopt more and more an investor-owned firm-like approach to business or maintain the original cooperative values as their core strategy (Machado Filho, Caleman & Cunha, 2017). A third path of attempting to mix and match the best of both worlds also seem possible.

Traditional IOFs, operating in different businesses, do not seem to suffer from this *double life* (Farjoun, 2010) – i.e., they ought to cope with different logics, but since these are most likely pertaining to a common *root* institutional logics (both are market-driven, share price evaluated, etc.) this divergence is not impossible to solve, it is rather a matter of strategic positioning and resource allocation inside the same corporation. Cooperatives, on the other hand, must deal with seemingly opposing institutional logics inside their strategic positioning.

While the extant literature points to three main paths, the evidence gathered may shed some light on the (partial) inefficiency of some. Financially speaking, the evidence allows to perceive a higher degree of performance related to the H1 approach, i.e., IOF-like behavior (expanding the area of operation and attracting a large number of associates). This is also associated with larger degrees of vertical integration as well as horizontal and lateral diversification of produce (Martins, 2013; Martins & Lucato, 2014; Martins & Lucato, 2017). This set of behaviors may be linked to an exploitation approach – i.e., obtaining economies of scale by augmenting the throughput of the industrial structure (since more area and more associates equal more resources to process and resell).

Considering that the larger cooperatives in South and Southern Brazil rival IOF firms in the same sectors, it is both a survival strategy by guaranteeing necessary resources (itself linked to resource dependence theories) and an attack strategy (by occupying geographical areas where the local produce will be sold to the cooperative and whose consumers become potential targets for the cooperative as well).

While not so successful, according to the data behavior described in the plot, the H2 approach also offers some financial performance, although potentially not as high as the H1 approach. Comparing to the H1 approach, this could be potentially linked to two subroutines. First, cooperatives may opt not to have a cost leadership in reselling processed produce, but rather find a differentiation path that accords them financial stability while promoting a safe financial environment to attain their inner cooperative/community goals. A second aspect worth mentioning is a potential space for produce specialization – i.e., related to exploration strategies, that in the long run may be more beneficial for the cooperative.

The third approach is the one that apparently yields the worse results in terms of financial performance. While it was not the goal of this study, it is worth mentioning that two main categories of cooperatives may find themselves in this ‘valley of death’ – either cooperatives that aim to enlarge their areas and membership but still have not attained this stage or cooperatives which actually planned to become intermediate organizational forms between H1 and H2 approaches. The first will probably have to endure financial duress for the time being while their strategies on area and membership expansions are not fully implemented, but the second may have lower chances of survival in the long run.

Not present in the original hypotheses but apparent from the simulation, are two even worse strategies. While normally one would not consider discussing this, it is useful to heed the warning for practitioners – both ‘large area small membership’ and ‘large membership and small area’ approaches demonstrate alarming results. Essentially the first strategy boils down to increased costs of transportation to maintain a large network of trade points while not benefitting from the full extent of the area comprised. The second strategy’s critical results may be explained by a large number of small farmers, whose productive outputs may be inefficient and hard to manage.

The results contribute to institutional theory by allowing us to understand that when dealing with opposing institutional logics inside cooperative organizations, one should most likely invest in IOF-like strategies while maintaining *ceremonial conformity*. While this approach may have its dose of criticism, especially from within the organization (individual farmers not entirely represented, coalitions of producers, etc.), it benefits (at least partially) from both worlds – a surface of cooperative values untouched and an inner market-driven core.

CONCLUSIONS AND FINAL REMARKS

This study aimed at discussing the repercussions of opposing institutional logics nested inside the same organizational strategic approaches. As such, the data gathered allows to

understand that mixed approaches (i.e., attempting to combine both) yield mixed to critical results. On the other hand, focusing on either one or the other approach, and especially when giving internal and external constituencies and observers some value to the opposing side, in a ceremonial conformity, yields better results. This study, however, has its limitations. First, while the set of variables defined to gauge institutional adherence do provide explanation for the phenomena at hand, other variables could be added.

Second, this study only comprises large cooperatives, and small-to-medium cooperatives may display different behaviors when attempting to adopt the same strategies (Ortmann & King, 2007b). Another limitation is that only Brazilian cooperatives were included in the sampling – the same legal constraints are not systematically found in Europe and the USA, which may lead to a whole plethora of different results (Bijman, Hanisch & Sangen, 2014).

A final limitation is related to the method employed to analyze the data gathered. While the simulation does provide evidence to support the hypotheses and the discussion in this study, it should be mentioned that local regressions work best graphically returning the interaction between variables, but it does not, at first, return a specific function. This limits generalization and further calculation for specific points in the plot for further data.

This study also points to some future opportunities of research. First, research could focus more on the behavior (intended or not) of cooperatives. Institutional theory (or even behavioral theory) may yield better results to how and why cooperatives deploy strategies. In addition, in-depth qualitative studies could provide further evidence of the influence of such institutional logics on the actual development and adoption of strategies (Mintzberg, 1985; Bodwell & Chermack, 2010).

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