

Decision-Rationale Transparency in Cooperative Conflict-of-Interest Management

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Abstract

Disclosing a personal relationship does not by itself show how a cooperative protected the quality of a related decision. This conceptual article develops decision-rationale transparency as a link between interest disclosure and meaningful member oversight. The proposed framework distinguishes relevant interests, participation restrictions, comparison of alternatives, documented reasoning, and proportionate access to supporting evidence. Corporate-governance principles are used analogically, with explicit recognition that cooperative ownership and institutional arrangements differ. Selected data-governance literature informs access boundaries. No field investigation, legal compliance assessment, or empirical effectiveness estimate is reported. A hypothetical procurement case illustrates how a relationship can be disclosed while the rationale for supplier selection remains unexamined. Three propositions concern member evaluation, perceived procedural fairness, and the interaction between traceability and readability. The article proposes a decision record, a tiered-access design, and vignette and field-study measures. Its contribution is a testable distinction between relationship transparency, process transparency, and evidence transparency. Application requires adaptation to the cooperative's governing arrangements and legitimate information rights. The framework is intended as a managerial research proposal, not as a legal procedure or an allegation concerning any organisation or person.

Keywords: cooperatives; conflicts of interest; transparency; member oversight; decision rationale; governance.

1. Introduction

Close social relationships can support cooperation while also creating competing interests in organisational decisions. Choosing a supplier related to an officeholder does not automatically demonstrate harm, but calls for an explainable process. Members need to know how alternatives were assessed, who participated, and what evidence supported the choice. The article examines how that information can be made traceable and understandable.

2. Conceptual approach and institutional boundaries

The analysis separates disclosure of a relationship, control of decision participation, and documentation of the selected outcome. Each addresses a different question. Disclosure identifies a potential influence; participation arrangements describe how the process responds; and rationale documentation explains the basis for the decision. Treating any one as a substitute for the others leaves an accountability gap.

OECD (2023) provides a corporate-governance reference concerning accountability, transparency, and conflicts of interest. Its use here is analogical. The article does not treat corporate ownership structures as interchangeable with cooperative membership, or the principles as Indonesian cooperative law. Operational application needs examination against the cooperative's governing documents and applicable requirements.

World Bank (2021) provides a broad data-governance context that recognises benefits alongside possible harm from data use. The article develops proportionate evidence access from that general concern. It does not infer that unlimited public disclosure is necessary for effective oversight.

Source selection is purposive and limited. There is no systematic review, field sample, interview study, or legal analysis of a particular transaction. The framework is developed by identifying information needed to evaluate a decision and by considering what can go wrong when that information is absent, unreadable, or exposed unnecessarily.

Transparency object	Question answered	Remaining question
Relationship	What relevant interest exists?	How was its influence managed?
Process	Who compared and decided?	Why was this option selected?
Rationale	What evidence and criteria supported choice?	Can members understand and verify it?
Access	Who can inspect which records?	Are protections proportionate?

The framework's contribution is therefore conceptual differentiation and a proposed research design. It does not certify a cooperative's governance quality or establish that a disclosed relationship is improper.

3. Recording relevant interests

An interest register should contain information relevant to the decision under consideration. The aim is to understand a relationship that could affect judgement, rather than document an officeholder's entire private life. Relevance depends on the transaction, responsibility, and nature of the interest.

A record may describe a financial stake, a family relationship with a proposed supplier, or another connection relevant to impartial evaluation. The entry should identify the decision to which it applies, the date of disclosure, and the person responsible for reviewing it. The classification should distinguish an observed relationship from an allegation that influence has occurred.

Disclosure can become stale. Supplier ownership, roles, and transaction circumstances may change. The register therefore needs review triggers, especially when a new procurement or contract is initiated. A once-completed declaration should not be assumed to address every future decision.

The record should also preserve disagreements about relevance without presenting them as established misconduct. A process for raising and resolving questions is more informative than a binary label that collapses uncertainty. Procedural fairness matters both for member oversight and for the individuals whose interests are being recorded.

Register field	Purpose	Boundary
Decision identifier	Connect interest to a transaction	Avoid unconnected personal profiling
Nature of relationship	Identify potential influence	Distinguish relationship from wrongdoing
Date and disclosure source	Establish currency	Do not assume indefinite validity
Review responsibility	Assign process ownership	Do not leave disclosure unassessed
Response recorded	Explain resulting participation arrangement	Preserve reasons and uncertainty

An interest register is a starting point rather than the entire control system. Members may know about a connection and still lack information about how the choice was made. The framework therefore links the entry to participation arrangements and the subsequent decision record, so disclosure has an observable role in the process rather than serving as a ceremonial statement.

4. Participation arrangements and independent comparison

After a relevant interest is identified, the cooperative determines the person's role in providing information, participating in discussion, and making the decision. These are distinct activities. A person with technical knowledge may provide necessary facts while not participating in the final choice, depending on the legitimate arrangements governing the decision.

The framework does not prescribe one universal recusal rule. It proposes that the chosen participation arrangement be recorded with its reason and authority. This allows an authorised reviewer to understand how the cooperative responded to the disclosed interest and whether the arrangement was actually followed.

Alternative comparison should use criteria appropriate to the purchase. Price is relevant but may not capture quality, delivery time, maintenance, service continuity, and total use cost. Criteria should be established before the preferred supplier is known where possible, reducing the risk of constructing a rationale retrospectively to justify a preselected outcome.

Where few alternatives exist, the record should explain the search and the limitation. A nominal request for offers does not demonstrate competition if all alternatives are unsuitable or connected through the same interest. The objective is an intelligible comparison, not simply the largest number of quotations.

Process question	Record needed	Review purpose
Who supplied technical information?	Source and role	Assess information dependence
Who evaluated alternatives?	Evaluator and criteria	Examine consistency
Who took the decision?	Authority and participation	Understand accountability
What restriction applied?	Recorded arrangement and reason	Check process response
Were alternatives limited?	Search description and constraints	Interpret selection fairly

The framework recognises small organisations may have limited personnel. Constraints should be made visible rather than hidden behind an unrealistic claim of complete independence. Compensating review or member-level scrutiny can be considered within the cooperative's arrangements, with the decision and its limitations explicitly documented.

5. Documenting the decision rationale

A useful rationale explains the alternatives considered, criteria applied, decisive evidence, selected option, and conditions that could justify reconsideration. A statement that a transaction was approved provides an outcome, but little basis for evaluating its quality. The record should allow an authorised reader to follow the reasoning without reconstructing every administrative step.

Factual statements need source references. If an option is selected for faster completion, the record should identify the compared delivery commitments. If quality is decisive, the assessment basis and evaluator should be visible. A reference to an unrelated document does not substantiate the stated reason merely because it appears in an attachment list.

Judgement should remain distinguishable from verified fact. An evaluator may consider one supplier's service more dependable, but should explain the evidence and uncertainty supporting that view. The framework does not require eliminating judgement; it requires identifying where judgement enters the decision.

The record should be produced as the process occurs. Retrospective reconstruction can omit inconvenient alternatives and may overstate the certainty that existed. Version dates and recorded changes help authorised reviewers distinguish the original rationale from later learning.

Rationale component	Example of content	Evidence link
Alternatives	Options assessed and excluded	Offers and suitability checks
Criteria	Price, quality, timing, total use cost	Agreed evaluation basis
Decisive comparison	Why the selected option met priorities	Relevant comparative record
Participation	Roles and restrictions	Meeting or decision record
Review condition	What change would trigger reconsideration	Defined performance or risk threshold

A concise summary can sit above detailed supporting material. This is useful when members need to identify the central reason before examining attachments. Concision should not remove a material trade-off, such as choosing faster completion at a higher cost. The summary's accuracy matters more than its brevity alone.

6. Hypothetical procurement case

Consider a cooperative selecting maintenance services. Supplier A is connected to an officeholder and offers earlier completion. Supplier B offers a lower price but a later date. Both names, relationships, and conditions are hypothetical. The example does not describe a real procurement or imply wrongdoing by any individual.

A relationship-only disclosure tells members that the connection exists, but leaves the choice unexplained. A fuller record identifies the operational deadline, the reason the deadline matters, the comparison of total costs, the officeholder's participation arrangement, and the evidence for the delivery commitments.

Information level	What members can see	Evaluation still unavailable
Relationship only	A connection to supplier A	Whether the decision responded to it
Relationship and process	Evaluator and decision roles	Why higher price was accepted
Rationale and evidence	Deadline, offers, trade-off, participation	Whether later performance matches the rationale

The more expensive option may be defensible if earlier completion protects an essential service, but this conclusion depends on evidence. A convenient assertion that the deadline is urgent should not replace documentation of the service consequence. If the deadline is flexible, the lower-priced offer may deserve different consideration.

The case also illustrates why disclosure need not mechanically increase trust. Members may initially become more concerned when they learn of a relationship. That reaction can indicate better information rather than declining governance quality. The research question concerns informed evaluation and procedural fairness, not a requirement that every disclosure produce a favourable impression.

Follow-up should examine whether the supplier delivered according to the reason used for selection. If the promised timing is missed, the record supports learning and reconsideration. It does not by itself prove the original decision was improper: the relevant assessment includes what was reasonably known when the decision was made.

7. Traceability, readability, and proportionate access

Traceability means an authorised reviewer can connect the rationale to its supporting record. Readability means the intended reader can understand the reason and its limits. These attributes are related but distinct. A complete file can be hard to interpret, while a clear summary can omit evidence needed to verify a material assertion.

Access should be aligned with legitimate responsibilities. A member-facing summary may describe the decision and relevant conflict without exposing private contact details or unnecessary commercial information. More detailed records can be available to authorised oversight functions under the cooperative's arrangements. The framework proposes differentiated access, not indiscriminate publication.

The access design should make withheld information's role understandable. Otherwise, confidentiality can become an unexplained reason to prevent scrutiny. A summary can indicate that supporting bids or personal details are held for authorised review, while communicating the material comparison accurately.

Member capability is a condition affecting usefulness. Information about total cost, service requirements, and uncertainty may need explanation. Learning activities should help members ask relevant questions, rather than merely teach navigation of a document system. Reading speed alone does not demonstrate understanding.

Information layer	Intended function	Proposed protection
Decision summary	Explain reasons to eligible readers	Remove unnecessary private details
Comparative evidence	Support authorised scrutiny	Limit access to relevant responsibilities
Personal-interest details	Explain decision-relevant connection	Collect only necessary information
Change history	Preserve accountability over revisions	Maintain dates and controlled access

Digital storage can assist organisation and access management, but does not ensure that the rationale is truthful or complete. The content must still be reviewed. Research should test whether differentiated access preserves meaningful oversight while reducing avoidable exposure, rather than assuming that greater document volume or broader distribution automatically improves governance.

8. Propositions and vignette research design

Proposition 1 states that a traceable rationale will improve members' ability to evaluate a transaction compared with disclosure of the relationship alone. Evaluation includes identifying the decisive criterion, recognising missing evidence, and distinguishing a disclosed interest from proof of harm. Mere satisfaction with the decision is an inadequate outcome.

Proposition 2 states that the association between information availability and trust is partly explained by perceived procedural fairness. The direction of the immediate trust response may vary because new disclosure can reveal previously unknown concerns. Research should separate informed trust from uncritical approval.

Proposition 3 states that readable summaries strengthen the usefulness of traceable supporting documents. A concise but distorted summary may have the opposite effect. The relevant interaction is between accurate explanation and verifiable evidence, rather than between brevity and document quantity.

A vignette experiment can vary relationship disclosure, process description, and rationale evidence while keeping the hypothetical transaction constant. Participants would answer comprehension and evaluation questions, followed by fairness and trust measures. Random assignment and pre-specified outcomes can strengthen interpretation, subject to sample and setting limitations.

Proposition	Suggested outcome	Alternative explanation to examine
P1: rationale evidence	Identification of justified and unsupported reasons	Prior financial literacy
P2: procedural fairness	Separate fairness and trust assessments	Prior institutional attitudes
P3: readable traceability	Accurate comprehension and evidence navigation	Summary distortion or information overload

The study should avoid accusing real people through recognisable cases. Fictionalised scenarios can test the mechanism without turning research into an informal misconduct assessment. A vignette result would establish responses to the designed information conditions, not demonstrate the governance quality of a real cooperative or guarantee behaviour during an actual procurement dispute.

9. Field validation, implementation, and limitations

Field validation can examine consented decision records, comparing disclosure, participation documentation, rationale completeness, and member understanding. Researchers should predefine scoring criteria and use more than one trained evaluator for subjective completeness judgements where feasible. Disagreement should be reported rather than eliminated through unexplained retrospective changes.

Institutional context matters. Cooperative size, member participation, transaction complexity, and available oversight resources may influence both documentation and outcomes. Better documentation may reflect stronger governance already in place. Observational correlations should not be described as causal effectiveness without a suitable design.

Implementation can begin with a decision record for one material procurement category. Users agree on relevant interests, participation documentation, evidence links, and access levels. A review then tests whether members can understand the summary and whether authorised reviewers can locate supporting records. Expansion follows demonstrated usability.

Implementation question	Evidence to examine	Reason for examination
Is disclosure linked to the decision?	Interest and decision identifiers	Avoid isolated declarations
Is the rationale supported?	Criteria and relevant attachments	Detect unsupported explanation
Can members understand it?	Comprehension responses	Assess meaningful transparency
Is access proportionate?	Role-based review and withheld fields	Balance scrutiny and protection

The framework is unvalidated and its corporate-governance foundation requires institutional adaptation. It does not provide a legal compliance checklist or establish mandatory cooperative procedures. Documentation can also be manipulated, so a polished record should not be accepted as conclusive proof of fairness. Future research should examine costs, contested decisions, and whether transparency enables useful challenge rather than merely increasing paperwork.

10. Conclusion and research contribution

Managing conflicts of interest requires a connection between disclosed relationships and the process that produces a decision. Decision-rationale transparency provides an observable object for oversight: members can examine why an option was selected, how participation was handled, and which evidence supports the reasoning.

The conceptual contribution separates relationship, process, and evidence transparency while retaining readability and proportionate access as conditions of usefulness. This avoids treating disclosure as a complete response or treating unlimited publication as the sole route to accountability. The proposed mechanisms remain hypotheses for empirical evaluation.

The practical contribution includes an interest-linked decision record, comparative evidence structure, access layers, and a vignette design. These elements can support research into informed evaluation and perceived procedural fairness. They should be adapted to legitimate cooperative arrangements before operational use.

Future studies need to assess understanding, justified challenge, administrative cost, and protection of personal and commercial information. An initial reduction in trust after disclosure should be interpreted carefully, because it may reflect more complete knowledge. No finding about a real cooperative, no allegation of misconduct, and no empirical improvement in governance is established by this article.

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