

# AN EMPIRICAL APPROACH TO EXPLORING THE ROLE OF SELECTIVE INCENTIVES IN MITIGATING THE FREE RIDER PROBLEM.

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## ABSTRACT

The concept of free riding has been recognized as a challenge facing collective action organizations for centuries. However, the term free riding has been used to describe a range of alternative problematic actions and behaviors. The collective action literature suggests that organizations may be able to influence free riding by using organizational policies to create selective incentives that reward participation and resource contributions. Thus, by reducing free riding activities the organization enhances its ability to create collective benefits.

This reasoning is the basis for the study's two research questions; 1) are there multiple member free riding actions and/or behaviors that coexist within the large collective action organization analyzed, and 2) is member free riding influenced by the by-laws and policies under the control of the collective action organization? A confirmatory factor analysis model is used to test for the coexistence of multiple free riding activities. A structural equation model is used to test the relative influence of the organization's by-laws and policies on a set of free riding activities, given a set of alternative control variables.

The results show a strong likelihood that multiple free riding activities coexist within the organization analyzed. This suggests there is a tendency for individuals that free ride in one activity to also free ride in other activities that have the potential to enhance group benefits. The results also indicate that the organization's by-laws and policies do influence member free riding activities, and are robust to a variety of alternative control variables. This suggests that the collective action organization has the ability to influence member free riding activities.