

# Reciprocity and Commitment in the Sharing Economy

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## **Reciprocity and Commitment in the Sharing Economy**

### **Abstract**

A sharing economy is a form of social exchange relationship that is driven by the reciprocity of exchange. Despite the importance of reciprocity in collective relations, the literature has little evidence about the underpinnings of mutual reciprocation and relationship commitment in the sharing economy. To address this gap, the study adopts the equity theory perspective to explore the factors affecting perceived reciprocity and cognitive and behavioural outcomes of reciprocal relations. The data were collected from 403 users of sharing economy platforms located in the United States. As a result of structural equation modelling, the study found that the reciprocity of relations is predicted by fair procedures of transactions, a strong feeling of social identity and the tendency to compare personal outcomes of relations with the outcomes of other members of sharing economy communities. Also, the findings of the study indicate a direct effect of reciprocity on relationship commitment and emotion-focused coping, as well as an indirect effect through problem-focused coping. The theoretical and practical contributions of the findings are discussed.

*Keywords: sharing economy, equity theory, reciprocity*

*Track: consumer behaviour*

## **1. Introduction**

A sharing economy is a socio-economic system enabled by online platforms that makes it possible for people to collaboratively receive and redistribute resources for free or for compensation (Botsman & Rogers, 2011). Collaborative consumption is based on the principle of either generalised (non-obligatory or delayed return on exchange) or negotiated reciprocation of exchange (with an immediate, obligatory and fixed amount of return) (Belk, 2010; Blau, 1964; Cropanzano & Mitchell, 2005). The feeling of expected reciprocity increases the likelihood of collaborative relations in communities (Davlembayeva, Papagiannidis, & Alamanos, 2019), while the reciprocal outcome of collaborative relations fosters collective well-being and contributes to social inclusion (Llamas & Belk, 2013). Despite the importance of reciprocity in driving collaborative relations and the social benefits that it provides, the current research gives limited insight into the premises contributing to mutual reciprocation and sustained relationships between members of sharing economy platforms. The main limitation of the current research is that the perception of reciprocity has been largely examined in organisational settings (Fizel, Krautmann, & Hadley, 2002; Spencer & Rupp, 2009), which cannot be fully applicable to the sharing economy context. Secondly, empirical evidence on the behavioural and cognitive responses following reciprocity perception in collaborative relations have not been provided. Given the gaps in the literature, the objective of this research is 1) to explore the factors affecting the evaluation of the perceived reciprocity of collaborative relations and 2) to examine the outcomes of reciprocal relations, such as cognitive and behavioural processes contributing to sustainable relationships in the sharing economy.

## **2. Literature review and hypothesis development**

### ***2.1 Equity Theory***

Equity theory is used to explain the perception of reciprocity and the processes following the perception of reciprocity in relations (Adams, 1963; Walster, Berscheid, & Walster, 1973). Equity theory has been widely adopted to study the satisfaction of employees, individuals' behaviour in on-line settings and the reaction towards the unequal distribution of rewards (Rose, 2007; Spencer & Rupp, 2009). Drawing on equity theory, there are three mechanisms concerning reciprocity evaluation in social relations. First, equity is the outcome of social exchange relations,

resulting from the evaluation of the output (i.e. rewards) of relations against input (i.e. contributions) into those relations (Walster et al., 1973). Second, for the evaluation of reciprocity, individuals utilise social comparison strategies, which refer to a benchmark that is used to compare individuals' input/output with the input/output of other people. To ensure equity, people need to receive a reward which is proportional to the amount of their own input into relations and equal to the ratio of the input/output of other people (Adams, 1963; Walster et al., 1973). The third mechanism explains the emotional and behavioural consequences if relations are non-reciprocal. The outcomes of non-reciprocal relations include different manifestations of negative behaviour aimed at compensating for or taking revenge for the lack of reciprocation, like organisational absenteeism or redistribution of resources among a few (Biron & De Reuver, 2013). Given the above, this study proposes: 1) the effect of social identity, comparison and justice perception on perceived reciprocity, and 2) the effect of reciprocity perception on coping behaviour and relationship commitment (Fig. 1)

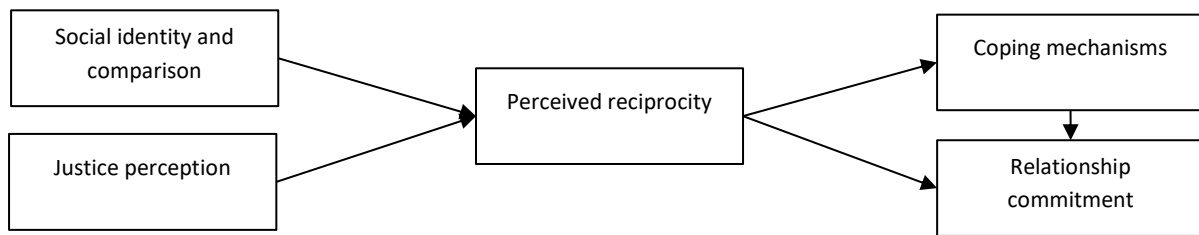


Figure 1: Overview of the model

## 2.2. Antecedents of Reciprocity Perception

**Social Identity and Social Comparison:** Social identity is the belief of oneself being part of a particular social group (Tajfel, 1974). From the perspective of social psychology, the categorisation of oneself into a certain social group increases the likelihood of cooperation with people of the same group (Anthony, 2005). People with strong social identity believe in equitable relations contributing to trusting behaviour (Tanis & Postmes, 2005). The likelihood of cooperation in groups in the condition of salient social identity is preconditioned by the process of comparing the outcomes of cooperation with ingroup (vs outgroup) members. There are two explanations for the ingroup favouritism. First, the identification of oneself with the group increases self-esteem and the desire to distinguish this group from others (Tajfel, 1974). Because individuals identify social group members with themselves, their negative behaviour may create

internal inconsistency. To preserve internal consistency, people with stronger group identity are more likely to perceive the outcome of social relationships more positively (Tavares, van Knippenberg, & van Dick, 2016). Second, the favourable attitude to group members maximises the chances of reciprocal relations within the same social group (Karp, Jin, Yamagishi, & Shinotsuka, 1993). Hence:

*H1: Social identity has a positive effect on perceived reciprocity of relations.*

*H2: a) The comparison of outcomes with other members in sharing economy communities has a positive effect on perceived reciprocity, while b) the comparison with people outside of sharing economy communities has a negative effect on the perceived reciprocity of relations.*

**Justice Perception:** Perceived distributive and procedural justice are the two types of cognition which can be experienced in the group context (Folger & Konovsky, 1989). Perceived distributive justice refers to the perception that the amount of reward for the input in exchange is fair (Adams, 1963; Folger & Konovsky, 1989). Perceived procedural justice refers to the degree to which an individual perceives the means of rewards distribution to be fair (Folger & Konovsky, 1989). A number of research studies use both distributive and procedural justice dimensions to explain mechanisms of fairness perception in social exchange relations (Folger & Konovsky, 1989; Van Dijke, Gobena, & Verboon, 2019). If the effect of each is considered independently, the perception of fairly distributed rewards affects helping behaviour, while the perception of fair procedures has more long-term implications in terms of reducing the turnover behaviour (Rubenstein, Allen, & Bosco, 2019). Employees' behaviour represents the act of reciprocation, triggered by the feeling of obligation to the organisation for fair treatment. Therefore:

*H3: a) Distributive justice and b) procedural justice have a positive effect on reciprocity perception*

### **2.3. The Outcomes of Reciprocity Perception**

The study hypothesizes that the perception that relations are reciprocal contributes to the commitment of individuals to the community of sharing economy platforms. This proposition has two explanations. First, the relations of people are built on the expectation that their contributions will be rewarded (Davlembayeva et al., 2019). Second, given that social exchange relations are

driven by the reciprocity norm, the success in achieving reciprocal relations is consistent with prior expectations. The consistency in cognitions drives satisfaction with the outcome and subsequent commitment (Chye Koh & Boo, 2004). For example, in the organisational context, reciprocation in the form of good treatment towards employees and support leads to job commitment, which is manifested in an emotional attachment (Griffin & Hepburn, 2005).

The literature on equity theory postulates that the evaluation of reciprocity results in stress if there is any inconsistency between a prior expectation of relations and the actual relationship outcome (Biron & De Reuver, 2013; Walster et al., 1973). Stress triggers behavioural responses (i.e. coping strategies) aimed at reducing stress (Watkins, Scheer, Ovnicek, & Kolts, 2006). The two mechanisms that can be used to measure the degree to which people cope with stress are problem-focused and emotion-focused coping. Problem-focused coping embraces activities that are aimed at changing the environment and/or adjusting one's own behaviour with the purpose of eliminating the problem causing stress. Emotion-focused coping refers to the cognitive and behavioural activities aimed at eliminating negative emotion, without affecting the problem causing those emotions (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986). Although emotion-focused coping can help reduce stress, it may be less effective in maintaining behaviour (Strutton & Lumpkin, 1994). Therefore:

*H4: Reciprocity perception has a positive effect on a) relationship commitment and b) emotion-focused coping*

*H5: There is an indirect positive effect of reciprocity perception on relationship commitment, in which a) reciprocity perception positively affects problem-focused coping and b) problem-focused coping positively affects relationship commitment.*

### **3. Methodology**

The study adopted the online survey approach as the data collection method. An independent company was used to collect data from the users of sharing economy platforms, located in the USA. The sample of respondents after filtering out the non-users of sharing economy platforms comprised 403 people. The demographic profile of respondents demonstrates a proportional distribution of male (47.4%) and female (52.4%) respondents. The smallest segment of respondents was at the age below 29. The majority of respondents were full-time employed (53.6%), Non-Hispanic White or Euro-American (73.2%), with an annual income over \$75 000 (48.4%).

Multi-item scales were adopted from prior literature to measure the relationship between nine constructs of the main model. The social identity scale was adopted from the study by Luhtanen and Crocker (1992), outgroup and ingroup comparison scales originated from the study by Hess, Joshi, and McNab (2010). To measure procedural and distributive justice, we used the scales derived from the studies by Colquitt (2001), Leventhal (1980) and Leventhal (1976). Reciprocity was measured by the scale developed by Bakker, Schaufeli, Sixma, Bosveld, and Van Dierendonck (2000). To measure emotion-focused and problem-focused coping the adapted scales by Billings and Moos (1981) were used. Relationship commitment was measured by the scale developed by Anderson and Weitz (1992). All items were measured using a Likert scale with anchors between “1 – strongly agree” to 7 – strongly disagree”.

For the analysis of the data, SPSS v.25 and Amos v.25 software tools were used. Cronbach’s  $\alpha$  and construct reliability coefficients were above the acceptable threshold ( $> 0.7$ ), and average variance extracted ( $AVE > 0.5$ ) and convergent validity results were satisfactory (Hair, 2014). Model fit indices demonstrate a satisfactory fit for the CFA model (Table 1).

	1	2	3	4	5	6	7	8	9
<b>Commitment</b>	0.890								
<b>Social Identity</b>	0.791	0.912							
<b>Outgroup Comparison</b>	0.783	0.818	0.901						
<b>Ingroup Comparison</b>	0.835	0.871	0.862	0.907					
<b>Procedural Justice</b>	0.822	0.768	0.830	0.808	0.876				
<b>Distributive Justice</b>	0.757	0.713	0.861	0.779	0.867	0.892			
<b>Reciprocity Perception</b>	0.699	0.690	0.579	0.728	0.631	0.558	0.898		
<b>Emotion-focused Coping</b>	0.648	0.634	0.629	0.649	0.653	0.606	0.726	0.742	
<b>Problem-focused Coping</b>	0.764	0.710	0.743	0.719	0.789	0.771	0.605	0.715	0.833

*Notes: Diagonal figures represent the square root of the average variance extracted (AVE) and the figures below represent the between-constructs correlations*

*CFA: Model fit:  $\chi^2(341) = 902.207$ ,  $CMIN/DF = 2.646$ ,  $CFI = 0.956$ ,  $RMSEA = 0.064$*

Table 1: Convergent validity test

#### 4. Results and Findings

The results of the analysis of the structural model demonstrated satisfactory model fit indices (Table 2). The model explained 66 % of the variance for Reciprocity Perception, 59% of the

variance for Emotion-focused Coping, 46% for Problem-focused Coping and 69% for Relationship Commitment. Out of nine proposed relationships, one path was insignificant (H3a).

<i>H</i>	<i>Path</i>			<i>Coef.</i>	<i>(t-test)</i>
H1	Social Identity	→	Reciprocity Perception	0.282	(3.266***)
H2a	Ingroup Comparison	→	Reciprocity Perception	0.599	(5.627***)
H2b	Outgroup Comparison	→	Reciprocity Perception	-0.327	(-2.855**)
H3a	Distributive Justice	→	Reciprocity Perception	0.029	(0.254ns)
H3b	Procedural Justice	→	Reciprocity Perception	0.249	(2.460 *)
H4a	Reciprocity Perception	→	Relationship Commitment	0.456	(8.520***)
H4b	Reciprocity Perception	→	Emotion-focused Coping	0.765	(13.253***)
H5a	Reciprocity Perception	→	Problem-focused Coping	0.676	(12.786***)
H5b	Problem-focused Coping	→	Relationship Commitment	0.454	(8.072***)

*Method: ML; SEM Model fit:  $\chi^2(358) = 1266.267$ ,  $CMIN/DF = 3.537$ ,  $CFI = 0.929$ ,  $RMSEA = 0.079$   
Significant at  $p$ :  $ns \geq 0.05$ ; \* < 0.05; \*\* < 0.01; \*\*\* < 0.001.*

Table 2: The results of the test of hypotheses

**Antecedents of Reciprocity Perception:** The hypothesised relationships between social identity, ingroup and outgroup comparisons were supported (H1, H2a, H2b). The effect of ingroup comparison was positive, while the effect of outgroup comparison was negative. These findings confirm the social psychology perspective, according to which people with strong social identity tend to collaborate with other members of the same group, rather than outside of it (Anthony, 2005). The tendency to compare input/output with the inputs/outputs of other members of sharing economy platforms may represent a form of in-group favouritism (biased attitude), which could be manifested unconsciously. Also, it can be a rational decision to favour members of the group you belong to, with the purpose of building long-lasting collaborative relations.

The hypothesised effect of distributive justice on reciprocity was not supported (H3a), which is not consistent with the major stream of the literature (Folger & Konovsky, 1989; Van Dijke et al., 2019). A possible interpretation is that the role of justice could be different depending on the type of practice and the resources being exchanged. Given that the previous studies mostly examined distributive justice in an organisational context, where reciprocation is quantifiable, collaborative relations are based on the exchange of intangible resources (i.e. services, skills) that are difficult



to match. In contrast, the positive effect of procedural justice is supported (H3b), which is consistent with prior literature (Rubenstein et al., 2019).

**Outcomes of Reciprocity Perception:** The relationships between reciprocity and outcome variables were confirmed (H4a, H4b, H5a, H5b). That means that the perception of reciprocity contributes to the development of trustworthy relations, which is the condition for long-lasting relationships (Wang, Tajvidi, Lin, & Hajli, 2019). Also, the finding showed the indirect and positive effect of reciprocity on commitment through problem-focused coping. The findings demonstrate that sustained relations cannot be secured by a mere reciprocation of exchange. People undertake effective measures, such as adjusting behaviour or the environment, to ensure that future transactions bring fair returns. In a similar vein, the significant strong effect of reciprocity on emotion-focused coping suggests that sharing economy users resort to emotional adjustment following the evaluation of reciprocity.

## **5. Conclusion**

The study explored the factors contributing to the perceived reciprocity of exchange in the sharing economy by adopting the equity theory perspective. The study found that the reciprocity of relations is the outcome of fair procedures of transactions, a strong feeling of social identity and the tendency to compare personal outcomes of relations with the outcomes of other members of sharing economy communities. The results confirmed a direct effect of reciprocity on relationship commitment and emotion-focused coping, as well as an indirect effect on commitment through problem-focused coping. The study contributes to the literature, which is lacking empirical evidence about the factors underpinning the perception of the reciprocity in collaborative relations. Second, this study gives an understanding of the processes determining the commitment of people to social groups. The findings offer implications for practice too. They inform practitioners on how to improve the perception of procedural fairness in sharing economy transactions and ensure the loyalty of users.

The study has some limitations that future research can address. First, future research could test the antecedents and outcomes of reciprocity perception longitudinally. Testing the research model at several points in time would give a more robust explanation of the effect of the selected variables. Secondly, the present study did not control for the effect of the type of relationship. Future studies need to check whether the effect varies depending on the monetary or non-

monetary rewards, by splitting the sample into two clusters – those who exchange resource for monetary compensation (i.e. paid accommodation sharing, carsharing and clothes exchange) or those who exchange for free and other compensation (i.e. exchange of services or gifts). Different samples may prioritise different aspects of relations, such as the quality of interaction, communication, service or products. Different priorities could affect the strength of the distributive and procedural justice perception, and determine the outcomes of reciprocal behaviour.

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