

Performance of Selected Top Performing Multi-Purpose Cooperatives In Batangas City: Basis For Cooperative Management Framework

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The study aimed to assess the performance of selected top performing multi-purpose cooperatives in Batangas City as entities which cater to the varied needs of their members and borrowers which may be used as inputs to come up with suggestions on how their business operations may be improved. Specifically, to determine the firmographic profile of the cooperatives in terms of area of operation, classification according to asset size, and bond of membership; to assess the performance of cooperatives in terms of management and accounting system, production and quality of inputs, and market linkages and business relations; to determine the internal challenges faced by the selected multipurpose cooperatives; to test the significant differences on the performance of selected multipurpose cooperatives' performance when grouped according to profile variables; to test the significant relationship between the cooperative performance and challenges faced by such cooperatives; and to propose a business framework based on the findings of the study. The researcher used a modified questionnaire as the principal instrument. The data gathered were tallied, tabulated, interpreted and analyzed using statistical tools such as weighted mean, F-test, and Analysis of Variance. Results show that majority of the respondents belong to a multi-purpose cooperative operating nationwide, classified as large cooperative, and have an institutional bond of membership; the employees of the top performing cooperatives in Batangas City are in agreement that in terms of management structure and accounting system, production and quality of inputs, and market linkages and business relations, the organizations, these cooperatives are performing well; the respondents disagree that the cooperatives, where they currently belong, are facing serious internal challenges; a significant difference exists on the respondents' assessment of the performance of selected multi-purpose cooperatives when it comes to management structure and accounting system and market linkages and business relations; and a significant relationship exists between the performance of cooperatives and the internal challenges faced by them. The researcher recommends the following: consider the furtherance of investing on functional accounting system and software in generating their financial reports; cooperatives may further strengthen their quality control mechanism, not only of the inputs, but also of the outputs to ensure that the needs of the market are satisfied; conduct of periodic training needs assessment; cooperatives may consider making a stronger presence in the digital space to reach more clients and be of swifter service to them; and cooperatives may consider embedding the researcher's proposed framework in their annual planning sessions..

Keywords – multi-purpose cooperative, management, performance.

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INTRODUCTION

In the continuous pursuit for an improved quality of life, cooperatives play an important role in the fulfillment and achievement of its members' social, economic, and even cultural aspirations and requirements. Despite of the not so overwhelming attention and highlight that they get as to the benefits that they may bring, still, the fact cannot be denied that through the years, cooperatives have been one of the arms of the country in fulfilling one of its pressing mandates; that is, making sure that growth and development is inclusive in nature and that it continues to promote equity and social justice to people, even those who are in the fringes of the current society.

In a recent privilege speech delivered by Hon. Rep. Anthony Bravo in the House of Representatives, wherein he highlighted the resiliency of cooperatives in the country and the sustainable development that it continues to cater to the nation, it was pointed out that 27,625 cooperatives are unceasingly adapting to the economic and social changes. It was also mentioned that cooperatives created livelihood opportunities have flourished through the years, especially for marginalized people, by extending credit/loan services and other wide array of services to people. Also, 378,100 Filipinos were directly employed by cooperatives, not to mention the indirect employment generated by such entities, the number of which was not quantified due to Cooperative Development Authority's (CDA) inability to keep track of those [1].

Indeed, people from all walks of life are given the opportunity to make a stand and participate in the country's economic activity. This transcends to a notion that banking on cooperatives is a huge step in harnessing an economy where inclusive development is present.

With its growing industry, cooperatives have managed to transform into different classifications through time. One of which is the emergence of multi-purpose cooperatives. This type of cooperative usually combines the services of two or more other types of cooperatives, the most common of which are as follows: credit cooperative, consumer cooperative, producer cooperative, and service cooperative.

In the most recent reports regarding the status of cooperatives in Batangas Province, multi-purpose cooperatives have the highest number of classification that is currently operation. These vary from large, medium, small, and micro coops which roughly contribute P6.5 billion to the provincial treasury. Along with Lipa City and the town of Tuy, it is in Batangas City where majority of these huge income-generating cooperatives can be found [2]. This only justifies the continued effort of the provincial government to

support and aid cooperatives as it does not only benefit the members of such, but the locality as well.

Given that the researcher is a degree holder in business, a micro-level business organization, cooperative in particular, captured his interest as it has been making a macro effect and impact in the landscape of the Philippine economy. Gone are the days that the spotlight is only focused on commercial banks because cooperatives, by its very nature, is an interesting subject to delve in due to its density in scope, but not in impact. Among the cooperatives in Region IV, Batangas City was chosen by the researcher as the locale of the study because of proximity advantages. The researcher also aimed to contribute to the starting and budding multi-purpose cooperatives by using the results of the study in coming up with a business framework that may be used to ensure a continued profitable business operations.

OBJECTIVES OF THE STUDY

The study aimed to assess the performance of selected top performing multi-purpose cooperatives in Batangas City as entities which cater to the varied needs of their members and borrowers which may be used as inputs to come up with suggestions on how their business operations may be improved.

More Specifically, it aims (1) to determine the firmographic profile of the cooperatives in terms of area of operation, classification according to asset size, and bond of membership; (2) to assess the performance of cooperatives in terms of management and accounting system, production and quality of inputs, and market linkages and business relations; (3) to determine the internal challenges faced by the selected multipurpose cooperatives; (4) to test the significant differences on the performance of selected multipurpose cooperatives' performance when grouped according to profile variables; (5) to test the significant relationship between the cooperative performance and challenges faced by such cooperatives.

METHODS

RESEARCH DESIGN

The study made use of descriptive method of research. This method was considered because it is viewed that this is the most appropriate method to describe the performance of the selected top performing multi-purpose cooperatives in Batangas City.

PARTICIPANTS OF THE STUDY

The respondents of the study are the employees of the selected top performing multi-purpose cooperatives in

Batangas City for they have the most appropriate view on the current performance of the cooperative. With the help of the Freedom of Information (FOI) project of the executive department of the government, the researcher was able to secure a verified and legitimate document containing the list of multipurpose cooperatives in Batangas City which are performing better in terms of net surplus among others in the year 2019.

The total sample size of 311 respondents from a total population of 1,612 was obtained using an online software called Raosoft with 95% and 5% confidence level and margin of error, respectively. Respondents who answered the survey were randomly selected. The distribution of respondents per cooperative is shown below:

Table 1
Distribution of Respondents

Multi-Purpose Cooperative	Number of Employees	Sample Size
A	1,094	211
B	340	66
C	6	1
D	6	1
E	11	2
F	13	3
G	22	4
H	13	3
I	69	13
J	38	7
Total	1,612	311

INSTRUMENT

The questionnaire is composed of three parts. Part one is concerned with the profile of the cooperatives under study in terms of their years in operation, asset size, and bond of membership. The second part includes the performance of the subject cooperative viewed in three (3) categories, i.e., management structure and accounting system, production and quality of outputs, and market linkages and business relations. The last part deals with the internal challenges faced by the organization/multi-purpose cooperative as perceived by the respondents. The respondents of the study are tasked to field in their responses for the questionnaire's Part II and Part III using a 4-point Likert scale: 4 – Strong Agree, 3 – Agree, 2 – Disagree, 1 – Strongly Disagree.

The instrument used is deemed to be reliable evidenced by its Cronbach's alpha value of 0.87. This only shows that the questionnaire posts consistency, thus, considered to be reliable.

PROCEDURE

In formulating the topic to be studied, the researcher made an intensive and extensive research and observation of the locality to target the area that may be improved and/or has the potential of being highlighted in a study. Due to the limitations brought about by the pandemic that the community is currently facing and for the purpose of having a uniform context of discussion by having a single research setting, the researcher decided to focus on the top performing multi-purpose cooperatives in Batangas City.

After consultation with the research adviser, the objectives were formulated based on the constructed title and subsequently searched for related literatures to support the claims stated in the manuscript and at the same time, broaden the discussions thereof. The researcher looked for a questionnaire that had already been used in previous researches believing that such being utilized before, can measure, and bring out the desired results. Indeed, the quest for a reliable instrument was successful, not to mention its appropriateness with the objectives of the topic under study. An electronic mail was sent to the cooperatives requesting permission for questionnaire distribution among their employees. Upon approval, the said instrument was distributed via google forms to the respondents with the help of the cooperatives' Human Resource department.

With the advancement of technology, the data were retrieved, tallied, and tabulated automatically. Such were interpreted to come up with the intended results.

ETHICAL CONSIDERATION

As mentioned in the foregoing paragraphs, the researcher asked for each cooperative's permission and approval before the distribution of questionnaires was conducted. Respondents were fully and properly informed regarding the non-disclosure and anonymity of their personal identities and the privacy of data provided in the survey. They were assured that such data will only be used for academic and research purposes only. Finally, the researcher also ensured that the respondents voluntarily answered the questionnaires according to their will, none of them were hurt or harmed, and their safety and security were considered.

DATA ANALYSIS

As stated in the procedure, the data obtained were tallied, tabulated, interpreted and analyzed using statistical tools such as Frequency Distribution, Weighted Mean and Analysis of Variance (ANOVA).

Frequency distribution is one of the most basic statistical tools which enables all the observations from a given variable be summarized in values. This tool was used in

presenting the profile of the respondents. Weighted mean, on the other hand, is a tool used in the computations of respondents' responses as they assess the performance of their respective organizations in terms of three categories. Finally, ANOVA, being an effective statistical tool in assessing the differences between 2 or more variables, was utilized to determine if there exists a significant difference among the responses of the research's participants. All data were treated using PASW version 18 to further examine the results.

RESULTS AND DISCUSSION

Table 2
Percentage Distribution on Firmographic Profile

Profile	f	%
Area of Operation		
National	211	67.80
Regional	66	21.20
Provincial	14	4.50
Municipal	20	6.40
Classification according to asset size		
Small (above P3– P15 million)	20	6.40
Medium (above P15– P100 million)	14	4.50
Large (above P100 million)	277	89.10
Bond of Membership		
Residential	95	30.50
Institutional	212	68.20
Occupational	4	1.30

Table 2 presents the distribution of respondents' company profile, specifically in terms the firm's area of operation, asset size, and bond of membership.

It can be gleaned from the table that majority of the top performing multi-purpose cooperatives in Batangas City are operating in a national scale as evidenced by its 67.80% of the total. The remaining portion is shared by those whose area of operation is only on a regional (21.20%), provincial (4.50%), and municipal (6.40%) coverage. This only implies that a significant number of top performing cooperatives in Batangas City is able reach a nation-wide market. Thus, giving these business organizations a greater reach which in return translates to more profit and products and services patronage. It was noted by Quain [3] that having a wider range of customers is always a good thing for an organization. This is for the reason that aside from the "local" customers that are already loyal to the business, it is able to tap new markets who, in one way or another, may also be interested in the products that the business is offering. Another thing that he pointed out is the benefit of economies

of scale. By expanding the business, suppliers would most likely provide more discounts since as the enterprise expands and grows, it follows that larger quantities are being ordered from them.

As to these multi-purpose cooperatives' classification as to asset size, 89.10% of the respondents belong to a cooperative which is classified as large. Only 10.90% are under the small and medium classification. In the Philippines, cooperatives may be classified according to asset size. They may be micro, small, medium, and large cooperatives. Since the participants of the study are employees belonging to top cooperatives in Batangas City, it is expected that these cooperatives belong to the large cooperative classification and none of them would fall under the micro category, thus, obviating the need to include it among the options.

Finally, in terms of bond membership, 68.20% of the respondents are in a cooperative having a bond of membership of institutional. It was followed by residential with a 30.50% share and occupation tallying only 1.30% of the sample size. It can be inferred that because most of the respondents belong to a large cooperative, they are being employed by an established and progressive organization which translates to its ability to employ more. These employees become members of the cooperative as well. The bond of membership is an important factor in cooperatives because this provides the conditions where members can group themselves to be able to achieve the objectives that are common among them. In this set up, the members of the cooperative and its employees, workers, and officers are one and the same [4].

Table 3 shows the performance of the cooperatives in terms of management structure and accounting system. This area seeks to analyze how the cooperatives approach their human resource management system and how they are managed financially. The respondents strongly agree that these cooperatives are performing well in this specific area of their operation having a composite mean of 3.50.

Among the ten (10) indicators, the item which states that the status of operation of the cooperative is part of the agenda during the annual general assembly (3.68). This is one of the reportorial requirements of a cooperative as stated in the rules and regulations set forth by the CDA. As cited by Mendoza and Castillo [5], for the member-patrons to be able to exercise their power of control effectively and participate in the management of a cooperative, it is important that they are fully and fairly informed of the status of the cooperative's operations. These operations include the cooperative's problems encountered, financial condition, and the projected plans and programs.

Table 3
Performance of Cooperatives as to Management Structure and Accounting System

Indicators	WM	VI	Rank
1. Cooperative has an effective organizational structure.	3.45	A	7
2. Duties and responsibilities of the employees are clearly stated on their contract.	3.44	A	8
3. The grievance resolution procedure is observed whenever conflict arises.	3.35	A	9
4. Management training is provided to manager, secretary and treasurer to perform their tasks accordingly.	3.51	A	5
5. The cooperative has functional computerized accounting system to ensure the accuracy of reports.	3.51	SA	6
6. Internal and external audits are done regularly.	3.30	A	10
7. During monthly Board of Directors' meetings, interpretation and analysis of financial statements are discussed.	3.58	SA	3
8. Published financial reports are distributed to members during general assembly.	3.64	SA	2
9. Duly approved laws are considered in electing officers of the cooperative.	3.57	SA	4
10. Status of operation of the cooperative is part of the agenda during the annual general assembly.	3.68	SA	1
Composite Mean	3.50	SA	

Legend: 3.50 – 4.00 = Strongly Agree (SA); 2.50 – 3.49 = Agree (A); 1.50 – 2.49 = Disagree (D); 1.00 – 1.49 = Strongly Disagree (SD)

The item which garnered the second highest weighted mean (3.64) is the distribution of published financial reports to the members during general assembly. The respondents strongly agree with this item mainly because this may be one of their organization's practices during annual assemblies, not to mention the fact that this is also mandated by the concerned regulating agency.

With regards to financial reporting, Cooperative Development Authority mandates cooperatives to make their financial reports understandable, relevant, material, reliable, substantive, prudent, complete, comparable, timely, and balanced. This shall also be presented at least annually in a format that is compliant with the Philippine Financial Reporting Framework for cooperatives [1].

The respondents also strongly agreed with the statement that during monthly board of directors' meetings, interpretation and analysis of financial statements are discussed. This means that in their respective organizations, those who have most control of the cooperative's financial conditions is allotting due importance and diligence in analyzing the financial statements to ensure that the cooperative's gains are outweighing the losses.

It is important that financial statements are analyzed because these are tools used by companies in managing the business. In usual practice, financial statements are analyzed horizontally and vertically, both with the aim of understanding how the various portions of the financial statements are affecting business outputs. These reports also give internal and external stakeholders of an organization ideas regarding business activities maintenance and help them evaluate the overall financial performance of the business [6].

Although agreed by the respondents, internal and external audits are being done regularly in the cooperative (3.30) ranked last. This may be attributed to the fact that aside from these activities are very much tedious to do, these also entail significant costs to the business. This is supported by Keng [7] who made mention that financial audits are expensive due to two main reasons. First, an auditor, who usually happens to be a certified public accountant, is risking his or her reputation when conducting an audit. It is finding a balance between satisfying the client and making sure that the work is done in the way it should be. Second, conducting audits requires immense labor and time because unlike any other services, audits cannot be automated.

Table 4
Performance of Cooperatives as to Production and Quality of Outputs

Indicators	WM	VI	Rank
1. Cooperative employees have been properly trained on efficient production and delivery of services	3.42	A	8
2. The cooperative always provides training and technical support to improve production methods and delivery of services among its employees.	3.52	SA	1.5
3. The cooperative has the capacity to distribute goods and services based on customer's expectation.	3.48	A	6.5
4. The cooperative develops and applies up-to-date technology to make the production of goods/ delivery of services more efficient.	3.48	A	6.5
5. Additional goods and services are offered to expand its business operations and meet the needs of its members.	3.49	A	5
6. There is growth in cooperative's production due to an increase in market demand.	3.50	SA	3.5
7. Inventory of goods is maintained to ensure that the needs of the members are met.	3.32	A	9
8. The appearance of the physical facilities of cooperative is well-maintained.	3.30	A	10
9. The cooperative has documented procedures on the production process and/or service.	3.50	SA	3.5
10. The cooperative provides prompt service to its members/customers.	3.52	SA	1.5
Composite Mean	3.45	A	

Legend: 3.50 – 4.00 = Strongly Agree (SA); 2.50 – 3.49 = Agree (A); 1.50 – 2.49 = Disagree (D); 1.00 – 1.49 = Strongly Disagree (SD)

Table 4 presents the organizational performance and practices adopted by the cooperatives in improving their productivity and business performance. As seen in the table, the respondents agree that the organizations where they are currently employed are performing well when it comes to their production capability. This is manifested by the composite mean of 3.45.

The cooperative always provides training and technical support to improve production methods and delivery of services among its employees (3.52) ranked highest. It only shows that these top performing multi-purpose cooperatives in Batangas City are putting their maximum efforts in making sure that employees/workers get continuous trainings and development to keep them abreast with the evolving demands of the market. According to Hearn [8], continuous training for employees helps improve performance. When employees are continuously trained, they would be able to do their job better than their usual. It is because they become more skilled, aware of the business processes and the organization itself, and most importantly, they become more confident. This would create a positive ripple effect to the company because when employees reach a higher level of performance, it follows that the company also benefits in the long run.

In the same rank with indicator number two (2), is the item which indicates that the cooperative provides prompt service to its members/customers. It means that the cooperatives are considering customer service as an important tool in retaining customers. This emphasizes the way how these cooperatives value their customers because without them, the business would not be as profitable as it is at present. Listening to customers really matters because this makes them feel that they are valued. However, it must be noted that it should not end with just mere listening. This should always be coupled by timely and accurate response to their concerns. Listening without responding is worse than simply ignoring them. The response need not to be that big because what matters is that the customers get the satisfaction that they deserve [9]. This was seconded by Sorger [10] who said that empathy and responsiveness are critical factors in achieving customer satisfaction.

The indicators were followed by the items which postulate that there is growth in cooperative's production due to an increase in market demand and the cooperative has documented procedures on the production process and/or service, both with a weighted mean of 3.50, verbally interpreted as strongly agree. This just underscores how effective the cooperatives are in producing their products and/or services for consumption of the customers which leads to an increase in consumer demand. According to

Pagoso, et al [11] this concept is very much supported by the popular law of supply and demand. To achieve equilibrium, an increase in demand should also cause the supply to increase, otherwise, the price would be conversely affected and so are sales.

With regards to the ability of the cooperative to document the process of production, this is indeed a vital indicator in assessing the performance of an organization. As mentioned by Juneja [12], the primary benefits of being able to document the processes are the following: it reduces vagueness in operations, it can serve as a training module or material for new employees, and lastly, it can be a tool for the marketing department to better understand what the organization can offer which must be highlighted in each marketing endeavor that it undertakes.

Meanwhile, the effort of the cooperatives to maintain the appearance of their physical facilities got the lowest weighted mean of 3.30, but still verbally interpreted as agree. This implies that the cooperatives might have diverted most its efforts to other operational expenses and activities than focusing on improving the appearance of their facilities.

Aside from that, Mack [13] pointed out that a pleasant ambiance sends a good impression to the customers. Failure to address this issue would result to the customers' decision of considering other competitors. Inventory management, on the other hand, may be one of the areas that these cooperatives need to improve to ensure that goods and services are available whenever members' needs arise. It is according to Ogbo and Ukpere [14] that inventory control management is an important factor in achieving organizational performance. It was revealed that the organizations benefit from an efficient inventory control management through easy storage and retrieval of material, improved sales effectiveness, and reduced operational cost.

Table 5 illustrates the performance of cooperatives in terms of market linkages and business relations. This dimension sought to analyze how and to what extent are cooperatives developing and implementing their business strategies. Based on the result of the survey, the respondents strongly agree (3.51) that the cooperatives have a good performance in this dimension.

Obviously, the respondents are in strong agreement that their respective cooperatives were able to develop marketing materials like business cards, name plaque for exhibitions, office signposts, tarpaulins, and leaflets, gaining the highest weighted mean of 3.66. This may be attributed to the fact that these marketing paraphernalia are the most common means of making an organization's presence be felt in the market.

Table 5
Performance of Cooperatives as to Market Linkages and Business Relations

Indicators	WM	VI	Rank
1. The cooperative regularly conducts a market study to meet client expectations.	3.21	A	10
2. The cooperative has developed marketing materials like business cards, name plaque for exhibitions, office signposts, tarpaulins, and leaflets.	3.66	SA	1
3. The cooperative has a marketing plan.	3.53	SA	5.5
4. The cooperative has a marketing committee that provides market information to members.	3.60	SA	3
5. The cooperative establishes a good working relationship with its suppliers.	3.53	SA	5.5
6. The cooperative works together with other cooperatives to serve their members most effectively and strengthen the cooperative movement.	3.59	SA	4
7. The cooperative reaches out to the community through corporate social responsibility programs.	3.49	A	7
8. The cooperative has written criteria in choosing the suppliers of the goods and services it offers.	3.41	A	9
9. The cooperative has contracted with suppliers to ensure timely delivery of goods and services.	3.41	A	8
10. The cooperative considers feedbacks of customers/members to ensure the quality of goods and services rendered.	3.64	SA	2
Composite Mean	3.51	SA	

Legend: 3.50 – 4.00 = Strongly Agree (SA); 2.50 – 3.49 = Agree (A); 1.50 – 2.49 = Disagree (D); 1.00 – 1.49 = Strongly Disagree (SD)

With the advent of technology, many businesses have shifted their advertising funds towards online marketing. However, given this circumstance, print advertising is still a very reliable option for some reasons.

Second in rank is the item saying that the cooperative considers feedbacks of customers/members to ensure the quality of goods and services rendered (3.64), verbally interpreted as strongly agree. This means that the success of the concerned multi-purpose cooperatives is, in one way or another, a result of being an organization that values the feedback, comments, and suggestions of its clients.

Customer feedback allows business organizations to assess how the customers rate their products as compared to competitors' products. It is pointing out whether the company is doing things right or not, at least in the perspective of the user. On the other side, this feedback also gives the company an idea on how their employees are treating the customers [15].

A little bit behind the previous item is indicator number 4 with a weighted mean of 3.60. This posits that the cooperatives were able to establish a marketing committee

and provides market information to members. Since the respondents belong to top performing cooperatives and majority of which are large in classification, it is without a doubt that marketing committee and/or offices are present in the workplace.

Meanwhile, the statement which states that the cooperative regularly conducts a market study to meet client expectations got the lowest weighted mean of 3.21 (agree). It is possible that this is due to the complexities and numerous constraints embedded in conducting a regular market study. Market research projects would really demand for a significant budget from the company or external sources if the company cannot solely rely on its own cash flow [16].

The practice of cooperatives of creating a written criteria in choosing the suppliers of the goods and services it offers earned the second lowest weighted mean of 3.41. It is a common practice in business that there should be a criteria in selecting the suppliers who will provide the goods that are for sale to the end-users. However, in the case of cooperatives, most of the products and/or services offered to members are no longer sourced out because this type of businesses has the ability to produce it on its own.

Table 6
Internal Challenges faced by the Cooperatives

Indicators	WM	VI	Rank
1. Inadequate capital to sustain operations.	1.86	D	9
2. Lack of management experience and knowledge of key employees.	1.98	D	4
3. Poor accounting system and record keeping of member accounts.	1.74	D	14
4. A large amount of loan issued to members, but the rate of recovery is very low.	2.16	D	2
5. Weak asset/liability management.	1.88	D	7
6. High employee turnover.	2.00	D	3
7. Lack of leadership skills.	1.89	D	6
8. Lack of commitment from officers to find out the problems of cooperative and to fill the identified gap.	1.82	D	13
9. Poor management and planning.	1.70	D	15
10. Lack of effective means of communication to reach members and customers.	1.83	D	12
11. Insufficient funds for the acquisition of facilities and equipment.	1.85	D	10
12. No portion of savings is kept for future investments.	1.83	D	11
13. Constitution and by-laws are not followed.	1.90	D	5
14. Dishonesty and corruption of officials.	1.87	D	8
15. Small budget allocation for employee development.	2.18	D	1
Composite Mean	1.90	Disagree	

Legend: 3.50 – 4.00 = Strongly Agree (SA); 2.50 – 3.49 = Agree (A); 1.50 – 2.49 = Disagree (D); 1.00 – 1.49 = Strongly Disagree (SD)

Table 6 shows the internal challenges faced by the cooperatives based on how their respective employees perceive it. Over all, the indicators presented were disagreed (1.90) by the respondents which only means that these challenges are barely encountered in these organizations, and if so, these are immediately managed to prevent any hampering in the business operations.

The result reveals that among these 15 items, small budget allocation for employee development got the highest weighted mean score of 2.18. This just goes to show that even efforts to continuously train the employees are evident reforms and improvements on company policies may still be looked into. The range of skills that each employee must acquire is continuously increasing, therefore, the budget for training of every business organization must go the same direction. These trainings should be of quality to be able to justify the cost of providing it. One of the effective ways to deliver this is by making sure that there is an existing strong line of communication among managers who, in general, are the ones demanding for these trainings for their people [17].

Second in the list is the low rate of recovery to large amount of loans issued to members (2.16). This problem is quite common among cooperatives regardless of its classification. Taking it from the experience of agricultural cooperatives in India as stated in the study of Mazumder [18], one of the effects of low recovery rates on loans is increased number of borrowers who are always in default with their obligations which causes the borrowing power to be reduced also. If this instances would continue to happen, then institutions like cooperatives will not be able to get funds and consequently disallow these businesses to extend new loans to other members.

Finally, item number eight (8) got the third to the lowest weighted mean. This means that the respondents disagree that their respective organizations' officials are failing to find out the problems of cooperative and to fill the identified gap. This is very much an unlikely characteristic of officials belonging to a top performing cooperative. Chamber of Commerce of Metropolitan Montreal [19] manifested that challenges are inevitable, most especially for growing businesses. The key in hurdling these challenges is being able to quickly recognizing these problems or pitfalls to enable the business to continuously thrive. This is a component of effective leadership. Along with this component is also the ability of the officials to transform challenges to opportunities.

Table 7 presents the comparison of responses on the performance of cooperatives as to management structure and accounting system when grouped according to firmographic profile.

Table 7
Difference of Responses on the Assessment of Performance of Cooperatives as to Management Structure and Accounting System When Grouped According to Profile

Firmographic Profile	F-value	p-value	I
Area of Operation	2.566	0.055	NS
Classification as to asset size	3.743	0.025	S
Bond of Membership	1.576	0.209	NA

Legend: Significant at p-value < 0.05

It was observed that there was a significant difference when grouped according to classification according to asset size since the computed p-value of 0.025 was less than 0.05 alpha level. Based from the post hoc test conducted, it was found out that those whose asset size was above P100 million have a better performance as to management structure and accounting system. It is a common notion that in accounting, one size doesn't fit all. This implies that the way how small companies account their books is way different from the way how large businesses do it. As a business grows, volume of transactions also increases which somehow spells the difference. Also, in large companies, internal controls are quite spread among more experts to ensure that errors and fraud would not be possible. Business organizations have more employees, thus, they are capable of delegating duties to a larger pool of employees as compared to small ones [20].

Table 8
Difference of Responses on the of Performance of Assessment Cooperatives as to Production and Quality of Outputs When Grouped According to Profile

Firmographic Profile	F-value	p-value	I
Area of Operation	1.640	0.180	NS
Classification as to asset size	2.407	0.092	NS
Bond of Membership	1.146	0.319	NS

Legend: Significant at p-value < 0.05

As seen from the table 8, all computed p-values were greater than 0.05 alpha level, thus the research fail to reject the null hypothesis. This means that there was no significant difference found and the result implies that the responses do not vary statistically. This just goes to show that regardless of profile of any cooperative, production and quality of outputs remain the same.

Indeed, determining the criteria or definition of quality for each customer is hard to do. However, it is in quality products where a positive and satisfying customer experience starts. It is also believed that quality is of greater importance as compared to quantity.

Table 9

Difference of Responses on the Assessment of Performance of Cooperatives as to Market Linkages and Business Relations When Grouped According to Profile

Firmographic Profile	F-value	p-value	I
Area of Operation	2.244	0.083	NS
Classification as to asset size	3.257	0.040	S
Bond of Membership	1.507	0.223	NS

Legend: Significant at $p\text{-value} < 0.05$

Table 9 displays the comparison of responses on the performance of cooperatives as to market linkages and business relations when grouped according to firmographic profile. It was observed that there was a significant difference when grouped according to classification according to asset size since the computed p-value of 0.040 was less than 0.05 alpha level. This means that there was a significant difference that exists and based from the post hoc test conducted, it was found out that those whose asset size was above P100 million have a better performance as to market linkages and business relations.

According to Schenck[21], the basics of marketing strategies don't differ between small and big companies. However, the factors underlying these strategies is where the line is drawn. The bigger companies usually allot six figures to create advertisements to make a name for themselves. On the other hand, small businesses have a different approach. Considering the budget limitations and constraints, small businesses ensure that their advertisements have to make immediate and measurable impact to the enterprise.

Despite the differences, each marketing effort makes sure that a return on investment is achieved without defeating the main purpose of creating communication channels that would help the company build its identity to generate sales.

Table 10

Relationship Between the Cooperative Performance and Challenges Faced by Cooperatives

	r-value	p-value	I
Management Structure and Accounting System	-0.502**	0.000	HS
Production and Quality of Outputs	-0.499**	0.000	HS
Market Linkages and Business Relations	-0.555**	0.000	HS

Legend: Significant at $p\text{-value} < 0.01$

Table 11 shows the association between cooperative performance and the challenges they faced in the business. The resulted r-values indicates a moderate negative correlation and the computed p-value were all less than 0.01 alpha level. This means that there is a significant relationship

and based from the result, it shows that the better the performance of the cooperative, the lesser problems encountered. A good performing business may be credited to its exceptional leaders. These leaders or officials are those who maneuver the business to hurdle the problems that arise. They help an organization to be productive and attain business goals. Without these strong and strategic leaders, an organization would be placed in immense danger, not to mention the ballooning problems that would slow down business operations [22].

CONCLUSIONS AND RECOMMENDATIONS

Majority of the respondents belongs to a multi-purpose cooperative operating nationwide, classified as large cooperative, and has an institutional bond of membership. The employees of the top performing cooperatives in Batangas City are in agreement that in terms of management structure and accounting system, production and quality of inputs, and market linkages and business relations, the organizations, these cooperatives are performing well. The respondents disagree that the cooperatives, where they currently belong, are facing serious internal challenges. There is no significant difference on the responses regarding the performance of selected multi-purpose cooperatives in terms production and quality of inputs. On the other hand, a significant difference exists on the respondents' assessment of the performance of selected multi-purpose cooperatives when it comes to management structure and accounting system and market linkages and business relations, particularly in terms of the cooperative's asset size. There is a significant relationship between the performance of cooperatives and the internal challenges faced by them.

It is recommended to improve and retain the efficiency of the cooperatives, they may consider to continue investing on functional accounting system and software in generating their financial reports. The cooperatives may further strengthen their quality control mechanism, not only of the inputs, but also of the outputs to ensure that the needs of the market are satisfied. A regular or periodic training needs assessment may be conducted among the employees to address the gaps between what is already known and what needs to be learned. The cooperatives may consider making stronger presence in the digital space to reach more clients and be of swifter service to them.

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