

Service Quality, Managerial and Financial Performance of Cooperatives: Basis for Management Performance Framework

Dennis L. Yapbuan (PhD)

Program Chair - Business Administration, Lipa City Colleges; General Manager – Lipa City Colleges Employees Multi-Purpose Cooperative
dennisyapbuan@gmail.com

**Asia Pacific Journal of
Academic Research in
Business Administration**

Vol. 7 No. 1, 14-33

April 2021

P-ISSN: 2467-6691

E-ISSN: 2467-5148

Date Received: November 29, 2020; Date Revised: February 18, 2021

Abstract - Cooperative is a profitable opportunity, which gives the reason why many are motivated to establish and join. Today, establishing a business is quite tough due to constraints in the capital and it paves the way for an individual to look for other individuals, which can help them to jumpstart the undertaking at the possible lowest cost to organize. The output of this study would be a proposed management performance framework based on the variables that are significant to the members' satisfaction, management and financial performance of cooperatives. This model can be a basis for strategic planning in fulfilling the mission, vision, goals and objectives of a cooperative. This research determines the service quality, managerial and financial performance of cooperatives in Lipa City. Descriptive type of research method was used to gather information in assessing respondents from the cooperative. Respondents with higher level of assessment on service quality are also those respondents with higher level of assessment on managerial performance. Cooperatives are efficient in its profitability performance, have institutional strength, majority of the assets are considered to be earning assets and are able to generate earnings from its operations.

Keywords: cooperative, financial performance, service quality, cooperative management

INTRODUCTION

People always look for profitable opportunities which give the reason why many are motivated to have their own business. Today, establishing a business is quite tough due to constraints in the capital and it paves the way for an individual to look for a financial institution, which can help them to start their venture at the possible lowest interest costs. A cooperative is one of the financial institutions which could assist with the services mentioned above.

Cooperative is established with its individual certificate of registration under Article No. 144 of Republic Act No. 9520. Under RA 9520, as long as share in earnings is afforded to members through patronage refunds, the cooperative is spared from paying of income taxes. Cooperatives, as an enterprise and as self-help organization, uplift the socio-economic conditions of members and local communities they belong, and it puts value in respecting democracy, human ideals, and environment. The cooperative sector today in developing countries is pictured as a factor to the attainment of the Millennium Development Goals (MDGs) by 2015 [1].

As per Cooperative Development Authority classification, cooperatives are considered to be micro if the capitalization is not more than P3,000,000 pesos, to be considered under small category, a capital of P3,000,001 to P15,000,000 is observed and to be categorized as medium size, it must have a capital of P15,000,001 to P100,000,000. The increasing number of cooperatives could be observed all over the country. In Lipa City, there are 53 registered member-cooperatives with the Lipa City Cooperative Development Council with a total membership of 27,568 as of December 2017. Out of 53 registered members, 31 cooperatives joined the Cooperative Union of Batangas with 7,302 individuals as affiliate. According to CDA, Filipino economists and students of cooperatives in this country have often attributed incompetent management as one of the triggers of cooperative failures.

Cooperatives are subject to risks such as economic, technological, and natural disasters [2]. These issues decrease and overturn cooperatives' plan to expand, block efforts to solve poverty issues, and slow down attempts to foster progress in the country. Thus, provision to protect business from disruptions is

indispensable. He pointed out that a sustainability plan be espoused because it allows the discovery of problem areas, identify the effects of risks, prevalence readiness, and resolving the costs and benefits of incidences. He also identified that one of the crucial parts depends on the membership such as commitment, contentment, and support.

The system of cooperatives is suffering many problems like poor management and corruption [3]. Furthermore, despite its inherent characteristics of cooperative, it is true that different scenarios determine their success and failure. Mostly the potential of cooperatives and the extent of their development have in many cases failed due to low standard of performance and unscrupulous management. It is indeed a fact that when the customers are satisfied, it is easier for them to pay their obligations because of the mutual trust and respect brought about by the felt customer satisfaction with the service quality rendered to the clients [4]. As customer satisfaction delights the clients, it is a good indicator for businesses success in further time. Quality and contentment have been conceptualized similarly in literature and is considered as one construct [5]. The SERVPERF model is a good way of assessing quality of service and it shows the establishments on the marketing strategies that will fit the customer needs [6].

The output of this study would be a proposed management performance framework based on the variables that are significant to the members' satisfaction, management and financial performance of cooperatives. This model can be a basis for strategic planning in fulfilling the mission, vision, goals and objectives of a cooperative. The researcher chose to conduct this study that will have an impact on the cooperative's success. Being with the cooperative for twenty-one years as a member, five years as a Chairman of the Board of Directors and five years as a General Manager, he believes that there is so much for the cooperatives to achieve and explore.

OBJECTIVES OF THE STUDY

This paper examined the service quality, managerial performance and financial performance of micro, small, and medium cooperatives in Lipa City as bases for management performance framework. It specifically aimed to present the cooperative's firmographic profile: classification, number of years, annual income, location; present demographic profile of the members in terms of sex, age, marital status, educational background, employment status,

household / family monthly income; determine the level of member satisfaction to the services being offered on the following dimensions: Tangible, Reliability, Responsiveness, Assurance and Empathy; identify the managerial performance on aspects of leadership, social responsibility and economic; examine the financial performance on profitability, institutional strength, structure of assets and operational strength; test significant difference in member satisfaction to services and managerial performance when the respondents based on the demographic and firmographic profiles; and test if there is a relationship between the financial performance and the member satisfaction as well as the managerial performance; and finally, propose a management performance framework based from the findings of this study.

METHODS

Research Design

This study assessed the member satisfaction through SERVPERF, financial performance, and management performance of micro, small and medium Cooperatives in Lipa City, with the end of proposing a management performance framework. The researcher used the descriptive method to gather information about the research being studied. Mitchell and Jolley [8] defined descriptive research as an appropriate tool and practices of which can be treated with the statistical tools.

Furthermore, the researcher believed that this type of research design is the most appropriate one given that it addressed and explained the information and attributes needed in assessing member satisfaction through SERVPERF, financial performance and management performance of micro, small and medium cooperatives in Lipa City. This method answered the questions raised since it followed processes in collecting and obtaining the necessary and accurate information needed in making this paper.

Participants

The respondents of the study were the members of micro, small, and medium cooperatives in Lipa City. The researcher chose from the data provided by the Cooperative Union of Batangas to which respondents-cooperatives were chosen. Since the population of the respondents under consideration was too big, Raosoft Sample Size Calculator was used in determining the sample size. From the total population of 7,462, the target sample of the study was 366 using the 5% error

allowance. From the population of 7,462, the target sample of the study was 366 using the 5% margin of error. Due to the limited participation of cooperative members and their willingness to be involved in the survey, only 274 out of 366 target sample or 74.86% were considered in the study.

Among the respondents totaling to 366, 274 or 74.86% were retrieved and COOP30 has the lowest retrieval rate at 43%. The members of selected micro, small, and medium cooperatives in Lipa City were the respondents when it came to service quality assessments and management performance. Collecting their responses and analyzing the data was helpful in this study.

Research Instrument

A survey questionnaire was the data gathering instrument in the study. The survey assessed the members' satisfaction and management performance of selected cooperatives. The researcher used a questionnaire with three parts. The first part comprised the information about the cooperative such as the classification, years of operation, net surplus and location and the respondent's profile such as gender, age, marital status, educational attainment, employment status, and household/family income. For the second part of the questionnaire, the researcher adopted the SERVPERF standardized questionnaire. SERVPERF method was used to evaluate the quality of services of the chosen cooperative. In this method, customer / member does not assess his expectations for the service, but only the final service. The instrument was tested its reliability with a Cronbach's alpha value of 0.845 which signifies that it has a good internal consistency. Meanwhile, the third part of the questionnaire used the questions modified from the standard form being provided by CDA to cooperatives with Cronbach's alpha value of 0.887 which implies that the questionnaire has a good internal consistency.

Procedure

The researcher administered the distribution of the questionnaire to the respondent-cooperatives, whose members answered the questions during the conduct of the survey. The researcher also asked the help of his students and colleagues in the cooperative sector in conducting the survey. Survey questionnaires were retrieved after several days. Likert Scale was utilized to determine the answers of the respondents on assessing members' satisfaction and management performance of selected cooperatives.

Documentary analysis was also done by the researcher through checking of financial statements as provided by the Cooperative Development Authority - Calamba Extension Office and performed financial analysis of each cooperative.

Since there was a time constraint, a carefully planned procedure was structured by the researcher to provide a systematic way in the conduct of this study. The researcher first referred to library materials to get secondary data, CDA Calamba Extension Office for the financial information and other sources of information that were used in this study. SERVPERF standardized questionnaire was used to assess the quality of service of selected cooperatives while management performance utilized a modified one from the Cooperative Annual Performance Report given by the CDA. Before the questionnaire was distributed to the respondents, it was presented to the adviser, experts in cooperative practices, and statistician for validation. After the validation, distribution of the copy of questionnaires to the respondents followed.

Ethical Considerations

The researcher distributed the questionnaire in various cooperatives in Lipa City. Respondents who refused to answer the prepared questionnaire for whatever reasons, the researcher looked for another respondents who are willing to help and be part of the study. They were properly informed regarding the privacy of the data provided in this study.

Data Analysis

After that, the researcher included the pertinent data and systematized the replies to every queries. Information gathered were analyzed through tallying, tables, and summaries for evaluation and explanation. The given scale was used to interpret the result of the survey: 3.50 – 4.00: Very Great Extent (VGE); 2.50 – 3.49: Great Extent (GE); 1.50 – 2.49: Slight Extent (SE); 1.00 – 1.49: No Extent (NE).

With regard to the member satisfaction, then given Likert scale was utilized to determine the replies of the respondents: 3.50 – 4.00: Strongly Agree (SA)/ Very High (VH); 2.50 – 3.49: Agree (A)/High (H); 1.50 – 2.49: Disagree (D)/Low (L); 1.00 – 1.49: Strongly Disagree (SD)/ Very Low (VL).

The statistical treatment was necessary to determine the natural tendencies of the responses. All the collected data were tallied so that each item could be analyzed. General Average was used to describe the financial performance of the respondent-cooperatives.

Weighted Mean was used to describe the result of the survey. Mann Whitney U test was used to test the significant difference between the two groups. Kruskal Wallis test was used to test the differences in the variables with greater than two categories. Spearman rho was used to test the significant relationship between service quality and managerial performance. Non-parametric test was used as statistical tools because the nature of the data is not normal.

Operating years and respondents' employment were no longer considered anymore in the test of differences in the demographic due to the limited number (less than 15) of respondents in one or more categories. Test of the relationship between financial performance was not performed because the classification (Micro, Small, medium) is not included in the business profile of 27 cooperatives.

Profitability performance was composed of ratios on profitability, earnings per share, rate of profit growth, rate of asset efficiency, and share capital rate of interest. Net institutional strength included computations in net institutional capital and sufficiency of provisioning for less than a year, and for more than a year. Structure of assets computations were comprised of a relation of non-earning assets and total assets, total assets and members ownership, total assets to deposit liabilities, total assets to receivables and outside borrowings. Operational strength comprised computations on the assets to business generated, solvency, liquidity, cost in generating business, management efficiency, and turnover ratio.

RESULTS AND DISCUSSIONS

Table 1. Firmographic Profile of the Cooperatives

		f	%
Classification	Micro	5	18.52
	Small	15	55.56
	Medium	7	25.92
Number years of operation	0 - 3 years	1	3.70
	4 - 6 years	2	7.41
	above 6 yrs	24	88.89
Annual Income	< 100k	6	22.22
	100k - 300k	2	7.41
	300k - 600k	6	22.22
	>600k	13	48.15
Location	Urban	8	29.63
	Rural	19	70.37

The table implies that there is a need for a cooperative to step up its operation from micro to small, small to medium and vice versa. A better capital build-up means a better result in its operation since cooperative can grab any business opportunity it sees as a profitable one. This advances sustainable development goal [9] of poverty eradication and zero hunger and decent work and economic growth for cooperative members in particular.

Table 2. Demographic Profile of Respondents

Profile	Category	f	%
Sex	Male	81	29.6
	Female	193	70.4
Age	18-24	13	4.7
	25-31	47	17.2
	32-38	36	13.1
	above 38	178	65.0
Marital Status	Single	48	17.5
	Married	216	78.8
	widowed	10	3.6
Educational Attainment	Elem/High School/Tech voc	41	15.0
	College/masteral/doctoral	233	85.0
Employment Status	Employed	265	96.7
	Self-employed	9	3.3
Household / Family income	< 10,000	3	1.1
	10,001 – 20,000	88	32.1
	20,001 – 30,000	51	18.6
	30,001 – 40,000	65	23.7
	40,001 - 50,000	41	15.0
	above 50,001	26	9.5

Table 2 shows that more women are more engaged in the cooperative affairs, which address sustainable development goal [8] of gender equality and married and older people are getting more productive by participating with cooperative matters. Cooperative does not discriminate prospective members about educational attainment, thus addressing sustainable development goal [9]) on reducing inequalities. Mostly, to be a member of any cooperative, one must have a source of income because that membership and capitalization have to be paid. About family/household income, cooperative can be an instrument in upgrading the level of income and addressing the problems of poverty in the community.

Table 3 shows the summary of responses for Service Quality. The state-of-the-art equipment is of great importance in rendering services to the client, which would hasten up the process and the reliability of any transactions. Proper deportment of the

employees contributes immensely to the development of self-confidence and self-esteem but is also pivotal in establishing a relationship with the clients.

Table 3. Summary Table of Service Quality Dimensions

Dimensions	WM	VI
Tangibility	3.45	A
Reliability	3.54	SA
Responsiveness	3.50	SA
Assurance	3.68	SA
Empathy	3.57	SA
Composite mean	3.55	SA

Time is of the essence in any form of business, particularly in transactions that require immediacy. Busy people would always adhere to fast and reliable services that shall enable them to provide their needs. Hence, transactions that are acted in due time would mean a large increase and profound domain. Cooperatives that join the sentiments of the members surely would do much favor in the maintenance and fortification of the entire entity itself. Thus, it shall strengthen the cooperative and remain a bulwark to its members.

Significantly, rendered services that keep track of time provide enormous satisfaction to the members. It assures them of safety and comfort in supporting the coop, which is needed to entrust them of having a correct recording. Results demonstrate the importance of honesty in the performance of the job as the clients demand the exactness and the fullness of what was agreed upon. Organizations should adopt programs of recovery of service that is fair if they want customers to be highly satisfied [10]. In times of failure of service clienteles ought to be properly treated and adequately compensated to remedy the situation. Organization being responsive and customers properly compensation help a lot in enhancing trust in times of failure of service [11], [12]. Immediate response is another trend in customer service [13].

In a client-customer relationship, attitude and manners work effectively to gain the confidence and trust of the transacting individual. Employees with sense of decorum are an asset to the company. Job well done shall reap a hundred-fold return which is an enabling tool to keep the cooperative fruitful. Hence, just compensation due to an employee delivers acceptable output. Assurance is the belief of the customer that the service provider can do the service [14]. Customer satisfaction is a vital factors of

assurance dimension [15] and customer satisfaction are strongly connected [16].

Gaining the trust of the members requires good rapport. Customers are appalled by the uncaring attitude of an employee. They deserve that kind of treatment which makes them feel distinct. As mentioned earlier, the client-customer relationship needs to be enhanced if the cooperative intends to further its cause and serve a huge population. Properly addressed problems result in the harmonious development of camaraderie and unity in the cooperative.

Perceptibility allows one to look through the existence of the real thing. Members must be able to witness the provision necessary to keep the work of cooperative highly doable and attainable. Tangibility plays an integral role in the creation of a more improved and an even more empowered institution. Reliability is a dimension that scores with confidence working effectively for the betterment and alleviation of the cooperative. It paves the way to augment the number of clients. Providing quick response to the members offers them the opportunity to find an easy solution to the problems they may encounter, which will result to great assurance of their investments.

Table 4 shows the management performance of Cooperatives with regard to organizational aspect of leadership. Respondents believed that training program is necessary specifically in the succession plan of key officers because the future of the cooperative is dependent on the people being trained and performance evaluation is being observed as a means of checking the quality of work of its employees. Active members participation and loyalty is important to its success [17]. Proper management of highly productive workforce decreases conflicts in the organization [18]. Enterprises like cooperative be managed by highly skillful individuals who can decide on business matters [19]. Visionary leaders to the cooperative's success are very valuable [20].

Table 5 presents the Management Performance of Cooperatives about Human Resource Management Aspect of Leadership. The indicator "the cooperative is compliant to labor law" garnered the highest weighted mean of 3.64. It was followed by "the organizational structure is by the provision of the laws, rules and regulations and bylaws and the operational structure is by the provision of the laws, rules and regulations and bylaws," with a result of 3.64 and 3.59 respectively. This indicates that respondents observed at a great extent that their cooperative is doing what is right to

employees by giving what is due to them and the placement of people in different positions followed the Cooperative Law.

Table 4. Management Performance of Cooperatives with regard to Organizational Aspect of Leadership

Organizational Aspect	WM	VI
1. Functions, duties, and responsibilities of officers are well-defined, segregated, properly performed and duly approved.	3.50	VGE
2. Oversight function is performed by the Board of Directors and is supported by written policy	3.58	VGE
3. Meetings are conducted regularly by the board and committees and parliamentary procedure is observed	3.62	VGE
4. Development/strategic plan, annual plan, and budget are prepared/ reviewed and endorsed to the General Assembly for approval	3.60	VGE
5. Performance evaluation at all levels (peer, self-evaluation, and other form of evaluation) are formulated and implemented	3.42	GE
6. Policies are formulated and implemented in accordance with laws, rules and regulations, and bylaws and regularly reviewed and adhered by officers	3.60	VGE
7. Composition of officers is in accordance with the duly approved bylaws of the cooperative	3.61	VGE
8. Continuing education for officers is included in the coop training program and mandatory trainings required by Rule 7 of IRR are considered in the coop training program	3.53	VGE
9. Training program is implemented and evaluated that will assess the effectiveness of the training	3.45	GE
10. Financial statements are included in the monthly agenda of the Board of Directors and there is a regular analysis and interpretation on the Financial Statements	3.56	VGE
11. Majority of leaders are knowledgeable in the development of Strategic Plan and Annual Budget Plan	3.47	GE
12. There is policy on succession plan at key levels of the organization formulated and is embedded in the training program	3.45	GE
13. Volunteers or future leaders are included in the coop succession plan	3.32	GE
14. The ethical standard for officers is provided in the cooperative's Code of Ethics and provision on conflict of interest is included.	3.52	VGE
Composite mean	3.52	VGE

Table 5. Management Performance of Cooperatives with regard to Human Resource Management Aspect of Leadership

Human Resources Management	WM	VI
1. The functions, duties and responsibilities of management are well-, segregated and duly approved and implemented	3.48	GE
2. Management meetings are scheduled and conducted regularly	3.59	VGE
3. The policy on personnel is manualized and is approved by the Board of Directors	3.55	VGE
4. Performance appraisal is conducted at least once a year and gap analysis is acted upon regularly	3.44	GE
5. Institutional capacity building for management staff is written and implemented	3.49	GE
6. The cooperative is compliant to labor law	3.64	VGE
7. There is a salary scaling program for employees	3.45	GE
8. Proper recognition, incentives and benefit packages are provided to employees	3.58	VGE
9. Ethical standards is included in the Code of Ethics and is adhered by the employees.	3.58	VGE
10. The organizational structure is in accordance with the provision of the laws, rules and regulations and bylaws	3.64	VGE
11. Functions, duties, and responsibilities of the officers are clearly defined in the organizational chart	3.51	VGE
12. The operational structure is in accordance with the provision of the laws, rules and regulations and bylaws.	3.59	VGE
Composite Mean	3.55	VGE

The functions, duties, and responsibilities of management are well-defined, segregated and duly approved and implemented, salary scaling program for employees is present, and performance appraisal were observed by the respondents at a great extent. The respondents noted that the management performance of cooperatives about the human resource management aspect of leadership is at a very great extent.

A successful organization like cooperative puts value to its people in a way that clear cut policies are in place, the rights of the employees are respected, and what is due is given rightfully to employees. In the end, the success of the cooperative depends primarily with the people that oversee its daily operation. Human resource dimension plays a vital function in the organization [21] and receiving social support is a factor in the workplace and the attention being given is increasing [22]. Organization to be successful, human resources need development, shaping and retention to be competitive [23].

Table 6. Management Performance of Cooperatives with regard to Member Aspect of Leadership

Members Aspect	WM	VI
1. Provision of continuous capital build-up program in the bylaws is implemented	3.56	VGE
2. The 10% limitation on subscribed share capital holdings is observed by all members	3.52	VGE
3. Penalties for unpaid subscription is imposed to members.	3.32	GE
4. Members are issued share capital certificates in accordance with the policy and or bylaws	3.44	GE
5. Majority of members are attending the General Assembly	3.55	VGE
6. Major decisions (including annual plans, budget and developmental plans) are approved by the General Assembly	3.64	VGE
7. Members are electing officers in accordance with the election guidelines	3.69	VGE
8. Engagement of the services of an external auditor is approved by the General Assembly.	3.64	VGE
9. Ethical standards for members are provided in the Code of Ethics and is implemented	3.61	VGE
10. Business activity of the coop is in-line with the objectives and purposes stated in the articles of cooperation	3.58	VGE
11. Business activity of the coop is responsive to the needs of members	3.64	VGE
12. Members attitude is positive, open and objective toward others	3.55	VGE
13. Members are held responsible for the consequence of the actions of those they manage.	3.53	VGE
Composite Mean	3.56	VGE

Table 6 presents the Management Performance of Cooperatives with regard to Member Aspect of Leadership. It is of great advantage installing people who are qualified to the position. But the most significant ingredient to a successful endeavor is to find someone who can be honest as a needle to the pole. Transparency provides a vast source of trust and confidence. Everything that is properly accounted gives an excellent harvest of people who will spread the tidings of honest work. Good leadership is mirrored in the manner in which members cooperate with its goals and objectives. Member's participation in the cooperative sector is important [24]. Members could partake in all of the three cooperative governance bodies: (1), attending general assembly or annual meeting; (2), holding a position in the board of directors; (3), holding a position in the executive board [25]. Members' participation also indicates some priority decision to buy and use cooperative products or services. Members' participation is highly regarded variable amongst cooperatives, and it may be much higher in some cooperatives than in others. Gender integration leads members, both men and women to actively and equitably participate in cooperative affairs, and will give way to sustaining cooperative development [26]. Therefore, attention about improving the services of the organization so that cooperatives should strengthen and expand the involvement of more members in the cooperative activities.

Table 7 shows the Management Performance of Cooperatives with regard to Social Orientation Aspect. Decisions and actions are based on ethical consideration garnered an average of 3.57 and was ranked next. Came third in the ranking was "creates a positive, open, and objective attitude towards the community with a weighted mean of 3.56. Respondents observed that the long-term plans for community are achievable, ethical and responsive with the needs of the community. Recognize the immediate and concrete needs of community situation and offer plan to address the situation and offers practical way to identify successes and failures in community projects followed shared the same ranking and weighted mean of 3.49. Contributes to the growth and development of community was ranked last with a weighted mean of 3.48. The respondents noted that the social programs address the need, and it helps them a lot in the development. The respondents observed to a very great extent that the management performance of cooperatives about social orientation aspect is being done.

Table 7. Management Performance of Cooperatives with regard to Social Orientation Aspect

Social Orientation Aspect	WM	VI
1. Social action is done in accordance with stated values.	3.53	VGE
2. Decisions and actions are based on ethical consideration	3.57	VGE
3. Builds productive working relationship with the community it operates.	3.54	VGE
4. Develops opportunities for community-based learnings.	3.51	VGE
5. Provides accessible and timely information to stakeholders	3.50	VGE
6. Creates a positive, open and objective attitude towards the community.	3.56	VGE
7. Understands the needs, interests, strengths and weaknesses of community it operates.	3.54	VGE
8. Contributes to the growth and development of community	3.48	GE
9. Recognize the immediate and concrete needs of community situation and offer plan to address the situation	3.49	GE
10. Makes decision that enables the organization in achieving long-term objectives.	3.59	VGE
11. Reviews regularly the status of social programs/activities	3.50	VGE
12. Offers practical way to identify successes and failures in community projects.	3.49	GE
Composite Mean	3.53	VGE

Members recognize the performance of the cooperative with confidence that it works for the good and success of the institution. They have made perception of the goals to be highly attainable. Decisions arrived at view the consistent consideration it renders based on the ethical issues. Positivity declares that members have developed the art of looking at the brighter side of the cooperative's progressive status. It opens the door to more members coming in and makes themselves a part of the fold.

Table 8 presents the Management Performance of Cooperatives with regard to Economic Aspect. Provide earnings to member's capital contribution garnered a weighted mean of 3.64 and was ranked first. Respondents ranked "financial health of the cooperative is evident" second with an average of 3.58.

The indicators "members savings in case of liquidation are protected, cooperative's assets can generate sustainability of business, resources of the cooperative generates revenue and assets are used efficiently to generate surplus and benefits to members" resulted to the identical weighted mean of 3.56 and took 4.50 in the ranking. A composite mean of 3.55 shows that the management performance of cooperative in the economic aspect is observed to a very great extent.

Table 8. Management Performance of Cooperatives with regard to Economic Aspect

Economic Aspect	WM	VI
1. Provides earnings to member's capital contribution.	3.64	VGE
2. There is continuous increase in the volume of business	3.50	VGE
3. Manages minor financial disruptions and other unforeseen events with less need to affect ongoing operations.	3.51	VGE
4. Has the ability to settle unpaid obligations.	3.53	VGE
5. Ability to serve the immediate withdrawal of member's share on time.	3.55	VGE
6. Members savings are properly protected in case of liquidation	3.56	VGE
7. Cooperative's assets can generate sustainability of business	3.56	VGE
8. Resources of the cooperative are efficiently used in generating revenue.	3.56	VGE
9. Assets are used efficiently to generate surplus and benefits to members.	3.56	VGE
10. Growth rate of surplus is continuously increasing.	3.54	VGE
11. Financial health of the cooperative is evident.	3.58	VGE
12. Has a firm grasp of external conditions affecting the cooperative	3.53	VGE
13. Monitor regulatory changes and understand the impact on the operation	3.53	VGE
14. Feedback mechanism is present in operation performance.	3.52	VGE
Composite Mean	3.55	VGE

Members believed that their association with the cooperative give them economic benefits in the long run, and there is enormous confidence with the people who manage the cooperative they belong. Feedback mechanism accomplishes minor financial disruptions and continuous increase in the volume of business were observed, and this shows that the cooperative is prepared on how to handle problems in the cooperative affairs. Members' participation indicates some priority decision to buy and use cooperative products or

services [25]. Members' participation is a highly regarded variable amongst cooperatives, and it may be much higher in some cooperatives than in others. Therefore, cooperative should have more attention improving the services of the organization to its members.

Table 9 (see appendix) presents the Financial Performance of Selected Cooperatives on Profitability. The average profitability ratio was 27.21 percent shows that cooperatives in Lipa City are still making profits for themselves. The average earnings per share were calculated at 16.4909 which means that most members who put their money in cooperatives are having a fair return on their capital. The average profitability growth rate shows a negative growth rate for most cooperatives in Lipa City. Asset efficiency rate of the respondent-cooperatives is somewhat inefficient at an average of 6.89 percent. Most of the respondents were not maximizing the use of their assets. The maximization of asset use is necessary to generate better profit to the business and more earnings to the members. All respondent-cooperatives in Lipa City have a positive return on the capitalization of its members.

The firm's capacity to generate profit can be evaluated using profitability ratios [27]. The profit analysis is a concern to stockholders since they earn through dividends. Profitability measures look at margins on gross and net profit and return on equity. Gross profit margin shows the management's efficiency in pricing and production and shows the end result of strategic decisions of the business.

Majority of the cooperatives in Table 10 (see appendix) yielded a zero value because they did not declare problems in the receivables in their financial statements. Adequacy of provisioning answers the capacity of the cooperative to cover past due receivables for more than a year. The computed average was .3359 among the 27 cooperative-respondents, and that only 11 cooperative-respondents were able to have adequate provisions for their receivables. Common problem among cooperative respondents is how to determine its past due receivables. It is more like to have financial crisis when ratios go beyond certain levels [28] and financial ruin and bankruptcy are the results of over borrowing [29]. During normal times, leverage results to high profitability, while during recessions, leverage can result in high losses [30] and large debt carries risk

because of leveraging of the prevailing economic conditions [31].

Table 11 (see appendix) presents the Financial Performance of Selected Cooperatives on Structure of Assets. Non-earning assets to total assets gives a view on the composition of assets of a cooperative. Assets of the cooperative-respondents, 29.71 percent are considered non-earning assets. Members' equity to total assets resulted to an average of .5413. Deposit liabilities computation resulted in an average of .4838. Any member who plans to withdraw from the cooperative can immediately get half of his share. External borrowings resulted to a .0104 average value shows that most cooperatives can support their operations. Receivables to total assets is calculated at an average of .5020 gives a picture that almost half of the assets of a cooperative is on loans with its members.

Appropriate decisions made on the cooperative capital funds assist in minimization of the long-term average cost of finance. Organizational decisions regarding capital funds and costs of finance, and they found out that there are some of the cooperative societies that have the strong capital base and they depend less on the external borrowing [32]. The possibility of cooperatives not operating efficiently due to insufficient physical resources thus current assets are used to maximize generation of revenues from operations [33].

Table 12 presents the Financial Performance of Selected Cooperatives on Operational Strength. The volume of business to total assets yielded an average of .8049 shows that all cooperatives were efficient to earn from its operation. As per calculation of 1.7087, this gives a clear picture that most cooperatives can pay its current obligations. Average of 5.9639 views that the majority of the cooperatives can address immediate payment of its obligations. A value of 0.1070 shows that most cooperatives are more into the administrative than the operational side. Administrative efficiency shows how efficient is a cooperative in its operation against the generated volume of business has a value of 0.1163 shows that cooperatives are very efficient in the administration of their business.

Financial analysis can determine information on the strengths, weakness, and quality of the financial status [34]. Financial leverage of a company that borrows money to modernize, add to its product line, or expand internationally, the additional diversification offset the additional risk from leverage [35].

Table 13. Significant Difference in the Service Quality of Cooperatives When grouped according to Firmographic Profile in terms of Classification, Annual Income and Location

Service Quality	Classification		Annual Income		Location	
	Chi-Square	p-value	Chi-Square	p-value	U-test	p-value
Tangible	24.586**	0.000**	16.608	0.001**	9034.5	0.675
Reliability	13.854**	0.001**	8.04	0.045*	8730	0.358
Responsiveness	9.323**	0.009**	13.696	0.003**	8838	0.469
Assurance	13.671**	0.001**	9.413	0.024*	8438.5	0.151
Empathy	8.714*	0.013*	3.524	0.318	8334	0.122

Kruskal Wallis Test; **Significant at p-value<0.01; *Significant at p-value<0.05

Table 14. Significant Difference on the Service Quality of Cooperatives when grouped according to Demographic Profile in terms of Sex

Service Quality	Gender		Age		Marital Status		Educ'l Attainment		Income	
	U-test	p-value	Chi-square	p-value	Chi-square	p-value	Chi-square	p-value	Chi-square	p-value
Tangible	6858	0.099	6.185	0.103	1.455	0.483	3670	0.015*	1.218	0.875
Reliability	7509	0.589	3.885	0.274	7.66	0.022*	3627	0.01*	1.669	0.796
Responsiveness	7114.5	0.23	1.185	0.757	1.975	0.373	3278	0.001**	2.933	0.569
Assurance	7436	0.489	5.07	0.167	3.438	0.179	3904	0.042*	6.76	0.149
Empathy	7796.5	0.972	1.237	0.744	1.347	0.51	4329	0.317	7.411	0.116

Kruskal Wallis Test; **Significant at p-value<0.01; *Significant at p-value<0.05

Table 13 reveals the significant difference in the Service Quality of Cooperatives when grouped according to Firmographic Profile in terms of Classification, Annual Income and Location. Respondents from small scale cooperatives are very particular with the service being offered while respondents from the micro-scale cooperatives do not demand that much from their cooperatives since they understand the constraints on the cooperative operation. This means that once the member was able to get what he wants from the cooperative he no longer cares whether the cooperative employee will put himself in his situation or not. Reputation is a widely shared beliefs of stakeholders, which relies heavily on service quality for customers to determine organizational reputation [36]. Organizations with higher reputation are having higher capital which enjoy more benefits than those having low reputation.

Respondents from high income-generating cooperatives are more satisfied with the services being done to them by the cooperatives they belong. This implies that the respondents are looking at the physicality of their cooperatives to be pleasing to the eye and are expecting to have more supportive and more responsive employees during the transaction period. Satisfaction of a customer affects the profitability of organization positively and leads to better word of mouth marketing, repurchase and loyalty to the brand or business [37]. Satisfied customers with

products or services offered means higher chances for any business to have higher income.

Location is not a big issue among the respondents. The most important is that the services are available to them when they need it. Individuals who share similarity in characteristic and inhabit in the same areas oftentimes share the same perceptions [38].

Table 14 reveals the significant difference on the Service Quality of Cooperatives when grouped according to Demographic Profile in terms of Sex. Respondents observed that the quality of services being rendered by their respective cooperatives would be the same regardless of their gender. Cooperatives that show compassion to the members surely would be in a better position in upholding and protecting itself. Integrating men and women is important for the participation of cooperative members for the enterprise to grow feasible [26]. Thus, cooperative needs to level up so that there will be strengthening and expansion of activities in the cooperative that every member can enjoin. Significant differences existed among genders and implied that quality of service is affected by gender [39].

Respondents observed that the quality of services being offered by their respective cooperatives would be the same regardless of age. Customers, as they age, are happy with the compassionate attitude of an employee. Services must be done at the most convenient hour to customers so that visits to the cooperative will be

frequent. The age of customers determines the judgement they will make on the service of the cooperative [40].

Customer's value reliable service; delay is a big no among the members. There is significant difference in perception of service quality among single and married customers [41]. Offering of product for single individuals need different features as to those married ones [42].

Respondents with higher educational attainment expect more from the quality of service of cooperative to be performed. The perception on the quality of service is oftentimes affected by what an individual attained educationally. Higher education comes with higher quality of service expectations [43]. Customers who acquired better education tends to review and give a lower service quality assessment to the provider [44].

Regardless of respondents' family income, the result will be the same in assessing the quality of service. Members of the cooperative believe that whether they received higher or lower salaries, they trust the cooperative that the treatment will always be fair and square. Fairness is an attribute of a cooperative wherein each member is treated to be the same regardless of his capital share or his income. Quality of service dissatisfaction is brought about by a superior socio-economic standing because customers belonging to low-income group prefer not to talk about their experiences while high-income can do otherwise [45].

Table 15 reveals the significant difference in the Service Quality and Managerial Performance of Cooperatives When grouped according to Firmographic Profile in terms of Classification, Annual Income and Location. Respondents from small scale cooperatives have a significantly higher assessment of the managerial performance of cooperatives than those respondents from micro scale cooperatives. This can be attributed to the fact that members of a micro-scale cooperative are still on the infancy stage of

development thus learning curve for them will take some time. Members of a small-scale cooperative tend to assess higher since they learned more about their cooperatives after years of operation and familiarity with the operation which affects their perception. Members put value on the contribution of their cooperative to the welfare of the community it belongs and are now seeing the necessity of helping others in a cooperative way. Sound management performance equates to sound service quality. Service quality as an organization's reputation, and the quality level being offered defines the organizational belief of a customer and it points to upgrading or downgrading of its reputation [46].

Respondents from cooperatives with more than 600k annual income have a significantly higher assessment on social orientation aspect than those respondents with less than 100,000 annual income. Furthermore, those respondents from cooperatives with 100,000-300,000 and greater than 600,000 have a significantly higher assessment on the economic aspect of managerial performance than those respondents from cooperatives with less than 100,000 annual income. Members trust cooperative leaders that they can guide the business towards its goals of reaching the target profit on a yearly basis. Gaining the confidence of members is synonymous to cooperative success. Success of a business depends on the competencies, characteristics and practices employed by the management [47], competencies of the owner is factor in the success of a business [48] and drive to achieve are factors for a business to be successful [49].

Location is not considered to be significant in terms of leadership, social orientation and economic aspects. What matters to them is that management will always perform as expected. As long as members are satisfied and happy with how cooperative is managed, they will continue patronizing and supporting the cooperative.

Table 15. Significant Difference in the Service Quality and Managerial Performance of Cooperatives When grouped according to Firmographic Profile in terms of Classification, Annual Income and Location

Managerial Performance	Classification		Annual Income		Location	
	Chi-Square	p-value	Chi-Square	p-value	U-test	p-value
Leadership Aspect						
<i>Organizational Aspect</i>	18.200**	0.000	13.953**	0.003	8384.5	0.157
<i>Human resource Management Aspect</i>	7.706*	0.021	13.923**	0.003	9099.5	0.756
<i>Members Aspect</i>	19.764**	0.000	13.338**	0.004	9155.5	0.823
Social Orientation Aspect	26.052**	0.000	12.153**	0.007	8844.5	0.478
Economic Aspect	8.246*	0.016	10.677*	0.014	8930.0	0.630

Kruskal Wallis Test; **Significant at p-value<0.01; *Significant at p-value<0.05

Table 16. Significant Difference in the Managerial Performance of Cooperatives When grouped according to Demographic Profile in terms of Sex

Managerial Performance Leadership Aspect	Gender		Age		Marital Status		Educat'l Attainment		Family Income	
	U-test	p-value	Chi-Square	p-value	Chi-Square	p-value	U-test	p-value	Chi-square	p-value
<i>Organizational Aspect</i>	7008.5	0.173	13.039**	0.005	10.781**	0.005	4653.5	0.791	5.109	0.276
<i>Human resource Management Aspect</i>	7509.5	0.603	8.99*	0.029	3.996	0.136	4733.5	0.926	5.835	0.212
<i>Members Aspect</i>	7811.5	0.993	10.753*	0.013	3.753	0.153	4236.5	0.244	2.115	0.715
Social Orientation Aspect	6847.5	0.099	11.472**	0.009	8.883*	0.012	4590	0.685	0.962	0.915
Economic Aspect	7772	0.995	4.506	0.212	2.418	0.298	4087	0.145	5.139	0.273

Kruskal Wallis Test; **Significant at p-value<0.01; *Significant at p-value<0.05

Location is a factor to a successful business and owner-managers of business are in need to select the location carefully to ensure maximization of business results [50]. Location is the selection of business to locate either in a small or big city or urban or rural settings [51]. Location was linked with the performance of business and their success in Morocco [52].

Table 16 reveals significant difference in the Managerial Performance of Cooperatives When grouped according to Demographic Profile in terms of Sex. Results showed that the gender of the respondents is not a factor to determine the managerial performance of cooperatives because they can still obtain a high or low assessment of quality from both sexes. Thus, a unified cooperative is expected to rise in addressing the challenges it will face. To ensure continuous and sustained cooperative, long-time members should educate and persuade the youth to be part of a cooperative [53].

Younger members of the cooperative are more engaged in the cooperative affairs such as management and social responsibility programs. Management in

order to get the trust of the members needs better performance. Customers are delighted with the considerate attitude of an employer to its employee. The employer-employee relationship needs to be better if the cooperative plans project itself as good cooperative. When employees are treated well, it resounds to a better service to clients. There is significant relationship between age and management and service delivery and as members get older, concern for the cooperative and members are very high [54].

Respondents who are still single have a significantly higher level of assessment of organizational and social orientation aspects compared to married respondents. Customer's value good managerial performance. Thus, when leaders lead the cooperative to success this means better support to the cooperative by its members.

Members are looking at the economic gains of being part of a cooperative. This signifies that the cooperatives can obtain higher and lower assessment on managerial performance no matter what educational attainment of their members.

Table 17. Relationship between the Service Quality and the Managerial Performance

Service Quality		Leadership Aspect			Social Aspect	Economic Aspect
		Organizational	Human Resource	Members		
Tangible	rs-value	.455(**)	.542(**)	.530(**)	.454(**)	.366(**)
	p-value	.000	.000	.000	.000	.000
Reliability	rs-value	.388(**)	.430(**)	.508(**)	.343(**)	.255(**)
	p-value	.000	.000	.000	.000	.000
Responsiveness	rs-value	.400(**)	.423(**)	.483(**)	.318(**)	.235(**)
	p-value	.000	.000	.000	.000	.000
Assurance	rs-value	.473(**)	.519(**)	.515(**)	.433(**)	.313(**)
	p-value	.000	.000	.000	.000	.000
Empathy	rs-value	.445(**)	.490(**)	.511(**)	.388(**)	.255(**)
	p-value	.000	.000	.000	.000	.000

** Correlation is significant at the 0.01 level (2-tailed).

Cooperatives can obtain higher and lower assessment on managerial performance no matter how much the family income of their members. Cooperative stakeholders consider that regardless of amount of the salary they are receiving, cooperative management will treat them fairly and equally. Members value fairness among leaders in order for them to trust and support the cooperative

Table 17 reveals the relationship between the Service Quality and the Managerial Performance. There is a moderate positive relationship between the service quality and managerial performance of selected cooperatives in Lipa City as denoted by the computed p-values of less than 0.01 alpha level. This signifies that those respondents with a higher level of assessment on service quality are also those respondents with a higher level of assessment on managerial performance.

Services being done are considered to be unquantifiable and cannot be isolated. This is the results between the interaction of the clients and the performance of the cooperative – from the management down to the employees. Belief of the client on the quality of service is always critical whether delivery of service is good or bad. In the end, cooperative need to strike a balance between the actual versus the expected delivery of service to ensure support and patronage from its members.

There is a connection between the practice of quality management and organizational performance on the manufacturing firms and to enhance performance businesses must focus on their customers [55]. Good management practices and performance is a result of strategizing the quality management [56].

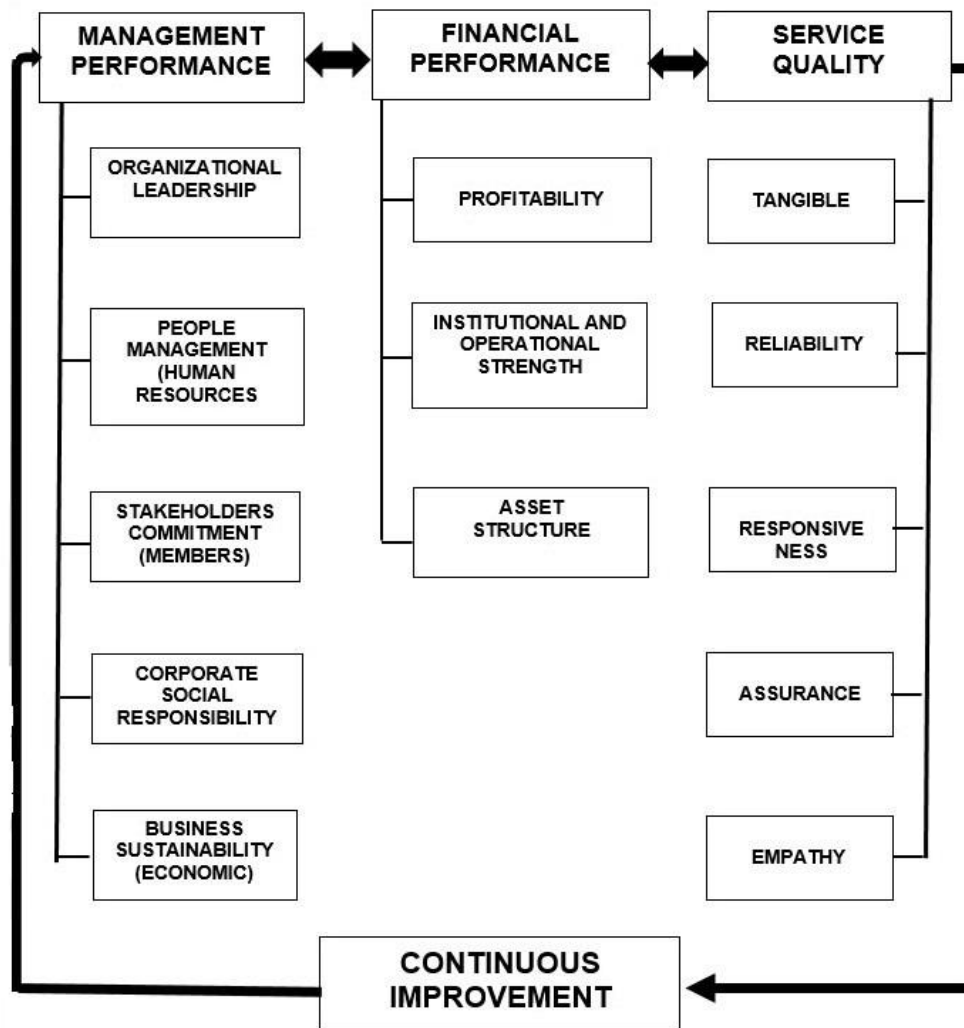


Figure 1. Yapbuan Proposed Integrated Framework for Management Performance of Cooperative

The integrated framework is a structure of systems that have different notions, interrelated, and function together as a whole. Management performance has an effect on the financial performance of a cooperative and members satisfaction on service quality.

If cooperative is performing well with its financial results, members are happy and satisfied with the services being done. It resonates that it is doing well due to the people who manage it properly. Financial performance is measured through profitability, asset structure, and institutional and operational strength. While the performance of management is counted by the number of sales and surplus it generates for the business and returned to the members through patronage refunds.

Management performance is determined by looking at its organizational leadership, people management through its human resources, stakeholder's commitment through its members, corporate social responsibility, and business sustainability. Good leaders lead their people to better results for whether it is for employees, members, and the community alike. Whatever business the cooperative will undertake, it will always yield to a better bottom line.

Service quality is measured by contemplating on five dimensions such as tangible, reliability, responsiveness, assurance and empathy. Better profitability of a cooperative is supported by satisfied and contented members. Assessing of service quality will lead to continuous improvement of services being offered to members and non-members and will result to a better performing cooperative leadership.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded in this study that majority of the cooperative-respondents were classified as small scale, has operated for more than six years, earned an annual surplus of more than P600,000 and usually located in rural areas; majority of the member-respondents were females, 38 years old above, married, graduated college / master / doctoral, employed and earned P10,001 to P20,000 on the average; members of cooperative put value on the appearance of cooperative; agree with the services rendered that are dependable, true to its promises, and sympathetic and reassuring; employees of cooperative are responsive on what customers demand from them; and respondents strongly agree with the indicators under assurance dimension and empathy dimension and respondents believed that

management performance as to leadership aspect about organizational aspect, human resource management and members is being observed at a very great extent. Management performance of cooperatives with regard to social orientation aspect and economic aspects are practiced to a very great extent.

Most of the cooperative- respondents were not maximizing the use of their assets and all respondent-cooperatives were able to have a positive return on the capitalization of its members; the common problem among cooperative respondents is the determination of problem receivables; almost 30 percent of average assets of the cooperative-respondents are considered non-earning assets, and more than half of the assets is financed by the funds from the members; and all cooperatives were efficient in generating earnings in its operation.

Respondents from Cooperatives with 300k-600k annual surplus have a significantly higher assessment of service quality. Respondents who are single have significantly higher level of assessment on the reliability of the cooperatives. Meanwhile, respondents with higher educational level have significantly higher level of assessment on the dimensions of service quality.

As to management performance, respondents from cooperatives with more than 600k annual income have significantly higher assessment on social orientation aspect. Those respondents from cooperatives with 100k-300k and greater than 600k have significantly higher assessment on economic aspect of managerial performance. Respondents belonging to 18-24 years old have significantly higher level of assessment on leadership and social orientation aspects.

Respondents with higher level of assessment on service quality are also those respondents with higher level of assessment on managerial performance.

An integrated management performance framework has been formulated based on the result of significant relationships of variables.

Based on the conclusions drawn, the following recommendations were given: cooperatives plan for better profit and classification in its five-year strategic development plan; focus on image branding of its employees so that members will be delighted and satisfied with its services; succession plan must be in place, employee performance appraisal must be done, updating on the status of cooperative be done with its members, engaging them with social projects and ensure sustainability; continuous improvement of best

practices of cooperative be applied to elevate its profitability and implement proper asset management policy; future researchers may focus on other aspects of cooperative management in terms of sustainability, corporate social responsibility, and total quality management; and the results of this study are only limited to cooperatives but can be a reference for further researches.

REFERENCES

- [1] Birchall, J. (2003). Rediscovering the Co-operative Advantage: Poverty reduction through self-help, ILO, 20-25
- [2] Catelo, S. (2018). "Cooperative Transformation in the Changing Global Economy", 3rd International Conference on Cooperatives (ICOOP2018), Development Academy of the Philippines (DAP) Conference Center Tagaytay City, Philippines November 15–16, 2018
- [3] Tsegay, B. (2008). Financial performance of cooperative in Endertaworeda, Tigray region Ethiopia. Mekelle University
- [4] Kanyurhi, E. (2013). Evaluation of customer satisfaction with services of a micro-finance institution: Empirical evidence from Women Association for Social and Economic Gain customers' in Togo, African Journal of Marketing Management Vol. 5(2), pp. 26-37,
- [5] Fararah, F.S. & Al-Swid, A.K. (2013). The role of the perceived benefits on the relationship between service quality and customer satisfaction: A study in the Islamic microfinance and SMEs in Yemen using PLS approach. Asian Social Science, 9(10):18-36.
- [6] Rasyida, D., Ulkhaq, M. M., Setiowati, P. & Setyorini, N. (2016) Assessing Service Quality: A Combination of SERVPERF and Importance-Performance Analysis, Department of Industrial Engineering, Diponegoro University, Semarang 50275, Indonesia ICIEA 2016
- [7] Cronin, J. & Taylor, A. (1992). Measuring Service Quality: A Re-examination and Extension. Journal of Marketing, 56(3): 55–65.
- [8] Mitchell, M. L. & Jolley, J. (2013). Research Design Explained. Wadsworth, USA
- [9] <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>
- [10] Wirtz, J. & McColl-kennedy, J.R. (2010). Opportunistic customer claiming during service recovery. Journal of the Academy of Marketing Science, 38(1):654-675.
- [11] Timm, P. R. (2011). Customer service: Career success through customer loyalty. 5th Ed. New Jersey: Pearson.
- [12] Akbar, S., Som, A.P.M., Wadood, F. & Alzaidiyeen, N.J. (2010). Revitalization of service quality to gain customer satisfaction and loyalty. International Journal of Business and Management, 5(6):113-122.
- [13] Harris, E. K. (2013). Customer service: A practical skills approach. 6th ed. New Jersey: Pearson.
- [14] Saeed, R., Safdar, M., Arshad, H. M., Ahmad, W., Khurshid, N. & Lodhi, R. N. (2013). Service quality attributes and customer satisfaction: an empirical study on microfinance banks- a case from Pakistan. Journal of Basic Applied Science Res., 3(6)723-731, 2013
- [15] Kumar, S. R. & Ravindran, S. (2010). Analysis of Service Quality Parameters among Co-operative Banks – A study with Respect to Kerala, Journal of Contemporary Research in Management, January – March: 43-62.
- [16] Rahaman, M. M., Abdullah, M. & Rahman, A. (2011). Measuring service quality using SERVQUAL model: A study of PCB (private commercial banks) in Bangladesh. Business Management Dynamics, 1(1):1-11.
- [17] Fishbein, C. M. & Ajezen, O. (2010). Institutional and Governance Factors Influencing the Performance of Selected Smallholder Agricultural Cooperatives in KwaZulu-Natal, Agrekon 48(3): 293-315.
- [18] Javier, E. R. & Deligero, J. C. L. (2014). Job Satisfaction of the Teaching and Non-Teaching Staff of the Lyceum of the Philippines University-Batangas, International Journal of Information, Business and Management, 6(4)
- [19] Keeling, J. (2004). "Lessons from a failed cooperative – The rice growers' association experience". Agricultural and Resource Economics, Vol. 7, No. 3, pp. 1-4.
- [20] Wanyama F.O., Develtere P. & Pollet, I. (2009). Reinventing the wheel? African Cooperatives in a Liberalized Economic Environment. Annals of Public and Cooperative Economics, 80(3), 361-392.
- [21] Sani, A. (2013). Role of Procedural Justice, Organizational Commitment and Job Satisfaction on job Performance: The Mediating Effects of Organizational Citizenship Behavior, International Journal of Business and Management, 8(15), DOI: 10.5539/ijbm.v8n15p57
- [22] Freney, Y. & Fellenz, M. R. (2013). Work engagement, job design and the role of the social context at work: Exploring antecedents from a relational perspective, Human Relations, November 66 (11), 1427-1445
- [23] Kalaw, J. F. (2014). Organizational Culture among Teaching Employees of Lyceum of the Philippines University-Batangas: Basis of Enhancement, International Journal of Information, Business and Management, 6(4)
- [24] Birchall, J. & Simmons, R. (2004). What Motivates Members to Participate in Cooperatives and Mutual Businesses? Annals of Public and Cooperative Economics, 75(3), 465-495.

- [25] Pozzobon, D. M. & Zylbersztajn, D. (2011). Member Participation in Cooperative Governance: Does Heterogeneity Matter?. Encontro da ANPAD XXXV, Rio de Janeiro, September 2011.
- [26] Yohannes, D. W. & Endale, N. (2014). Participation of Women in Rural Cooperatives: Evidence from Gewane and Fentale Districts of Afar Region, Ethiopia. *Journal of Economics and Sustainable Development*, 5(15).
- [27] Bagsit, J. & Anuran, A. (2015). Financial Performance of Soro Sorosoro Ibaba Development Cooperative-Feedmilling Operation Asia Pacific *Journal of Academic Research in Business Administration*, 2 (1).
- [28] Rainhart, F. & Rogoff, M. (2009). The Aftermath of Financial Crises, Working Paper No. 14656.
- [29] Stephen, A., Cecchetti G., Mohanty M. S. & Fabrizio Z. (2011), "The real effects of debt" BIS Working papers No 352.
- [30] Victoria, D. (2015). How Do Interest Rates Affect Businesses? Demand Media. Retrieved from <http://smallbusiness.chron.com/interest-rates-affectbusinesses-67152.html>.
- [31] Richard, L. (2015). Profitability Indicator Ratios: Return On Equity. Retrieved from <http://www.investopedia.com/university/ratios/profitabilityindicator/ratio4.asp>
- [32] Odetola S. K., Awoyemi T. T. & Ajijola S. (2015). Impact of cooperative society on fish farming commercialization in Lagos state, Nigeria. *African journal of agricultural research*.
- [33] Othman, R., Arshad, A., Aris, N. A. & Mohd, S. M. (2015). Organizational Resources and Sustained Competitive Advantage of Cooperative Organizations in Malaysia. *Procedia - Social and Behavioral Sciences* 170 (2015) 120 – 127.
- [34] Tehrani, R., Mehrgan, M. R. & Golkani, M. R. (2012). A model for evaluating financial performance of companies by data envelopment analysis: A case study of 36 corporations affiliated with a private organization. *International Business Research*, 5(8), 8-16.
- [35] Boundless (2015) "Impacts of Financial Leverage." Boundless Finance. Available at <https://www.boundless.com/finance/textbooks/boundlessfinance-textbook/capital-structure-13/thinking-aboutfinancial-leverage-106/impacts-of-financial-leverage-452-3856/>
- [36] Mmutle, T. & Shonhe, L. (2017). Customers' perception of Service Quality and its impact on reputation in the Hospitality Industry, North West University, South Africa
- [37] Angelova, B. & Zekiri, J. (2011). Measuring Customer Satisfaction with Service Quality Using American Customer Satisfaction Model (ACSI Model). *International Journal of Academic Research in Business and Social Sciences*, 1(3), 232-259. <http://dx.doi.org/10.6007/ijarbss.v1i2.35>
- [38] González-Benito, O. & González-Benito, J. (2005). The Role of Geodemographic Segmentation in Retail Location Strategy. *International Journal of Market Research*
- [39] Im, H. & Ha, S. (2011). An Exploration of the Cognitive-Affective Model of Satisfaction in a Shopping Context: A Test of Competing Models. *The Service Industries Journal*, 31(13), 2273-2288.
- [40] Lal, J., Vij, M. & Jain, S. (2014). Do demographics influence customer service quality perceptions? A comparative study of Indian and foreign banks. *Journal of Services Research*, 14 (2), 75-105.
- [41] Melkis, M., Hilmi, M. F. & Mustapha, Y. (2014). The Influence of Marital Status and Age on the Perception of Fast Food Consumer in an Emerging Market. *International Journal of Business and Innovation*.
- [42] Abdullah, D. N. M. A. & Rozario, F. (2010). Influence of service and product quality towards customer satisfaction: A case study at the staff cafeteria in the hotel industry. *International Journal of Human and Social Sciences*.
- [43] Péfoyo K. A. J. & Wodchis W. P. (2013). Organizational performance impacting patient satisfaction in Ontario hospitals: A multilevel analysis, *BMC Research Notes*
- [44] Larson, E., Leslie, H. H. & Kruk, M. E. (2017). The determinants and outcomes of good provider communication: a cross-sectional study in seven African countries, *BMJ Open*, 7(6): e014888.
- [45] Lankarani K. B., Maharloue, N., Akbari, M., Yazdanpanah, D., Akbari, M. M. & Joulae, H. (2016). Satisfaction Rate Regarding Health-care Services and Its Determinant Factors in South-West of Iran: A Population-based Study. *International journal of preventive medicine*, 7: 122.
- [46] Mmutle, T. & Shonhe, L. (2017). Customers' perception of Service Quality and its impact on reputation in the Hospitality Industry, North West University, South Africa
- [47] Parilla, E. S. (2013). Level of management practices of micro and small businesses in Ilocos Norte. *International Journal of Academic Research in Business and Social Sciences*, doi:10.6007/IJARBSS/v3-i7/67
- [48] Mitchelmore, S. & Rowley, J. (2013). Entrepreneurial competencies of women entrepreneurs pursuing business growth. *Journal of Small Business and Enterprise Development*, 20, 125-142. doi:10.1108/14626001311298448
- [49] Hansen, D. J., Shrader, R., Al-Hawary, A. & Alghanim, A.. (2011). Banking Service Quality Provided by Commercial Banks and Customer Satisfaction. *American Journal of Scientific Research & Monllor, J. (2011). Defragmenting definitions of entrepreneurial opportunity. Journal of Small Business*

- Management, 49, 283-304. doi:10.1111/j.1540-627X.2011.00325.x
- [50] Sefiani, Y., Davies, B. & Bown, R. (2016). The perceptual effects of location on the performance of small businesses MPRA Paper No. 74768, posted 29 Oct 2016 07:12 UTC
- [51] Sridhar, K. & Wan, G. (2010). Firm location choice in cities: Evidence from China, India, and Brazil. China Economic Review
- [52] Harabi, N. (2003). Determinants of firm growth: An empirical analysis from Morocco. MPRA Paper Switzerland: University of Applied Sciences.
- [53] Masuku, A. & Masuku, M. B. (2016). Performance of Multi-Purpose Cooperatives in the Shiselweni Region of Swaziland, International Journal of Sustainable Agricultural Research 2016 Vol.3, No.4, pp.58-71 ISSN(e): 2312-6477 ISSN(p): 2313-0393 DOI: 10.18488/journal.70/2016.3.4/70.4.58.71© 2016 Conscentia Beam.
- [54] Masicat, J. D. (2014). Batangas Heavy Fabrication Yard Multi-Purpose Cooperative: Basis for Business Operation, Asia Pacific Journal of Multidisciplinary Research P-ISSN 2350-7756 | E-ISSN 2350-8442 | www.apjmr.com | Volume 2, No. 4, August 2014
- [55] Hassan, M., Mukhtar, A., Qureshi, S. U. & Sharif, S. (2012). Impact of TQM Practices on Firm's Performance of Pakistan's Manufacturing Organizations. International Journal of Academic Research in Business and Social Science, 2(10), 232-259.
- [56] Al Refaies, A., Ghnaimat, O. & Ko, J. (2011), "The effects of quality management practices on customer satisfaction and innovation: A perspective from Jordan. International Journal of Productivity and Quality Management", Journal of Quality Management

APPENDIX

Table 9. Financial Performance of Selected Cooperatives on Profitability

	PROFITABILITY PERFORMANCE				
	Profitability Ratio	Earnings Per Share	Profitability Growth Rate	Asset Efficiency Rate	Rate of Interest on Share Capital
COOP1	0.5507	10.3300	0.5330	0.0700	0.0900
COOP2	0.0869	13.9500	0.5796	0.0200	0.1100
COOP3	-0.3644	-4.0800	-0.2140	-0.0300	0.0000
COOP4	0.6805	17.9600	0.2100	0.1200	0.1100
COOP5	0.0958	3.8900	3.3800	0.0200	0.0700
COOP6	0.0568	2.3800	-0.0700	0.0100	0.0100
COOP7	0.5765	6.8400	0.3900	0.0400	0.0300
COOP8	0.1146	1.6800	-0.7400	0.0100	0.0100
COOP9	0.6241	10.3300	-0.2800	0.0800	0.0700
COOP10	0.2962	1.9400	-0.5300	0.0100	0.0100
COOP11	0.0067	0.5800	-0.9900	0.0000	0.0000
COOP12	0.0819	10.2000	-0.1191	0.0801	0.0322
COOP13	0.0116	0.0031	0.2000	0.0019	0.0011
COOP14	0.2500	8.4600	0.2500	0.0501	0.0036
COOP15	0.2518	58.3600	-0.6000	0.2900	0.6900
COOP16	0.3251	9.0600	0.2000	0.0438	0.0135
COOP17	0.7019	110.0400	0.9000	0.2100	0.7400
COOP18	0.0406	0.8700	-0.7100	0.0100	0.0000
COOP19	0.7000	20.7400	-0.4300	0.1208	0.0192
COOP20	0.2022	2.8400	0.1300	0.0200	0.0100
COOP21	0.3713	5.0900	-0.2800	0.0400	0.0000
COOP22	0.3269	29.1200	-0.1000	0.1500	0.1800
COOP23	0.5171	50.2900	-0.3800	0.1600	0.1400
COOP24	0.2444	3.6200	-3.8500	0.0300	0.0100
COOP25	0.4536	32.3400	-0.0300	0.1700	0.1200
COOP26	0.0203	32.2800	-0.5900	0.0800	0.1200

COOP27	0.1228	6.1400	0.1700	0.0300	0.0200
Average	0.2721	16.4909	-0.1100	0.0680	0.0967

Table 10. Financial Performance of Selected Cooperatives on Institutional Strength

	INSTITUTIONAL STRENGTH		
	Net Institutional Capital	Adequacy of Provisioning (> 1 year)	Adequacy of Provisioning (< 1 year)
COOP1	16.7500	0.7400	0.7400
COOP2	8.1400	0.0000	0.0000
COOP3	0.0100	0.9800	1.0200
COOP4	12.0600	3.9500	0.2500
COOP5	5.0400	0.4900	2.0300
COOP6	6.2300	0.0500	19.3700
COOP7	5.0000	0.0000	0.0000
COOP8	4.1900	0.1300	7.6800
COOP9	7.0200	0.7300	1.3600
COOP10	1.2100	0.3200	3.1400
COOP11	1.5700	0.0000	0.0000
COOP12	0.0000	0.0000	0.0000
COOP13	0.0947	0.0000	0.0000
COOP14	0.0600	0.0500	0.1600
COOP15	0.0000	0.0000	0.0000
COOP16	0.5467	1.0000	0.5700
COOP17	0.0000	0.0000	0.0000
COOP18	0.0000	0.0000	0.0300
COOP19	0.9400	0.0000	0.0000
COOP20	0.5600	0.0300	32.7600
COOP21	0.0000	0.0000	0.8100
COOP22	0.4000	0.6000	0.8000
COOP23	0.0000	0.0000	6.2400
COOP24	0.0000	0.0000	0.0000
COOP25	0.0000	0.0000	0.0000
COOP26	0.0000	0.0000	0.0000
COOP27	0.0000	0.0000	0.0000
Average	2.5860	0.3359	2.8504

Table 11. Financial Performance of Selected Cooperatives on Structure of Assets

	STRUCTURE OF ASSETS				
	Percentage of Non-Earning Assets to Total Assets	Members' Equity To Total Assets	Deposit Liabilities to Total Assets	External Borrowings	Receivables to Total Assets
COOP1	0.0600	0.6800	0.6800	0.0000	0.8900
COOP2	0.5200	0.1500	0.1500	0.0000	0.2600
COOP3	0.0000	0.7800	0.7800	0.0600	0.7000
COOP4	0.0300	0.6500	0.6500	0.0000	0.7100
COOP5	0.0800	0.4500	0.4500	0.1800	0.2300
COOP6	0.9900	0.4700	0.4700	0.0000	0.4000
COOP7	0.0000	0.6900	0.6900	0.0000	0.7400
COOP8	0.1400	0.6300	0.6600	0.0000	0.4600
COOP9	0.1200	0.7500	0.7500	0.0000	0.7900
COOP10	0.1300	0.7400	0.7400	0.0000	0.8600
COOP11	0.0100	0.1300	0.1300	0.0000	0.9000
COOP12	0.0474	0.8133	0.8133	0.0000	0.0500
COOP13	0.1253	0.6051	0.0000	0.0000	0.6715
COOP14	0.0100	0.5938	0.1300	0.0000	0.6900
COOP15	0.0000	0.4900	0.4900	0.0000	0.0000
COOP16	0.2902	0.7565	0.3942	0.0000	0.6438
COOP17	0.1600	0.4400	0.4400	0.0000	0.6600
COOP18	0.7000	0.7000	0.0000	0.0000	0.0300
COOP19	0.1700	0.6262	0.3251	0.0000	0.7700
COOP20	0.3200	0.5700	0.5700	0.0000	0.3700
COOP21	0.8100	0.8100	0.8500	0.0000	0.8500
COOP22	0.2900	0.5100	0.5100	0.0200	0.2000
COOP23	0.2300	0.3600	0.3600	0.0200	0.1700
COOP24	0.7300	0.7500	0.7500	0.0000	0.5700
COOP25	0.4400	0.5200	0.5200	0.0000	0.0800
COOP26	0.6200	0.2000	0.2000	0.0000	0.2700
COOP27	1.0000	0.5600	0.5600	0.0000	0.5900
Average	0.2971	0.5413	0.4838	0.0104	0.5020

Table 12. Financial Performance of Selected Cooperatives on Operational Strength

	OPERATIONAL STRENGTH (STAYING POWER)					
	Volume of Business to Total Assets	Solvency	Liquidity	Cost per Volume of Business	Administrative Efficiency	Turnover Ratio
COOP1	0.1200	21.2500	130.7900	0.0400	0.0400	2.0400
COOP2	0.3200	1.7200	2.4400	0.2200	0.1400	12.1700
COOP3	0.0600	1.1500	1.2800	0.0000	0.1000	0.1200
COOP4	0.6400	0.7600	1.4000	0.0000	0.0500	0.2500
COOP5	0.2700	0.7400	0.6900	0.0000	0.1800	2.7600
COOP6	0.4000	0.9500	1.6900	0.0000	0.1600	4.1900
COOP7	0.7400	0.6000	1.5500	0.0000	0.0300	0.0800
COOP8	0.5000	0.5400	0.9700	0.0000	0.0900	0.1200
COOP9	0.9700	0.6200	1.0500	0.1500	0.0300	1.4100
COOP10	0.8600	0.6600	1.0700	0.1100	0.0300	1.1600
COOP11	0.9000	1.1800	5.3400	0.0000	0.1100	0.9700
COOP12	1.2100	0.6600	0.0200	0.4900	0.0360	7.0900
COOP13	0.1929	0.8560	0.9044	0.0790	0.0154	1.0560
COOP14	0.7100	1.0700	-0.3493	0.1500	0.1100	3.9000
COOP15	1.1300	1.0200	1.2900	0.0000	0.3800	0.0000
COOP16	0.4646	1.3500	1.1855	0.1500	0.0800	1.0500
COOP17	1.1600	1.6000	3.0700	0.0000	0.0000	2.0000
COOP18	0.1400	0.7200	1.2000	0.0000	0.1300	0.2700
COOP19	1.1045	1.2582	0.0538	0.0400	0.2074	15.6300
COOP20	0.0800	0.4300	0.1700	0.0000	0.0500	0.4000
COOP21	1.1800	0.6200	1.1700	0.2900	0.0800	0.3900
COOP22	0.8100	0.9800	1.0500	0.0000	0.1500	4.2700
COOP23	2.6300	1.0800	0.1500	0.8800	0.1900	14.6200
COOP24	0.5700	0.1700	0.7700	0.0000	0.0600	0.9100
COOP25	0.3900	0.9700	0.6400	0.0000	0.2700	4.0100
COOP26	3.2900	2.4800	1.4300	0.0000	0.1200	12.8900
COOP27	0.8900	0.7000	0.0000	0.2900	0.3000	0.4800
Average	0.8049	1.7087	5.9639	0.1070	0.1163	3.4902