

## SPECIAL ISSUE: META-ORGANISATION | ORIGINAL RESEARCH ARTICLE

# A Necessary Evil: The Role of the Secretariat in Effective Meta-Organizations. Lessons from the Multilevel Study of a Business Cooperative

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### Abstract

Meta-organizations (MOs) are organizations whose members are organizations. They are a collective form of organizing and are often coordinated by a secretariat, an entity that is created within the MO. The secretariat is responsible for achieving the purpose of the MO on behalf of the member organizations. We study how the secretariat may contribute to make the MO more effective at achieving its members purpose. We rely on an in-depth case study to show how a business cooperative of organic retailers became what can be labeled as a 'strong meta-organization', that is, an organization able to sustain itself and to achieve its purpose while protecting membership by preserving the engagement of its member organizations within the MO. Paradoxically, the member organizations became increasingly dependent on their MO as it became more effective at achieving its purpose. To become more effective, the MO granted its secretariat with three types of control prerogatives: technical, bureaucratic, and political. Therefore, the dependence that members experience when they join an MO may be considered as a necessary evil as it appears as a consequence of its effectiveness, effectiveness being defined as the ability to achieve the common purpose of members. This research contributes to MO theory by highlighting the role played by the secretariat in the effectiveness of an MO. We contend that the MO theory should better integrate the study of the secretariat into this stream of research, making room for more actorhood in characterizing MOs as specific social objects.

**Keywords:** *Meta-organization; Cooperative; Strong meta-organization; Secretariat; Meta-organization theory; Multi-level; Qualitative case study*

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Ahrne and Brunsson (2005, 2008) define meta-organizations (MOs hereafter) as formal organizations whose members are organizations. In characterizing MOs, one element of their anatomy seems important but has received little attention: the secretariat. As formal organizations with 'members, a hierarchy, autonomy, and a constitution' (Ahrne & Brunsson, 2008, p. 45), we contend the study of MOs requires a multilevel perspective articulating three levels: (1) the level of member organizations deciding to enter in an MO or to participate in the creation of an MO; (2) the meta level of the collective of members constituted as an MO; (3) the level of the organizational entity in charge of coordinating the pursuit of the common purpose of members. In some cases, this entity may be one of the member organizations, in others a bureau of delegates of member organizations, and in others

a dedicated organization is created when the MO is constituted: the secretariat.

The literature on MOs largely focuses on characterizing the features of these forms of organizing at the meta level, highlighting the tension related to autonomy and dependence between the members and the MO. However, the research rarely discusses the articulation of the levels of analysis at play in the resolution of these tensions. Indeed, the literature acknowledges the potential ability of MOs at reducing the uncertainty of the environment for their members at the meta level (Valente & Oliver, 2018), or the ability of MOs to impose rules upon their members to achieve their purpose (Karlberg & Jacobsson, 2015; Malcourant et al., 2015). The role of the secretariat and its impact on the effectiveness of the MO remain understudied. We believe that understanding the agency of

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secretariats would enable us to better understand the effectiveness – or not – of MOs. It would enable us to better understand why we observe diversity among MOs, notably strong or weak MOs. The weakness of MOs is discussed extensively across the MO literature at various levels of analysis: to qualify what is sometimes described as the relative weakness of the central authority (Ahrne & Brunsson, 2005) or the structural weakness of the MO as a whole (Berkowitz & Dumez, 2016; Dumez, 2008).

Our paper emphasizes the case of MOs with a secretariat to study how the secretariat can contribute to making the MO more effective at achieving its members purpose. Articulating different levels of analysis, it rests on the idea that the MO can grant its secretariat with increased prerogatives to help itself become more effective. The importance of the secretariat to the MO concept suggests that it merits its own attention. We know little about secretariats as a specificity of some MOs – including well-known MOs such as the United Nations or Federation Internationale de Football Association (FIFA) – their internal dynamics, and how they are articulated with the MOs as a collective of organizations. Our paper aims to contribute to address this gap by asking how and with what consequences an MO secretariat can develop and help the MO to grow and achieve its purpose.

The literature mainly describes associative MOs, whether they are 'associations, federations, confederations, alliances [...] international governmental or non-governmental organizations' (Berkowitz & Dumez, 2016, p. 204). To study the role of the secretariat in making the MO more effective at achieving the members purpose, we build on the analysis of a specific type of MO, which has received little attention so far: business cooperatives. These are cooperatives whose members are companies, which have joined the MO for marketing or supply transaction purposes, often in the mass retail and food industries. We study the case of a business cooperative, which evolved from being a federation of retailers in the 1980s to become a fully-fledged business cooperative with Public Limited Company (PLC) status and which has had a structuring impact on the retailing of organic food products in France. However, its members have become dependent on the MO, notably on the decisions made both by the MO – the cooperative – and its secretariat. The secretariat gradually grew from having 0 to 700 employees at the time when we collected data for our case study, compared to 2,500 individuals employed by the member organizations of the MO as a whole.

The results shed light on the mechanisms that have led the MO to gradually increase the prerogatives of the secretariat. With the explicit or implicit support of most of the MO's members, the secretariat progressively assumed three types of control: technical control, bureaucratic control, and political control. As a result of its secretariat's increased prerogatives, the MO became more effective at achieving its members purpose, the sourcing, and daily supply of organic retail products,

but raised questions about their independence toward the MO. The members, therefore, described the process as a necessary evil as it appeared to be unavoidable for the sustainability of the MO we observed.

We believe that we contribute to meta-organization theory (MOT hereafter) in three main ways. First, we propose to distinguish between the MO per se, the members, and the coordinating entity – the secretariat in our case – to properly understand the functioning of the MO. Second, we propose a definition of a strong MO: an organization able to sustain itself and to achieve its purpose while protecting membership by preserving the engagement of its member organizations within the MO. We explain how strong MOs resolve the tension between the autonomy and dependence of member organizations by implementing specific governance frameworks: cooperative governance in our case. Third, we discuss the dynamics of MOs purpose and the role of the secretariat in accompanying this evolution.

The paper is organized as follows. First, we integrate the literature on MOs to consider business cooperatives as MOs with a secretariat. Second, we introduce our research design and the CORN MO as a single in-depth case study. Third, we provide the results of our thematic analysis, which shows how the secretariat of CORN acquired and was granted with prerogatives to turn CORN into what can be labeled as a 'strong MO'. Finally, we discuss these results and how they contribute to the literature on MOs.

## Theoretical background

### *The MO and the secretariat*

MOs are formal, decided, collective forms of organizing. They are organizations whose members are organizations (Ahrne & Brunsson, 2005, 2008). They are created by members who decide to meta-organize in order to achieve a common purpose, which often entails reducing the uncertainty of the environment for their members (Valente & Oliver, 2018). MOs are specific forms of collective organizing because their formal and decided nature (Ahrne, Brunsson, & Seidl, 2016; Ahrne & Brunsson, 2011) is characterized by a central authority that often involves the creation of an organization to coordinate achievement of the members purpose, whereas other collective forms of organizing tend to rely more on distributed forms of coordination. The need for agency in the coordination of the MO's purpose often leads to the emergence of a dedicated entity: the secretariat. However, MOs with large secretariats need not be confused with individual-based organizations (Ahrne, Brunsson, & Seidl, 2016). This may happen when the secretariat embodies so much the MO that members would become insignificant to the achievement of the purpose of the MO. Therefore, very often, as in the cases of

FIFA or United Nations, the MO and the secretariat get conflated in the analysis. For instance, Garaudel (2020) is studying the role of agency in MOs but the paper tends to assimilate the secretariat and meta levels of analysis.

We argue that characterizing the secretariat and distinguishing it from the MO requires careful multilevel analysis because the presence of a secretariat in an MO adds a third layer of organization. The secretariat is an MO's sub-entity often involving employees and dedicated resources: 'Many meta-organizations have no employees, others have a few, and yet others have large secretariats with, in extreme cases, thousands of employees' (Ahrne & Brunsson, 2008, p. 129). Employees of the secretariat are not considered as members of the MO: the MO is constituted by member organizations. In turn, members of the MO are not members of the secretariat; they are members of the collective they formed to achieve their common purpose. The secretariat is an organizational emanation embodying the central authority of the MO. Overall, we consider the interaction of three levels: the MO as a formal collective form of organizing, the secretariat as the armed wing of the collective, and the member organizations.

Due to the frequent confusion between the MO and the secretariat, the roles and features of secretariats have been somewhat overlooked. Being subordinate to the MO and their members, the secretariat is sometimes described as being relatively weak as a central authority (Ahrne & Brunsson, 2005) or 'comparatively weak' (Ahrne & Brunsson, 2008, p. 114) because a secretariat that would rely on hierarchy would threaten the autonomy of members and undermine the cohesion of the MO. This leads studies to contrast the often light – or even absent – structure of the secretariat with the vast purpose of the MO, notably when they seek to address sustainability issues (Ansari et al., 2013; Berkowitz et al., 2017; Chaudhury et al., 2016; Ferraro et al., 2015; Rasche et al., 2013; Streeck & Schmitter, 1985), to produce regulation or try to influence their institutional environment (Berkowitz & Bor, 2018).

On the one hand, MOs with a large secretariat have been studied in the case of governmental organizations. Here, MOT provides a paradoxical perspective in showing how large secretariats are an instrument to preserve both the autonomy of member organizations and the autonomy of the MO (Ahrne, Brunsson, & Kerwer, 2016, p. 6; Barnett & Finnemore, 2004). Such MOs 'may become highly competent in deciding on resolutions that look good but imply little action' (Ahrne, Brunsson, & Kerwer, 2016, p. 10). On the other hand, MOT scholars have observed MOs that impose regulations on their members with various types of coordination or decision mechanisms. Berkowitz and Souchaud (2019) explore the case of the regulation of an industry through partial meta-organizing, while Malcourant et al. (2015) observe an MO that uses a variety of decision-making mechanisms to avoid conflict over nonconsensual decisions.

Studying a specific empirical setting of MOs with a secretariat, we argue that large secretariats may be functional – used for the coordination of operational purposes – and question the autonomy of members by increasing their dependency. In the next section, we integrate the literature on business cooperatives as MOs.

### ***Business cooperatives as MOs whose secretariat is in charge of a business purpose***

Business cooperatives are MOs. They are an empirical setting that has been studied within the extensive cooperatives literature, notably as agricultural cooperatives. The term business cooperative is more general and includes all cooperatives whose members are companies (Roux & Plé, 2017). They enable their members, often local businesses, to pursue a purpose by coping with market failures (Boone & Özcan, 2014) or by providing access to supply in the case of retail cooperatives, or demand in the case of marketing cooperatives (Schneiberg et al., 2008). The characteristics of business cooperatives are surprisingly consistent with the definition of MOs, but their business purpose requires them to develop a secretariat with organizational features (to carry out production and logistics activities) and with increased control prerogatives.

First, enduring business cooperatives remain effective at achieving their members purpose through long periods of time, facing market failures for their members in long time frames. They are usually created as weak associations of businesses, but their members' dependence on their purpose enables them to rely more on control prerogatives in coordinating the MO's purpose. The members, who are initially very proactive in the management of their cooperative, increasingly come to depend on it rather than the opposite. The members' resulting dependence issues are strongly associated with the type of purpose they seek when they join: they seek to cope with market failures engaging in quasi vertical integration (Blois, 1972; Ménard, 2007).

Second, members of business cooperatives have congruent business activities and 'are similar in some respect' (Ahrne & Brunsson, 2008, p. 70). They join because they are interested in the purpose of the MO and do not have a 'zone of indifference regarding the main activities' of the MO (Ahrne & Brunsson, 2005, p. 433; Barnard, 1968).

Third, business cooperatives are rather stable forms of MOs as they do not seem to systematically 'degenerate' like other types of cooperatives (Cornforth, 1995; Storey et al., 2014), and they are a persistent alternative to investor-oriented firms (Chaddad & Cook, 2004) in some industries. They also remain MOs: they remain organizations composed of organizations. The members do not become a department of the organization (Drori et al., 2006). The cooperative legal framework ensures the stability of business cooperatives as MOs. It

normatively prevents absorption of the members by their co-operative, and they are still free to leave.

However, the stability of the cooperative framework is not without tensions related to the autonomy and dependence of the members on their business cooperative. When business cooperatives become effective at achieving their members' purpose, member organizations may be tempted to disengage from the cooperative control (Nilsson, 2001; Nilsson et al., 2009; Valiorgue & Hollandts, 2019). Despite its 'meta' focus, MOT could open the door to a more agentic view of these organizations, notably by considering both the behavior of the members who face a growing effectiveness of their cooperative and by describing the role of the secretariat in reducing the autonomy of the members. The literature on business cooperatives discusses extensively the increased prerogatives of the cooperative's secretariat (Desroche, 1976; Vienney, 1980). The specific governance framework of business cooperatives leads to the emergence of structural agency problems (Cook & Chaddad, 2004) and to issues associated with hybrid governance structures (Ménard, 2004, 2007). Therefore, studying business cooperatives as MOs provides support for MOT to focus on the dynamics of the secretariat and its impact on the members' autonomy.

To date, MOT has mainly focused on the dynamics at the meta level, where the various components in the MO – different types of members, the secretariat as the agent, and the MO as a whole – need to be articulated for us to understand these organizations and their dynamics more fully. The literature on cooperatives does not specifically focus on business cooperatives as a distinct type. Yet, embracing this empirical setting enables identifying cooperatives whose members are companies as MOs by examining how their secretariat becomes granted with prerogatives and reduces the autonomy of the members while acting to make the MO effective as a collective form of organizing.

## Method

### **Selection of the case: CORN, a Cooperative Organic Retail Network**

We study the case of the Cooperative Organic Retail Network (CORN hereafter), a business cooperative whose membership comprises more than 300 independent retailers, which each operate one or more organic retail stores. The specificity of CORN's members is their commitment to selling only organic goods that comply with their own set of guidelines, which are recognized as being stricter than the official guidelines for obtaining European organic certification labels.

The history of organic retailing in France is inseparable from the history of CORN, which federated local and

regional consumer cooperatives in the mid-1980s before developing into a fully-grown retail network, which became a business cooperative in 2002. CORN is a good example of an MO, which achieves a purpose associated with sustainable development goals (Ansari et al., 2013; Berkowitz et al., 2017; Chaudhury et al., 2016; Ferraro et al., 2015; Rasche et al., 2013; Streeck & Schmitter, 1985). CORN can be seen as an effective MO because it strongly impacted its members' environment: it developed and influenced French regulation, which was the first to recognize the homologation of organically produced food in 1980 before the establishment of European certifications.

Created in 1986 as a federation to share practices to retail organic food, CORN is a major player in the French organic food industry (it had 45 members in 1987). When the first limited liability company (LLC) was accepted as a member in 1995, its retail network comprised 135 stores with a combined turnover of €35 million. In 2002, when it changed from a federation to a business cooperative, it had 212 stores with €137M turnover. In 2013, the year from which we began to collect primary data, there were about 300 members operating 345 stores with €580M total turnover. The figures are representative of the number of members because they mostly operate one or two retail stores each: 419 members with a total of 623 retail stores as of 1 January 2019 (CORN annual report 2019).

## Research design

CORN is a business cooperative with over 300 members, of whom we interviewed 41. The study relies on a total of 46 interviews, including five interviews with secretariat employees, one of whom is the president of the cooperative. Given the nature of the research question, which is quite new to the field, the complexity of mixing levels of analysis (Hitt et al., 2007), and of considering the MO's evolution, an in-depth description of a single case appears to be more thorough than comparing multiple cases (Allison & Zelikow, 1999; Bidwell, 2010; Dyer & Wilkins, 1991). This case study design is justified because cooperatives are highly context-dependent organizations (Boone & Özcan, 2014; Schneiberg et al., 2008). We believe that the various interviews we conducted – 46 in total – enabled us to do justice to the many perspectives and the complexity of the MO.

This case is crucial (Eckstein, 1975) because it deviates from the usual associative examples of MOs (Seawright & Gerring, 2008). CORN is characterized by the very high dependence of its members on the MO and a very stable membership, with highly visible agentic behaviors by the secretariat.

Our analysis distinguishes between three levels of analysis: the member organizations level, the secretariat level, and the

meta level. Distinguishing between these levels allows us to articulate how a phenomenon that arises at the secretariat level has consequences for the entire MO and the members. It also enables observing how this phenomenon is caused by dynamics at the MO or the members level. In addition, we distinguish between the members of the cooperative who are represented by their managers/owners and the individual members of the cooperative's secretariat. The former are organizations, members of an MO. The latter are individuals, members of an organization: the secretariat.

While the interviewees were unfamiliar with the MO concept, they used their own lexicon to designate the various levels and MO entities. In the text, interviewees do not necessarily distinguish between the MO and the secretariat. This may indicate that they consider the secretariat to embody the MO, as we describe in the results section.

Our presentation of the results distinguishes between the members, the secretariat, and the MO. Figure 1 illustrates this multilevel perspective.

The MO is designated by 'CORN'. At the secretariat level, interviewees often refer to the '*logistic centres*': they are the operational facilities of the secretariat responsible for the member organizations' supply operations. At the member level, interviewees refer to each other, mentioning the owner/manager/representative of a comember; they also refer to groups of members. However, it is interesting to note that although 'CORN' is mostly used to refer to the MO, interviewees sometimes refer to the secretariat when talking about 'CORN' or 'CORN PLC'. When this is the case, the text specifies that the verbatim is referring to the secretariat rather than the MO. The interviewees also mention 'the network': they refer to the members' network as a 'retail network', a network of retail stores across a geographic area, rather than as a network form of organization.

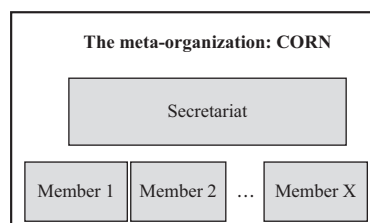
### Data collection and data analysis

Our data collection strategy mainly relied on semi-structured interviews 'in order to obtain both retrospective and real time accounts by those people experiencing the phenomenon of theoretical interest' (Gioia et al., 2013, p. 19). We conducted a total of 46 interviews. As we are studying members'

**Meta level**

**Secretariat level**  
5 interviews with individual members/employees

**Member organizations level**  
41 interviews with managers/owners in 4 regions



**Figure 1.** CORN cooperative: The various levels of analysis of the MO

relationships with their MO, relying on qualitative material enables the collection of narratives to gain insights on its evolution in interaction with its environment (Pentland, 1999).

We adopted a mixed sampling strategy that combines a primary stratified purposeful approach with snowball sampling (Kuzel, 1992; Miles & Huberman, 2003; Patton, 1980). First, CORN is structured around regions, and member organizations tend to be identified based on the regional classification. The members of each region place orders with a different logistics centre, making it an important proxy for membership identity in the MO. We also selected interviewees from the membership based on the members' key organizational characteristics. They have different sizes, thus different abilities to pool resources and rely on bargaining power to seek alternative supply sources than the cooperative, and different legal statuses: LLCs and consumer cooperatives. Second, we sought to gather the perspectives of various 'schools of thought' within the cooperative and to identify the influence groups, which could not be detected a priori, justifying a snowball approach in each stratum. For each member organization, we interviewed the manager or the owner if applicable. We also held off-the-record discussions with interviewees and other employees of member organizations to give more context to the analysis in order to increase the internal validity of our study and avoid ex post reconstruction of the case (Huber, 1985; Huber & Power, 1985). Four interviews were conducted with other stakeholders of the cooperative as well as one with the president. Table 1 presents the list of interviews and their characteristics.

We also collected important secondary data as detailed in Table 2. Contracts play a key role in evaluating the evolution of the relationship between the members and CORN, and in the evolution of the statutes of the MO itself. We took the opportunity of our visits to members' retail stores to collect contextual elements: observation of specific retail practices and informal discussions with employees and customers. We used these to triangulate the data collected in the interviews with the owner/CEO/manager of the member. Finally, we followed the case until late 2016 through discussions with informants at the member level (Arnoud & Peton, 2020). We collected later versions of corporate speeches and speeches by presidents at national CORN conventions. Along with the secondary data, these elements gave context to the case and enabled triangulation of the evidence from the interviews (Huber, 1985; Huber & Power, 1985).

'In situ' artefacts include leaflets and local documents relating to the member organizations. 'Contracts' encompass the statutes, membership rules, different charter members agreed to comply with, and individual binding contracts between member organizations and the MO. 'Context' contains a history of CORN from 1986 to 2006 authored by an individual member of the secretariat as well as press releases about some of the cooperative's main events and press releases.

**Table 1.** List and characteristics of interviews with CORN members' representatives

CORN semi-structured interviews				
In-text interview Id	Region	Legal status	Date of CORN membership	Informant job position
NES1	NE	LLC	1998	Owner/CEO
NES2	NE	LLC	1996	Shareholder/CEO
NES3	NE	LLC	1995	Owner/CEO
NES4	NE	LLC	2003	Owner/CEO
NES5	NE	LLC	1999	Owner/CEO
NES6	NE	LLC	2008	Owner/CEO
NES7	NE	LLC	2012	Owner/CEO
NESO1	NE	Worker Coop	2004	Shareholder/CEO
NES8	NE	LLC	2002	Shareholder/CEO
NESC1	NE	Public Company, consumer association	2004	CEO
NES9	NE	LLC	2011	Owner/CEO
NES10	NE	LLC	2000	Owner/CEO
NES11	NE	LLC	2012	Owner/CEO
NES12	NE	LLC	2008	Owner/CEO
GOC1	GO	Consumer Coop	1986	CEO
GOC2	GO	Consumer Coop	1986	CEO
GOS1	GO	LLC	2008	Owner/CEO
GOC3	GO	Consumer Coop	1986	CEO
GOSO1	GO	Worker Coop	2007	CEO
GOC4	GO	Consumer Coop	1989	CEO
GOC5	GO	Consumer Coop	1986	CEO
GOS2	GO	LLC	1986	Owner/CEO
GOS3	GO	LLC	2002	Owner/CEO
GOSO2	GO	Worker Coop	1992	Shareholder/CEO
GOS4	GO	LLC	2010	Owner/CEO
NEC1	NE	Consumer Coop	1986	CEO
SES1	SE	LLC	1986	Owner/CEO
SES2	SE	LLC	NA	Owner/CEO
SES3	SE	LLC	2002	Owner/CEO
SES4	SE	LLC	2000	Owner/CEO
SES5	SE	LLC	2003	Owner/CEO
SES6	SE	LLC	2007	Owner/CEO
SES7	SE	LLC	2007	Owner/CEO
SEC1	SE	Consumer Coop	NA	CEO
SES8	SE	LLC	1997	Owner/CEO
GOC6	GO	Consumer Coop	1986	CEO
SOC1	SO	Consumer Coop	1986	CEO
SOS1	SO	LLC	2011	Owner/CEO
SOS2	SO	LLC	2004	Owner/CEO
SOS3	SO	LLC	2006	Owner/CEO
SOS4	SO	LLC	2005	Owner/CEO

CORN, Cooperative Organic Retail Network; LLC, limited liability company.

Our analysis relies on a thematic scheme of codes we identified in the literature. The themes cover different levels of analysis, the nature of the relationships between them and their evolution. These first set of codes guided our analysis, and subthemes emerged inductively to enable us to categorize our observations about the prerogatives of the secretariat and their effects on the MO and the members. We follow a narrative approach to describe our single case (Dumez, 2015; Pettigrew, 1990), highlighting inflection points to describe and articulate the dynamics between levels of analysis. The role played by the increased control prerogatives at the secretariat level, which were granted by the MO, is at the core of our analysis. We coded both the transcript interviews and the contracts from our pool of secondary data using the Nvivo software.

## Results

We structure the results into two sections. First, we describe the effectiveness of the MO, CORN, at achieving its members purpose and how it is characterized by a secretariat, which is granted with prerogatives. Second, we discuss the interactions

**Table 2.** Secondary data documents

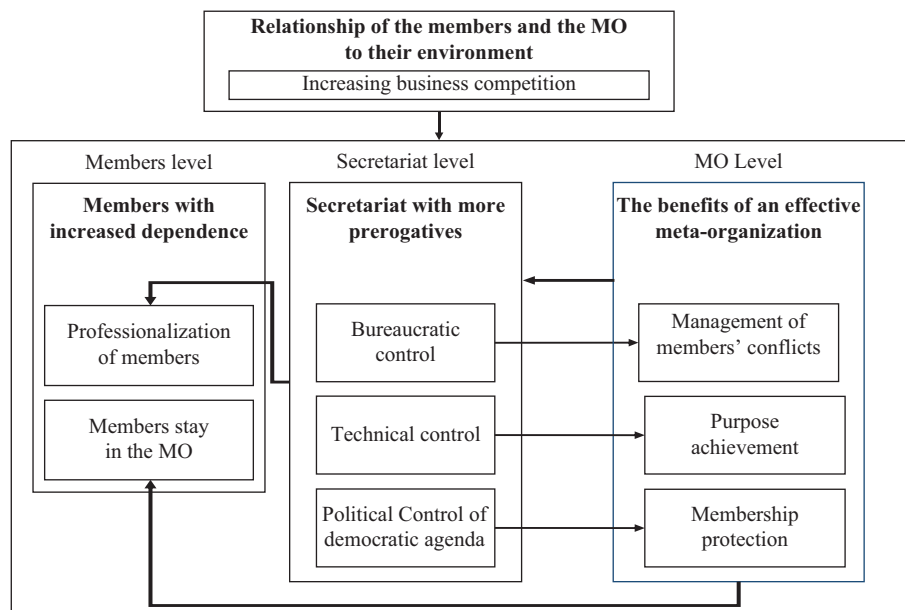
Types of data	Number of documents
<i>In situ</i>	9
Contracts	8
Context	10
<b>Total</b>	<b>27</b>

at different levels of the MO and how they rely on the prerogatives granted to the secretariat. Overall, we describe a secretariat that gained greater autonomy and agenda power to influence the regulation of the MO in the business interests of its member organizations, which increased their dependence causing them to give up some of their autonomy. The main results may be articulated into Figure 2, displaying the three levels of analysis and the dynamics of the observed phenomena across these levels.

### **The MO seeking to become more effective in responding to environmental pressures**

From its creation in 1986, CORN federated formerly independent retailers across France. Prior to being a somewhat integrated cooperative with a central purchasing service for independent organic food retailers, CORN was a federation created by autonomous organic food retailers.

The main initial purpose of the MO, as expressed by early members, was to 'share practices' about sourcing, organic nutrition, and sometimes retail operations (Toussaint, 2006). However, sharing sourcing practices enabled CORN to aggregate members' product assortment and create sourcing guidelines, which made it a central player in the development of the organic food industry in France, to the extent that it is now considered a reference point. Beyond the regulation of EU and French governments for labeling organic production and retailing, CORN's sourcing practices are benchmarked by other industry players because the expectations of the MO exceed the industry standards. As such, CORN has assumed a



**Figure 2.** The main results of the research

political role (Schmitter & Streeck, 1999) and provides a service beyond its own boundaries by certifying suppliers as reliable for the entire industry when they are given access to its members' shelves (Hatanaka et al., 2005).

This impact that CORN has had on its environment is the result of member organizations gradually requesting the introduction of 'more structure' in the MO. When CORN was created, it was coordinated following a 'grass roots' approach. The MO's governance was based on member organizations taking decisions in general assemblies following discussion in various committees. The cooperative's statutes were merely a framework to help with pursuing the main business purpose of the member organizations and, therefore, required greater organizational structure as CORN and the sector developed. We identified three inflection points in the evolution of CORN, summarized in Figure 3.

First, from 1995, membership was open to a new type of member organizations: LLCs, when the MO was essentially composed of consumer cooperatives before. Early members were mainly local initiatives by early activists protesting about industrial agriculture, and newer consumers were much less activist. CORN members acknowledged that the development of the retail of organic products would have to rely on new types of structures, namely, LLCs of individual entrepreneurs. As CORN's initial purpose to develop organic agriculture had been successful, with a growing number of farmers and food industries producing organic food, CORN needed to expand its retail network to further support this purpose by integrating new member organizations.

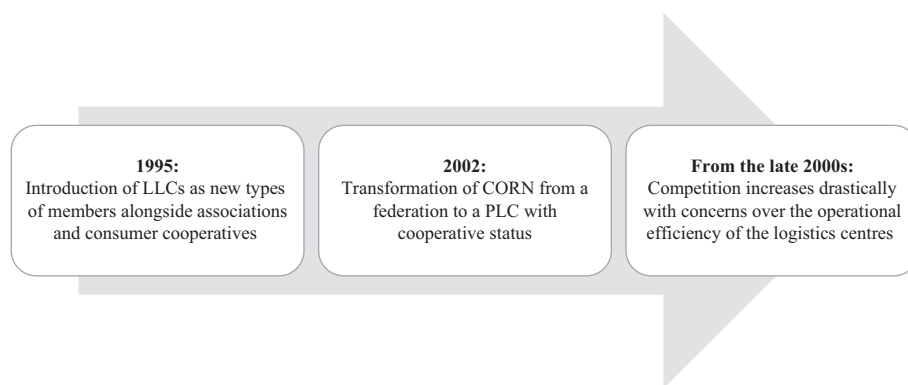
Second, from 2002, CORN became a business cooperative with PLC status. The development of the MO's membership led to the growth of the logistics centres of the secretariat whose load factor needed to be secured. The increasing number of LLCs as member organizations and the development of competitors of the MO, along with easier independent sourcing opportunities with the emergence of organic products wholesalers, created a risk that member organizations would leave CORN, thereby reducing the load factor and profitability of the secretariat and putting the entire MO at risk of collapsing. When it

became a business cooperative with PLC status, member organizations purchased only 55% of their supplies with the secretariat, when they would purchase only from independent sellers at the origins of the MO. This 'loyalty' rate is now over 90%.

Third, at the beginning of the 2010s, competition increased in the industry and took the form of investor-oriented retail networks, both newly created companies and subsidiaries of traditional mass retailers which mimic the store format and product assortment of CORN members.

It was at the end of 2007, beginning of 2008. We said: 'Competition is coming'. They were laughing, not taking it seriously. By 2009, organic products were being sold by all the mass retailers. (CORN – President)

The market was now skyrocketing with two-digit yearly growth figures, triggering intense competition that radically transformed the business environment of the member organizations. When we collected our data, the total market in France for organic products amounted to €4.5 billion a year combining specialized retail networks and mass retailing. CORN itself held an 11% market share. It was slowly ceding ground as new highly competitive players entered the industry. These new entrants adopted professional practices. This increasing competition ranged from vertically integrated subsidiaries of mass retailers to pure-player retail networks and investor-oriented retail networks supported by investment funds, with highly standardized store formats. They all imitated many of CORN's retail practices: loose products store section, wooden shelves, organic product sourcing, etc. At the same time, they imitated CORN members' distinctive retail practices and adopted professional practices from the mass retail industry. They were committed to targeting and securing the best catchment areas, a localization practice which CORN members had never previously focused on. CORN members had often set up in less dense areas because they were highly path dependent: typically, a small consumer cooperative that emerged in the 1970s in a remote town in the countryside. From the mid-1990s with



**Figure 3.** Inflection points in the history of CORN



the integration of LLCs, CORN had no highly coordinated development strategy for its retail network: members were not accepted based on the localization of their stores. Member organizations choose their catchment area largely based on the personal choices of the founders, and they were accepted as CORN members based on mutual recognition of shared 'values'. Being able to invest and improve the MO's market share had long been a secondary issue for CORN. The member organizations highlighted the dramatic impact that increased competitive pressure had on the MO.

Given the pressure we feel from the competition from all sides, if we do not stick together a little more, we won't stand for long. (SOSI – LLC – 2011)

Despite growing competition and the tremendous development of CORN as a retail network, the governance of the MO has not changed radically. CORN remains an MO with member organizations being both independent and active in the decision-making process at the meta level. The member organizations actively participate in decisions to increase the power of the MO, relying heavily on the increased prerogatives granted to the secretariat. Overall, the risk of growing competition within the industry has led to a strengthening of the MO by giving its secretariat greater control prerogatives.

### ***The more effective MO through increased prerogatives of the secretariat: A necessary evil***

After detailing the context that led the MO to seek to become more effective at achieving the purpose of member organizations, our second line of results highlights the role of the secretariat in helping the MO do so. These results show how the secretariat is granted with prerogatives by the MO in the form of three types of control. The analysis of the data points out the professionalization of the secretariat and the enforcement of bureaucratic rules. The evolution of the purpose of the MO reinforced the need to see the secretariat play a key role in influencing the political agenda of the MO. This resulted in distinguishing three types of observed control prerogatives by the secretariat: technical, bureaucratic, and political control.

### **Professionalization of the secretariat increases its technical control of the member organizations of the MO**

From 1995, LLC member organizations became a growth driver of CORN's retail network. The booming number of member organizations, along with their professional expectations, encouraged the professionalization of the secretariat both in terms of sourcing and supply. The former relied on the

development of guidelines and expertise in the sourcing department of CORN's secretariat, and the latter relied on the development and growth of integrated logistics centres.

The sourcing of organic retail products relies on highly demanding 'guidelines', created by CORN members, being applied to the selection of thousands of consumption goods, mainly food products. To source, control and monitor compliance of these products with the guidelines, CORN relies on a highly specialized team of experts employed by the secretariat.

This sourcing department at the secretariat level has been led by one individual since its inception in the 1980s. He recruited and trained a team of experts, which acquired recognition both at the level of the cooperative and at the level of the entire organic retailing industry.

There was a guy named Patrick Fish, and Patrick Fish progressively became responsible for purchasing. That was what he was called at the beginning. Now, he is really the 'product guy' for CORN. He is the boss for the products at CORN. He is still here, and he has employees in charge of fresh products; others are in charge of fruit or vegetables... They have true expertise. (NESI – LLC – 1998)

I don't remember how many employees work for the products department at CORN, but it's huge! It requires visits to suppliers, on-site audits. [...] For instance, if an industrial processing firm says: 'I source my tomatoes in Spain', CORN goes so far as to check where its tomatoes actually come from. If, for any reason, we do not source our tomatoes in the Almeria regions', a processing supplier will not source these tomatoes and get us caught out one day. (GOC6 – Coop – 1986)

Beyond their daily sourcing role, these sourcing experts are increasingly involved in the establishment of guidelines and criteria as they participate in the committees at the meta level and make recommendations about the evolution of the sourcing guidelines at the meta level. Committees composed of member organizations must approve these recommendations, but these committees consult with the experts who ultimately control the establishment of the guidelines. The evolution of these guidelines has led to the perception of a kind of technical control by the secretariat.

It was an illustration of the evolution of the spirit or the change within CORN, which used to have a 'hippie' structure with loosely established rules, into something much more structured, organized and with associated drawbacks, or at least a much more bureaucratic aspect. (NECI – Coop – 1986)

The professionalization of the secretariat has made it increasingly a central buying service for independent entrepreneurs. Independent entrepreneurs represent the majority of its members. They are put under strict technical control because

it was necessary given the evolution of the scale of the operations. They call this evolution 'structuration'.

We went from being a bunch of pioneers, where a small group decided everything, to this organization, a hierarchy that was necessary. It was a necessary structuration that we requested. However, it has now created a split between the head of the network and the members. (NES3 – LLC – 1995)

Member organizations acknowledge that their evolution toward a more professional activity has been enabled by improvements in the secretariat supplying them with quality products and with high-quality supply chain services.

The strength of CORN lies in the 8,000 products in the catalogue. No competitor in the country offers 8,000 to 9,000 products. [...] To source a product, there are committees, etc. It takes a lot of time, and I think that's a good thing; it's a key element that guarantees compliance with our own guidelines [...]. Inside CORN, we have filters, technicians making these selections. [...] They alone do that; there's a lot of value added to this process because we do not just stamp products with an organic label claiming they are good. (SOS4 – LLC – 2005)

The professionalization of the secretariat is also characterized by its control in professionalizing the member organizations as well. The expanding retail network development consultancy services offered by the secretariat are good illustrations of the professionalization, which is imposed on the member organizations. In this case, the control that stems from information sharing and the acceptance of changes to the guidelines are considered necessary for the MO to become more effective at achieving its member organizations' purpose of retailing quality organic consumption goods. Becoming more effective, the MO offers more services, notably retail consultancy services. These allow member organizations to retail organic consumption goods more effectively and efficiently. The professionalization of the secretariat reinforces its technical control, which, in turn, enables MO to become more effective at achieving their business purpose.

We define technical control as the control gained by the secretariat on daily operations through the development of technical knowledge related to sourcing, production, and transformation of organic products. The technical control is a result of the intermediation by the secretariat of the relations between the member organizations and the environment. It leads to the progressive loss of technical knowledge by the member organizations.

### **Bureaucratization of the secretariat imposes bureaucratic control of the member organizations of the MO**

CORN was created with no employees. The development of the MO, with more member organizations expecting more services from CORN, enabled it to turn the

secretariat that was initially composed by a bureau of elected members into a bureaucracy. The 700 employees of the secretariat are now operating within various departments. Many of these employees work in the logistics centres, others in the sourcing or the purchasing department, etc. Overall, the secretariat has become a functional structure. Bureaucratization is a consequence of more organizing at the secretariat level.

The size and complexity of CORN requires rules whose enforcement is assumed by the secretariat. From 2002, when it became a business cooperative, as an MO, CORN adopted a legal framework that allowed it to maintain its MO characteristics whereby the member organizations remain independent and enable the secretariat to develop its bureaucratic structure. The cooperative framework made a distinction between the president of the MO, an individual employee from one of CORN's member organizations, and the general manager, who leads the secretariat. This governance framework progressively enabled the secretariat to develop and exercise bureaucratic control over the member organizations. The bureaucratization of the secretariat was agreed by the member organizations, who, therefore, mitigated conflicts among them and favored more compliant practices with rules at the meta level. The previous loose enforcement of the rules encouraged the development of wishful thoughts among compliant members to expel their non-compliant peers. First, the secretariat imposed more homogeneous rules on all the member organizations, despite their initial heterogeneity. Second, it acquired more prerogatives to enforce these rules. Third, it homogenized the membership, with new member organizations being created by individual employees from the secretariat who were perceived as being more likely to comply with new rules it would suggest at the meta level.

The secretariat played a part in issuing new rules that would apply to the member organizations. A coercive scheme of prices, referred to as 'the discount scheme', was drawn up by the secretariat and ratified by the member organizations to homogenize prices and supply conditions among them, whatever their size and bargaining power with potential alternative supply sources. In doing so, the MO reallocated the discount resources of the secretariat to encourage the loyalty of its member organizations in the best interest of the MO. However, this reallocation was also demanded by a group of large member organizations from the West of France and was perceived to result from their influence activities. These large member organizations represented a powerful influence group explicitly called '*the large coops in the West*'. They grouped together to use the bargaining power that stemmed from the volume of their purchases. They were influential because they threatened to place fewer orders with the secretariat and purchase more of their supplies from independent wholesalers with whom they expected better prices. Some even suggested they would

leave the MO. In response to these influence activities, CORN took a major initiative and asked the secretariat to redefine the 'discount scheme,' which had produced discount figures too similar among member organizations irrespective of size, leading to conflicts.

Member organizations strongly questioned the reevaluation process of this so-called 'discount scheme' because they were unhappy with the content and because they perceived that they had little control over the event. On this occasion, they highlighted the increased prerogatives of the secretariat in setting rules at the MO level.

We didn't vote. The 'discount scheme' was decided by the board of administrators. [...] Then there was a motion during a congress [...] The topic of the motion was: 'we cancel the discount scheme'. The administrators said: 'if we cancel, we resign'. So we didn't vote for or against the discount scheme; we voted for or against the resignation of the board. And it was ratified by just a few votes. (GOSI – LLC – 2008)

This reform was the result of a compromise, as the larger members did not achieve the discount levels they expected. They incurred an increased opportunity cost from being a member of the MO compared to being independent because they had to incur the increased costs of a large, professionalized secretariat when they were large enough to achieve higher discount rates using their size and bargaining power with the suppliers of organic products.

With this new set of rules, CORN increased its own bargaining power for the benefit of all member organizations. The issued regulation enabled to maximize the loyalty of the member organizations in terms of supply. As a result, purchased volumes would increase. Member organizations that were partly supplied by wholesalers out of CORN would need to place orders with the secretariat. Noncompliance in respect of supply is first punished by financial sanctions. A further refusal to comply with the guidelines then results in the member being expelled from the MO.

The secretariat's increased bureaucratic control also relates to the type and number of guidelines with which member organizations must comply. While older members seem to resist some of the changes, newer members are keener on complying with the latest guidelines.

He does what he is told to do, what CORN tells him to do, also in terms of communication, meaning what trademark you display. It means that if I joined CORN today, and I signed today, I would have to use CORN's trademark. I could eventually discretely display my own trademark. I am currently known as Taste & Seasons [not CORN trademark]. (NESI – LLC – 1998)

As time has passed and the MO has evolved, a greater number of member organizations who recently joined CORN have agreed to comply with stricter guidelines than their older peers.

Second, the secretariat has been increasingly responsible for enforcing the rules with the member organizations. Control is becoming the norm, whereas norms of reciprocity among the members of the MO and their self-assessment were considered relevant in the past (Demil & Lecocq, 2006).

This is the so-called 'engagement of the members' charter. You have a control, we used to have a self-assessment process, now we are audited by AUDITEXT. Each member is controlled every other year to verify their compliance with the guidelines – all four sets of guidelines. (CORN – President)

The year 2012 marked a turning point. By then, external audit procedures had been introduced, whereby members' compliance with the guidelines was audited every other year. However, the stringent regularity of these audits of all the member organizations was quickly judged to be ineffective at detecting uncompliant members who were able to prepare themselves for each audit. This resulted in the introduction of surprise external audits from 2014.

The [cooperative] committees maintain the right to commission the audit body to carry out surprise audits in the retail stores, whether they are certified or not. These surprise audits are conducted by CORN PLC [the secretariat]. (CORN Specifications – June 2014 version)

Although decisions to conduct a surprise audit are taken by the MO's compliance committee, which is chaired by member organizations' representatives, the committee's agenda to decide which members to audit is influenced by the technical departments of the secretariat. These departments identify failures in the purchasing records, or in the reporting provided to the secretariat by the member. These surprise audits are conducted by the secretariat's services and not by an external audit company.

Building on the auditors' report, the secretariat makes recommendations for the MO to take decisions about sanctions.

The evolution of the guidelines enforcement process in Figure 4 supports the idea of the secretariat's growing bureaucratic control of the members.

Then, the secretariat's retail network development services strongly encourage the development of CORN membership through the creation of new members whose owners/managers are selected among individual employees of the secretariat (Ahme & Brunsson, 2005, 2008; Boli & Thomas, 1999). The selection and retention of members is a strategic issue because



**Figure 4.** Evolution of CORN's rule enforcement procedures

an MO can only exist if it has members: 'although organizations cannot create individuals, they can create other organizations' (Ahrne & Brunsson, 2005, p. 439). The development of the CORN membership is increasingly limited by relevant applications, which must offer a relevant project from a business perspective and which fits with the MO's culture and values.

There are two CORN employees who are undertaking a project in the South-West region who will have an 'Organic challenge'. [...] These individuals subscribe to CORN's culture; they gave to CORN, so CORN is giving them a hand in return to set up their own store. These are atypical or rather strategic projects for CORN. (SOC1 – Coop – 1986)

It's a bit different nowadays because the ideal candidate can no longer be found. [...] The ideal candidate would be an employee of a member who is setting up his own store. The ideal employee would be an employee of CORN PLC. (GOC6 – Coop – 1986)

These endogenous new member development projects are nurtured from within the secretariat, and members' employees are also welcome and subsidized by the secretariat with the agreement of the MO: the secretariat occasionally offers to finance the real estate property required by the project of the member organization that wishes to open a new retail store. The secretariat sometimes offers grants, for example, €10,000 to the 'best project' among a selection of candidates (AMR meeting report, 2014).

CORN has recently set up an entire operation to say: 'if you, CORN employees' (not from CORN retail stores: from CORN PLC), 'would like to set up your own retail store, we have the resources to help you financially; starting should present no obstacle'. (GOC6 – Coop – 1986)

This confirms that the identity of members is very important to the MO, and their recruitment and creation are supported and closely monitored by the secretariat. Moreover, according to MOT, relying on the creation of new members helps to reduce the heterogeneity of members, thus strengthening the authority of the MO (Ahrne & Brunsson, 2012). Here, we distinguish the role of the secretariat in this process.

In recent discussions, CORN members spontaneously highlighted the increasing homogeneity among members who look increasingly alike. In return, the role of the secretariat in homogenizing members influences the perception of this increased control. New members, to a greater extent than older ones, are keen to comply with all the regulations of the MO, notably those that improve the operational efficiency of the secretariat. However, the growing ability of the secretariat to better enforce rules creates some issues with older members. Member organizations have become dependent on the MO, more than the other way around, even on matters, such as store layout or member identity, where they

used to take much of the initiative that is now taken by the secretariat. Overall, the bureaucratization of the secretariat increased its legitimacy to develop departments in charge of enforcing rules onto the members of CORN. We label these compliance practices by the secretariat to the members as 'bureaucratic control'.

## **From the secretariat's agenda power to the political control of the MO's membership**

More recently, the secretariat has become influential at the meta level by acquiring agenda power in the MO's decision-making process. The secretariat plays a significant role in influencing the agenda of the democratic decision-making by the general assembly of members. The abundance of resolutions that are put to the vote at the general assemblies is associated with an evolution of both the governance rules and the contractual scheme. For the members, this increases the complexity of the democratic governance. At each general meeting, every other year, and for 2 days, the members engage in general policy discussions, workshops, and social events. The general assembly only lasts for a few hours, during which dozens of resolutions are put to the vote. The debates are limited in time and members vote on bundles of resolutions and cannot arbitrate between them. As a result, major decisions about the governance of the MO tend to be relatively attenuated by practical constraints. For instance, the minimum MO loyalty threshold in terms of supply a member has to meet to be eligible for any of the MO's committees, or governance body was ratified along with several other decisions, with limited debate. It was obscured among several other resolutions.

At the general assembly, we had 132 resolutions to ratify; among them, there were understated sentences: 'the minimum "cooperation rate" to stand in an election is 75%'. Until then, it had been set at 60%. (NES6 – LLC – 2008)

Members argue that this profusion helps the secretariat to influence the governance agenda and leads to the secretariat and its general manager being involved in setting the political agenda of the MO with CORN's president. The evolution of the purpose to become business oriented creates various operational issues that need discussing. The cross involvement of members and experts within committees at the meta level allows experts to convince member organizations' representatives that decisions need to be taken on various topics. This allows the secretariat to get a number of issues ratified when they were initiated by employees of the secretariat who possess greater expertise than the members who can be influenced. In this respect, the secretariat's control of the MO has become a form of political control.

Along with this more general power in the MO's decision-making process, CORN has had to issue new membership rules because of the limited number, though traumatizing, of departures of some members who sold their stores to fast-developing competitors' retail networks. These events raised awareness of the need to protect the retail network and its coverage of its territory. This was made possible by the ability to establish and enforce membership rules.

Denis Imcold and Dominique Clear told CORN that when the agreement was signed... They didn't ask themselves if there were CORN applicants that would have been interested in taking over their stores. They didn't ask themselves if their employees could have taken over these businesses. (NESCI – SAS, COOP-like – 2004)

When New Hoods left CORN, they represented 7% of CORN's turnover. Fortunately, at that time, CORN was growing by 12% yearly. But in tougher times, its large members, such as GOC5 – Coop – Admin GO – 1986, left, or GOC6 – Coop – 1986 and SOCI – Coop – 1986; this could be dangerous for CORN. (NES2 – LLC variable equity – new admin CORN NE – 1996)

The professionalization of CORN and its members emphasizes the MO's business purpose and its sensitivity to increased competition, particularly as it threatens the continued membership of members. The departure of members creates a risk for the secretariat and its logistics centres of decreased load factor; which would ultimately be deadly to the remaining members.

We've reached a point where many member owners are close to retirement age. And, while a cooperative transfers the power internally, when the owner of a LLC is retiring, he sells the company, as this sale will provide him with financial resources for his retirement. The network must then be careful about what's happening around all these handovers, all these departures. Otherwise, it could be overly weakened, and the cooperative tools may no longer meet the members' needs. (NESCI – SAS, COOP-like – 2004)

The consequence of this awareness of the risk of members' departure is that new membership rules are required.

Then, some guys left the network, not the smaller ones. Very big members left and this very quickly created problems for the warehouses and the central buying services. As a matter of fact, they delivered lower volumes. They are scaled to supply a number of retail stores. If 2 or 3 large stores leave, they have to lay people off. (NESI – LLC – 1998)

Such departures of members have operational effects, and the secretariat, therefore, raised awareness that the issuing of new membership rules was vital to the MO. The secretariat

oversees the monitoring and enforcement of these rules related to CORN's political jurisdiction.

CORN's statutes now include regulations for anticipating and preventing the unexpected departure of any member as detailed in Figure 5.

The new contractual framework has placed the membership of the MO under a more solid framework, although it affects the freedom they wished to defend when joining CORN, which they consider to be an organizational alternative for food and agricultural supply and practices. This necessary evil allows them to address the issue of increased competition at the industry level following a sociocultural evolution of food-related consumer practices that CORN actively participated in initiating and structuring to achieve its purpose. Overall, the agenda power that the secretariat acquired and the new membership rules which it requested and is expected to enforce have created a form of political control of the MO. We call this control political because the actions and regulations by the secretariat regarding membership have an influence on the perceptions and decisions of the members. As new members are created under the strict supervision of the secretariat, their increasing number gradually changes the opinion of the MO membership toward the increased prerogatives of the secretariat.

The effectiveness of CORN as an MO has led its president to believe that the business purpose of CORN is now a set of activities in the hands of the secretariat leaving room

<b>Control transfer regulations:</b>
<ul style="list-style-type: none"> <li>- CORN must be informed of the member's capital ownership and any transfer considered.</li> <li>- CORN must be informed of any change in the member's management (e.g., change of general manager).</li> </ul>
<b>Departure regulations:</b>
<ul style="list-style-type: none"> <li>- CORN membership is granted for a minimum of 5 years. Older members must remain on board for at least 3 years after ratifying this version of the statutes.</li> <li>- CORN must be informed at least 1 year in advance of any exit consideration.</li> <li>- A manager or employee of a member who wishes to exit CORN may not take any elected responsibility until the actual exit.</li> </ul>
<b>Members' ownership transfer regulations:</b>
<ul style="list-style-type: none"> <li>- A member's shares or business assets cannot be transferred without the agreement of the board of CORN (all information on the prospective transfer must be submitted to the board).</li> <li>- CORN holds a preemptive right on this transfer within a 2-months period after the member has submitted all requested data and information (<i>authors' note: no formal definition of this additional information is given</i>).</li> </ul>

**Figure 5.** Membership protection regulations from the 2014 version of CORN's statutes

for the MO to take on further institutional purposes promoting both an alternative form of organizing and organic agriculture beyond the sole interest of the member organizations.

We are not a cooperative at the service of its members. Now we have become something else, we have another relationship model with all the stakeholders of a system. For us, this is concerned with food. (CORN – President)

## Discussion

In this paper, we studied a business cooperative through the MOT lens. We adopted a multilevel perspective: (1) to capture the dynamics of the MO as a collective organization composed of organizations; (2) to understand the role and evolution of the secretariat: the organizational entity created within many MOs to facilitate the pursuit of the common purpose of member organizations; (3) to understand the consequences of the MO's evolution on member organizations. We observed that, as the MO developed, the secretariat was progressively given more tasks by the members. It was granted with more prerogatives while reinforcing the MO's business purpose, thus making it more effective in the perspective of the members. This process led the member organizations to become increasingly dependent on the secretariat. At the same time, it preserved the interests of the members as the MO's contribution to the purpose was reinforced by developing and extending the role of the secretariat.

MOT is keen on highlighting the effectiveness of MOs, that is, MOs that are effective at achieving their purpose by impacting their members' environment (Berkowitz et al., 2017) and at imposing increased regulation on their members (Kerwer, 2013; Malcourant et al., 2015). In our case, the multilevel view of MOs as collective forms of organizing enables us to discern the specific role that the secretariat plays in helping the MO to deal with many issues by becoming more effective. The role of the secretariat helps the MO deal with both internal issues like the heterogeneity of members with different statuses and sizes, and external issues like increasing competition. Our case reveals an MO very effective at achieving its members purpose whose prerogatives were granted to the secretariat that, in turn, embodied the MO's purpose. This entailed professionalization of the secretariat, notably through increased 'expertise' (Ahrne & Brunsson, 2008, p. 129; Barnett & Finnemore, 2004). At the secretariat level, it involved the development of specific services and operational capabilities, for instance, the logistics centres. We also emphasize the role of increased bureaucratization: the bureaucratic control of the compliance of the members, suggestions about the evolution of membership rules. Finally, we revealed the secretariat's role in influencing the MO's political agenda, playing on the constraints of organizations as

members gathering occasionally through congresses to make decisions (Ahrne & Brunsson, 2008).

When the secretariat is granted with more prerogatives, members are at the same time satisfied with the better achievement of the MO purpose and are paradoxically regretting the secretariat's increased control. We call this situation a 'necessary evil'. The original consensus decision-making process (Ahrne & Brunsson, 2008) that resulted from an initially congruent purpose and homogenous membership progressively led to conflict within the MO between members. The secretariat granted with increased prerogatives provided a welcome solution. Among the prerogatives, we observed the ability of the secretariat to influence the membership rules and its increased ability and diligence in recruiting and creating new members. This enabled to progressively dissipate mixed feelings of the existing members about the secretariat granted with increased prerogatives. The new compliant members would progressively become more numerous, increasing membership support to this new order in which the secretariat has an important power. The contributions we underline here lead us to encourage MOT researchers to pay greater attention to the role and the tasks of the secretariat in influencing the dynamics of the MO. This view of a secretariat granted with increased prerogatives as a necessary evil is an addition to the literature in considering the tension between the autonomy of members and the dependence on their MO. In our case, we show that this tension has its own dynamic, and that it dissipates when the secretariat manages to homogenize the MO's membership around the business purpose, a type of purpose that has received little attention in the MO literature.

Based on the previous point, we define a strong MO as one that can sustain itself and can achieve its purpose while preserving the engagement of its member organizations within the MO. At the meta level, this strength is associated with an ability to impact its environment. In this case, the strength of the MO is a phenomenon that is visible externally to the MO. The strength of an MO can also be observed internally as it is perceived as effective by member organizations. In that case, the secretariat is granted with prerogatives to impose regulation on its members, when they are necessary for the MO to be effective at achieving its purpose.

On the contrary, we can speculate that an MO can be considered as weak when it is not able to preserve the engagement of member organizations in the MO. This can happen for instance when they are not concerned with the common purpose anymore, or when they do not contribute to the governance of the MO anymore (Ahrne, Brunsson, & Seidl, 2016; Nilsson, 2001), or because they do not want to fund the collective initiatives or the secretariat anymore (Dumez & Renou, 2020). This can also happen when the MO is not able to achieve or contribute to the common purpose of member

organizations. Such a situation may result from tensions between conflicting purposes within the MO, or from a lack of resources or competences.

We define what a strong MO is and speculate about the weakness of MOs to invite MOT scholars to further explore the multilevel dimension of MOs. We also invite MOT scholars to consider the dynamics of this organizational form because the strength of the MO may evolve over time because of an evolution of its purpose, the engagement of the members, and the actions of the secretariat.

Our research shows that a strong MO may also give more prerogatives to its secretariat. It creates a risk that the MO will become an individual-based organization in the sense of Ahrne, Brunsson, & Seidl, 2016 or Ahrne and Brunsson (2008). The secretariat may acquire more prerogatives to such an extent that it becomes autonomous from the collective of members. We contribute by highlighting that, as a decided social order, MOs may intentionally choose to get around this risk by adopting specific governance frameworks to enable them to remain MOs, that is, a decided collective form of organizing. The business cooperative framework may be useful in this role when it normatively protects the independence of its members while preserving their status as both stakeholders and shareholders, leading to the idea that they collectively pursue a common purpose through their decision to become a member.

We also add to the literature by observing that the secretariat is essentially an emanation of the MO from which it cannot be dissociated. The organization that takes place at the level of the secretariat leads the members of the MO to contribute more common resources to better achieve their purpose. When the MO's purpose involves business operations, as in the case of a business cooperative, this organizing phenomenon entails the sharing and investment of more resources by the member organizations at the meta level, relying on the secretariat. Increasing the commitment and accumulation of resources within the secretariat requires greater control by the MO over its member organizations. In our case, the governance framework offers the MO a convenient safeguard by combining a secretariat granted with increased prerogatives and the normative independence of the members. The literature on business cooperatives makes account of what can be considered as strong MOs with a secretariat. We believe our analysis of such business cooperatives under the MOT lens opens fruitful research paths.

The relation of MOs to the environment and their role in influencing it are key issues for MOT. We contribute by showing that the purpose may evolve or complexify triggering changes in the MO. We analyzed an MO whose purpose evolved from influencing its environment by sharing practices about the development of organic agriculture to the business purpose of sourcing and supplying organic retail products before claiming an even broader institutional purpose through the promotion and

structuration of the organic agriculture and industry as a whole (Valiorgue & Hollandts, 2019). The evolution of the purpose came along with the development of competitors, although the initial purpose had favored a tendency of the MO toward monopoly (Ahrne & Brunsson, 2005, p. 438). Our analysis of a business cooperative shows that MOs with a business purpose are likely to face competition, which involves granting their secretariat with increased prerogatives to further regulate and develop the business activities of the member organizations.

In our analysis, the role of the secretariat in assisting the MO through the evolution of its purpose is essential. The secretariat also appears essential in assisting the MO live through what is referred to as its 'structural weakness' (Berkowitz & Dumez, 2016, p. 150): the loose control of the MO over its member organizations that remain essentially independent from it. Therefore, we argue that the secretariat is key for the MO to be effective as a form of organization. The role of the secretariat we highlighted is so important it could even be the distinctive characteristic of the MO as a form of effective collective organizing, while the secretariat is still overlooked in MOT. If MOs exist as distinctive forms of organization, they need to be distinct from other forms of collective organizing such as networks, strategic alliances, or R&D consortia. Our analysis of MOs suggests that opposite to these forms of collective organizing where power is distributed among the members, in MOs, the power is often granted to an organizational entity created *ad hoc*: the secretariat.

Last, the focus on business cooperatives as MOs highlights the need for MOT scholars to engage in the identification of different types of MOs. So far, the literature has largely focused on developing a general view of MOs. Our contribution, which discusses variety in the form and relative strength of the components of MOs and their dynamics, makes a case for an extension of the MO literature and its integration with other literatures, which discuss MOs implicitly. We argue that business cooperatives, which are generally considered as alternative forms of organizations (Schneiberg et al., 2008), would greatly benefit from being considered as MOs. This is also an invitation for the MO literature to further explore topics which these forms bring into the debate. For example, the literature on business cooperatives extensively discusses governance issues. However, the theme of governance, which may involve articulating levels of analysis from member organizations to the MO or the secretariat, is not yet a common theme within MOT. These integration efforts would help MOT to provide a framework for addressing many matters about organizations, which do not always fit with the bigger organization science story. We believe our work is an effort in this direction.

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