

MANAGEMENT Practices and Managerial Skills as Predictors of Cooperative Performance in REGION XI

April Rose Dianne Abella¹, Presentacion C. Acosta²

¹Graduate Student, University of the Immaculate Conception, Davao City, Philippines
Corresponding e-mail: abella.aprilrd@gmail.com

²Graduate School Department, University of the Immaculate Conception, Davao City, Philippines
Corresponding Author's e-mail: pacosta@uic.edu.ph

ABSTRACT

This study aimed to examine how management practices and managerial skills influenced the performance of cooperatives in Davao Region. The study employed a quantitative research design, specifically the descriptive correlational, where 300 respondents participated in the survey. A purposive sampling design was used to select the respondents who are employees of either multi-purpose, producer, or agriculture cooperatives and have been employed for at least one year in the cooperatives. Utilizing an adapted survey questionnaire and appropriate statistical methods, the study found that the overall management practices, managerial skills, and cooperative performance were very high. Furthermore, the findings revealed that management practices and managerial skills significantly influence cooperative performance. Also, the study found that only management practices significantly influence cooperative performance in a singular capacity. A unit increase in the management practices is an equivalent increase in cooperative performance, holding other variables constant.

KEYWORDS: *Business management, cooperative performance, management practices, managerial skills, quantitative*

INTRODUCTION

Cooperative performance impacts the economic, social, and cultural requirements of every member and the financial sustainability of cooperatives (Smith, 2022). Cooperatives exist to help improve the economic status of their members and the community by creating jobs and providing additional income through profit and dividend sharing (Shakir et al., 2020). However, there are obstacles to their performance, as revealed in the study of Singh and Jain (2021). They pointed out that several cooperatives in India faced challenges, particularly inadequate management training, a lack of business skills, and insufficient resources for managerial functions. Moreover, results from the National

Cooperative Development Authority (CDA, 2018) study on the country's cooperatives showed that only 30 percent are performing well. Further, the study also indicated that among the causes of the failure of cooperatives were lack of capital, poor management, lack of training for members and staff, and lack of government support. In addition, Cortes and Muñoz (2018) revealed that the performance of many cooperatives in Mindanao was affected by the issues they faced, particularly insufficient leadership, lack of transparency and accountability, and poor financial management.

Cooperative organizations aim to improve the operational capabilities of everyone within the organization, eventually leading to improved performance and success of a cooperative (Maria et al., 2019). Kebreab (2018) revealed that it is essential to understand how these organizations are effectively managed and enhanced. By doing so, cooperatives can improve their management and effectiveness, leading to increased economic empowerment for members and sustainable development for the communities in which they operate. In addition, Basu and Basu (2014) noted that by understanding factors that influence cooperative performance, researchers and policymakers can promote the success of cooperative organizations and their contributions to social and economic development.

Various studies have shown empirical evidence of the relationship between managerial practices and cooperative performance as managerial skills and cooperative performance. Implementing effective managerial skills enhances financial performance, operational efficiency, market competitiveness, and member satisfaction (Asante et al., 2022). Moreover, Ajaero and Emejulu (2021) found that managerial skills (including technical, human, and conceptual skills) significantly impact cooperative performance, including member satisfaction, financial performance, and growth. Empirical evidence exists about the positive relationship between effective management practices and cooperative performance (Serra & Kunc, 2015). Similarly, Saenger et al. (2018) emphasized that effective management practices are essential for cooperative performance.

The present study's focal point is to provide a closer look at the performance of cooperatives in the context of management practices and managerial skills as perceived by their employees in the Davao Region. Although several works correlate and connect the measures used in the study, the researcher did not find any similar study in the region where all the variables are used in single research. The lack of research in the region made this research more interesting to conduct locally. This study would then drive cooperatives and government agencies to gauge by looking closely at the cooperative's

management practices and managerial skills to enhance their cooperative performance. In addition, the need to delve into the understanding of cooperative performance is imperative to the local and national economies, as they provide employment and capital.

Theoretical Lens

This study on cooperative performance is anchored on the Contingency Theory by Fiedler (1964). The contingency approach proposes that performance results from the fit between factors, e.g., structure, culture, technology, people, and strategy (Tosi & Slocum, 1984). Conceptually, the effect of one variable on another depends on some third factor, indicating that there is no one best way to manage. Contingency theorists use the concept of fit to capture the relationship between the context and organizational characteristics, which is assumed to contribute to enhanced performance outcomes. The theory suggests that effective cooperative performance, management practices, and managerial skills depend on the appropriate fit between various factors, allowing for a nuanced understanding of their impact and the ability to tailor strategies for optimal outcomes. This theory also emphasizes recognizing the significance of situational context and adaptability, considering skills and practices as crucial factors shaping overall performance.

Given the theory provided above, the following are the researcher's propositions. Proposition 1 – Contingency Theory suggests that finding the fit between a cooperative's strategy, structure, and environment is crucial for its performance. A cooperative's strategy should be aligned with its external environment and resource dependence, while its structure and governance should be designed to fit its size and complexity. Proposition 2 – Administrative Management theory suggests that management practices influence cooperative performance. Proposition 3 – Resource-Based Theory suggests that effective managerial skills are vital to developing and leveraging valuable resources and capabilities to enhance a cooperative's competitiveness, resulting in better cooperative performance.

METHODS

Research Design. This study used a descriptive research design to evaluate the cooperative performance as perceived by cooperative employees, considering the cooperatives' management practices and managerial skills. This design helped to identify the level of Management Practices, Managerial Skills, and Cooperative Performance. Additionally, a Correlational research design is a

type of research design that aims to investigate the relationship between two or more variables (Creswell, 2014). It measures the intensity and direction of the linear association between variables.

Research Locale and Respondents. The respondents of this study were 300 employees of either multi-purpose, producers, and agriculture cooperatives in Davao Region (Region XI), Philippines, which includes the provinces of Davao del Sur, Davao del Norte, Davao Occidental, Davao de Oro, and Davao Oriental. The researcher selected this location as the place to conduct the study since the Davao region has enough cooperatives, 2,270 registered, based on the Cooperative Masterlist as of December 31, 2021, of the Cooperative Development Authority (CDA). Moreover, this manifests that enough respondents participated in the study. Since the target participants are employees of either multi-purpose, producers, or agriculture cooperatives, the researcher sorted out all cooperatives in the region classified as multi-purpose, producer, or agriculture cooperatives for them to qualify for the study. After all the cooperatives were classified, the final selection of the study participants was based on the purposive sampling design, which selected the study respondents who had been employees of the cooperatives for at least one year.

Research Instruments. The study adopted survey instruments from three different studies. The instrument for Management Practices was adapted from Mina et al. (2022) with four indicators, Managerial Skills was based on Arrascue-Lino et al. (2021) with four indicators, and Cooperative Performance was taken from De Guzman-Asi (2021) with five indicators. All adapted instruments garnered a Cronbach's alpha value with good reliability scores.

Data Gathering Procedure. In data collection, the researcher utilized the face-to-face approach to maximize the time needed to collect the data for the analysis. Enumerators were used to gather data. They were hired according to the qualifications set by the researcher, and all the enumerators came from the locality of the target area of enumeration. The enumerators were in close coordination with the cooperative where the respondent is employed, and asking in the locality was also an effective approach to reach out to these participants. The survey lasted 10 to 15 minutes per respondent and was floated for two months, from October 2023 to November 2023.

Statistical Tools. Mean scores were used to determine the level of management practices, managerial skills, and cooperative performance as

perceived by cooperative employees. The study also used the standard deviation to determine how far individual responses to a question differed or deviated from the mean. Furthermore, the correlation coefficient (Pearson R) was utilized to measure the relationship between management practices and cooperative performance, as well as managerial skills and cooperative performance, which needed to be tested under the assumption that the data were normally distributed. Finally, regression analysis was employed to determine the influence of management practices and managerial skills on cooperative performance as perceived by cooperative employees in the Davao Region.

Ethical Statement

The UIC Research Ethics Committee evaluated the paper before conducting the survey. Thus, participants' full consent was obtained before the survey questionnaires were distributed, and their privacy protection was ensured, assuring them of the confidentiality of their answers. The respondents were asked to sign the informed consent form during data gathering. Likewise, enumerators collected the questionnaire at the most convenient time for those respondents who could not complete the questionnaire at once, as indicated in the form. The study also cited all sources correctly.

RESULTS

Table 1
Level of Management Practices among Cooperatives in Region XI

Item	SD	Mean	Descriptive Level
Planning			
1. The board of directors is involved in developing the cooperative strategic plan to ensure that the cooperative remains financially sound and can maintain its reserves	0.54	4.65	Very High
2. The board of directors is responsible for being alert to the need for a new or changed policy and thoughtfully deliberate issues and policy proposals	0.66	4.53	Very High
3. The board of directors creates standards of performance for the top management to achieve their vision and mission statements	0.68	4.48	Very High

4. The board of directors directs, guides, and controls the top management in formulating, implementing, evaluating, and controlling objectives, policies, and strategies	0.65	4.50	Very High
5. The board of directors makes ways on how to increase the number of their members	0.74	4.43	Very High
6. The manager assists the directors in developing the overall goals and objectives of the business	0.57	4.58	Very High
7. The manager designs the operating procedures and makes financial projections	0.58	4.61	Very High
8. The manager is responsible for making yearly plans and projections	0.59	4.54	Very High
9. The manager makes annual projections of balance sheets and operating and cash flow statements	0.61	4.54	Very High
10. The manager sets goals and objectives for the day-to-day operations of the business	0.62	4.54	Very High
Category Mean	0.49	4.54	Very High

Organizing

1. The board of directors approves a competitive wage and salary plan plus the benefits packages for their staff	0.67	4.46	Very High
2. The board of directors employs and appoints personnel based on merit and fitness and organizes pre-membership seminars both for the officers and members	0.73	4.33	Very High
3. The board of directors furnishes physical facilities and equipment/tools necessary for the efficient operation of the cooperatives	0.71	4.36	Very High
4. The board of directors groups all the cooperative's resources, both physical and human, according to their functions in the most appealing method for the members and non-members	0.70	4.40	Very High
5. The board of directors performs its roles in human resource activities by hiring a competent manager and staff and designing the overall organizational structure	0.82	4.32	Very High
6. The board of directors undertakes activities for the efficient and effective implementation of the provisions	0.75	4.38	Very High

7. The manager develops personnel organization charts that show employee relationships	0.65	4.43	Very High
8. The manager hires, trains, and makes work assignments for the employees	0.66	4.50	Very High
9. The manager is responsible for grouping operational processes assets and establishing their relationships for efficient day-to-day business operations	0.61	4.51	Very High
10. The manager writes the job description of each employee and establishes acceptable levels of performance	0.73	4.39	Very High
Category Mean	0.55	4.41	Very High
Directing			
1. The board of directors approves membership applications and makes recommendations on the day-to-day operations	0.70	4.46	Very High
2. The board of directors delegates responsibility with the appropriate authority and predetermined measures of accountability	0.59	4.48	Very High

3. The board of directors focuses on approving short-term and medium-term plans of the manager and reviews reports to decide on long-term plans	0.64	4.49	Very High
4. The board of directors supervises regular performance evaluation of employees and gives rewards or incentives to deserving employees as well as members and officers for reasonable cause	0.73	4.39	Very High
5. The board of directors organizes at least once a month regular meetings for the members of the board and a yearly general assembly for the members where they disseminate significant developments or activities of the organization.	0.59	4.59	Very High
6. The board of directors sets well-defined, clearly understood, and consistently administered policies	0.63	4.48	Very High
7. The manager coaches and leads the employees, members, and customers of the cooperatives	0.64	4.50	Very High
8. The manager creates positive employee working conditions and acts as liaison and spokesperson for the cooperative business	0.59	4.52	Very High

9. The manager is responsible for internal and external interpersonal relationships of the cooperative	0.60	4.51	Very High
10. The manager takes full responsibility for staffing, training, and mobilizing the personnel under their supervision	0.60	4.49	Very High
Category Mean	0.49	4.49	Very High
Controlling			
1. The board of directors complies immediately with the orders and directives of the Cooperative Development Authority	0.55	4.60	Very High
2. The board of directors ensures acceptable performance in all phases of the business	0.57	4.53	Very High
3. The board of directors interprets trends and results and knows when to initiate corrective actions	0.63	4.46	Very High
4. The board of directors ensures the submission of the annual and audited financial reports to the Cooperative Development Authority	0.65	4.53	Very High

5. The board of directors prevents unauthorized actions and keeps the members informed of the progress of cooperatives	0.61	4.50	Very High
6. The manager ensures satisfactory performance in all phases of the business	0.60	4.47	Very High
7. The manager executes board policies in the cooperative	0.66	4.50	Very High
8. The manager keeps an inventory management control system over the assets of the cooperative	0.61	4.48	Very High
9. The manager measures and evaluates the results of the employee performance	0.57	4.53	Very High
10. The manager takes corrective actions about the unmet goals and objectives	0.58	4.53	Very High
Category Mean	0.48	4.51	Very High
OVERALL	0.47	4.49	Very High

Presented in Table 1 is the level of management practices among cooperatives in Region XI. The overall level of management practices, as evaluated by the respondents, got a mean of 4.49, which is very high, meaning management practices are very favorable, as experienced by the respondents. The standard deviation of 0.47 implies consistency of the responses.

The management practices in terms of planning, with a mean score of 4.54, indicate a very high level of management practices. Cooperative employees find the planning initiatives very favorable, where the board establishes strategic direction and oversees management to ensure financial stability and policy development. At the same time, the manager executes daily operations and sets financial goals. This finding is consistent with Van Der Vliet and Gloy's (2018) study, which states that cooperatives with effective planning processes are more likely to be successful. This includes bottom-up participation, collective decision-making, and long-term strategic vision in formulating effective plans (De Vega-Alonso & Jurado-Ruiz, 2019). Boland and O'Gorman (2011) also added that environmental analysis, goal setting, action planning, and continuous evaluation are involved.

The management practices in organizing reflect a mean score of 4.41, translating to a very high level of management practices. Cooperative employees find the organizing practices of the management very favorable, and the board's commitment to competitive packages, training, and optimized resource allocation creates an enabling environment. On the other hand, the manager's focus on organizational structure, skilled staff, and clear expectations translates into a thriving cooperative where people management is a key driver of success. This result is associated with the study of Curtis and Lintner (2018), which states that cooperatives with effective organizing processes are more likely to be successful, indicating that organizing substantially impacts cooperative performance, as O'Boyle and Brosig (2014) mentioned. The organizing practices highlighted by Davis and Reynolds (2012) include transparent decision-making, fair distribution of benefits, and member involvement in key processes crucial for building trust, fostering commitment, and driving organizational effectiveness.

On the other hand, management practices regarding directing have a mean score of 4.49, indicating a very high level of management practices. The finding relates to the study of Ugwu et al. (2017), which suggests that effective directing is essential for cooperative success, as it enables them to ensure that resources are used efficiently, activities are coordinated effectively, and members are motivated to achieve common objectives. In the study of Bolton and Dews (2000), these directing strategies are collective decision-making, tapping into members' expertise, and rotating leadership roles to leverage diverse perspectives and promote innovative solutions.

Finally, the results show that management practices in controlling, with a mean score of 4.51, are rated very high, indicating that it is very favorable. This underscores the board's actions that steer compliance and performance

metrics. At the same time, the manager translates policy into action, keeps a watchful eye on inventory, and ensures performance targets hit the mark. This result confirms the previous study of Hisrich and Peters (2013) that suggests cooperatives that can successfully regulate themselves have a higher chance of succeeding since such control can assist cooperatives in achieving their objectives, overcoming obstacles, and laying a solid basis for the future. Plouffe and Pelletier (2010) indicated that using clear performance indicators, regular monitoring, and comparison with similar cooperatives to assess progress, identify areas for improvement, and inform strategic decisions are important controlling processes in cooperatives.

Table 2

Level of Managerial Skills among Cooperatives in Region XI

Item	SD	Mean	Descriptive Level
Motivations and Values			
1. Desiring to accomplish success in their job.	0.55	4.60	Very High
2. Aspiring to take on a leadership role as a boss/manager while remaining unburdened by functional or technical intricacies	0.66	4.44	Very High
3. Desiring for a high level of responsibility.	0.62	4.44	Very High
4. Being willing to take risks when making difficult decisions.	0.61	4.45	Very High
5. Desiring to inspect and supervise the activities of their subordinates to ensure efficiency	0.60	4.47	Very High
Category Mean	0.51	4.48	Very High
Analytical Skills			
1. Identifying problems in complex and ambiguous situations.	0.60	4.42	Very High

2. Identifying information needed to solve a particular problem in a quick manner.	0.62	4.44	Very High
3. Evaluating the validity of the information collected.	0.67	4.45	Very High
4. Learning quickly from experience.	0.65	4.43	Very High
5. Finding and implementing different solutions for different problems.	0.63	4.45	Very High
Category Mean	0.57	4.44	Very High

Interpersonal Skills

1. Selecting effective key subordinates.	0.60	4.43	Very High
2. Influencing people over whom you do not have direct control.	0.64	4.33	Very High
3. Developing collaborative and teamwork work among subordinates.	0.58	4.52	Very High
4. Communicating thoughts and ideas clearly and persuasively	0.60	4.46	Very High
5. Developing a climate of growth and development among subordinates.	0.60	4.41	Very High
6. Diagnosing complex interpersonal or group situations.	0.64	4.38	Very High
7. Expressing feelings clearly.	0.60	4.43	Very High
8. Establishing intergroup and cross-functional coordination processes.	0.62	4.41	Very High
9. Developing open and trusting relationships with his subordinates.	0.60	4.49	Very High
10. Listening to other people in an understanding way.	0.60	4.51	Very High

	Category Mean	0.50	4.44	Very High
Emotional Skills				
1. Having the ability to make their own decisions vs dependence on other people's opinions.	0.68	4.36	Very High	
2. Having tolerance for ambiguity.	0.69	4.29	Very High	
3. Following a course of action, even if it makes him feel uncomfortable.	0.72	4.27	Very High	
4. Taking risks and making decisions, even if it can have strong negative consequences.	0.79	4.25	Very High	
5. Facing and resolving conflict situations (vs avoiding or repressing them).	0.67	4.41	Very High	
6. Making decisions with incomplete information in the face of a changing environment.	0.98	4.05	Very High	
	Category Mean	0.63	4.27	Very High
	OVERALL	0.49	4.41	Very High

Table 2 shows the respondents' evaluation of the level of managerial skills, which had a very high overall result, with a mean score of 4.41. The respondents ascertained that their managerial skills, including indicators, motivations, and values, analytical and interpersonal skills, and emotional skills, were very satisfactory. The managerial skills concerning motivations and values have a mean score of 4.48, indicating a very high or satisfactory rating. This entails that cooperative managers seek significant responsibility and are unfazed by risk; they are eager to climb the ladder of success in their roles. They crave autonomy from technical complexities and prioritize rigorous oversight of their teams to optimize efficiency. This finding is consistent with the observation of Soto-Silva et al. (2016) that managers who were highly motivated and committed to the cooperative were better able to build trust and cooperation among members, promote participation and decision-making, and implement

effective management practices. This also aligns with the findings of Ayako (2014) that managers who were highly motivated and committed to the cooperative were better able to create a shared vision and a sense of purpose among members, align resources and activities to meet members' needs, and adapt to changing circumstances.

In addition, managerial and analytical skills, with a mean score of 4.44, are rated very high or very satisfactory. This means that cooperative managers exhibit problem-solving skills by identifying issues in complex situations, quickly determining necessary information for solutions, and evaluating the validity of the collected information. They demonstrate a capacity to learn rapidly from experience and are adept at finding and implementing solutions for different problems. This finding is consistent with the observation of Kiptum and Ochieng (2019) that cooperative managers must have strong analytic skills to analyze financial statements, interpret financial ratios, and make sensible financial decisions. Adewuyi and Akomolafe (2019) also added that managers with good analytical abilities are better equipped to make advantageous judgments for the cooperative. According to Zhang et al. (2017), these analytical skills include analyzing data, identifying inefficiencies, and evaluating new technologies. Baguilat and Trinidad (2022) also emphasized skills in understanding market trends, analyzing competitor behavior, and evaluating financial data.

Consequently, the managerial skills regarding interpersonal skills have a mean score of 4.44, indicating a very high or satisfactory rating. Thus, cooperative managers showcase effectiveness through strategic selection of key team members, influencing individuals outside their direct control, fostering collaboration, excelling in clear communication, creating a growth-oriented environment, adeptly handling complex interpersonal situations, expressing emotions transparently, establishing coordination processes, building trust with subordinates, and demonstrating empathetic listening skills. Thus, Hanisch et al. (2016) found that managers who possess strong interpersonal skills are more likely to promote cooperation among members, foster positive relationships with external partners, and improve the overall performance of the cooperative. Davis and Reynolds (2012) identified interpersonal skills like effective communication, active listening, empathy, and collaboration as vital traits of successful cooperative leaders. In addition, Li and Liang's (2016) study revealed that strong interpersonal skills among cooperative administrators positively affected the organization's financial performance.

Lastly, results reveal that the managerial skills concerning emotional skills, with a mean score of 4.27, are rated very high or very satisfactory. This shows that cooperative managers demonstrate autonomy in decision-making, tolerance for ambiguity, willingness to pursue uncomfortable courses of action, taking calculated risks despite potential negative consequences, addressing and resolving conflicts rather than avoiding them, and making decisions based on incomplete information in a dynamic environment. This is explained by the study of Sarker et al. (2017) that cooperative managers with higher emotional intelligence are better able to build trust, communicate effectively, and develop positive relationships with members, which in turn enhances cooperative performance. This also aligns with the findings of Singh (2017), which revealed that cooperative managers must comprehend and control their emotions to be motivated, effectively communicate, make wise judgments, address issues, and lead others. According to Lee and Yu (2020), managers with high EQ demonstrate empathy, self-awareness, and self-regulation, enabling them to connect with members, handle conflict effectively, and create a positive work environment, increasing satisfaction and commitment.

Table 3
Level of Cooperative Performance in Region XI

Indicator	SD	Mean	Descriptive Level
Legal Status and Planning Strategy			
1. Complying with the requirements of CDA on time	0.47	4.46	Very High
2. Having up-to-date compilation of required documents such as Articles of Cooperation, copies of by-laws, statutes, and regularly scheduled meetings.	0.53	4.71	Very High
3. Regularly prepare and submit financial reports on time.	0.55	4.66	Very High
4. Providing leadership and financial training to improve the effectiveness of the board of directors	0.61	4.62	Very High
5. Preparing annual budget as a basis for capital outlay	0.51	4.75	Very High
6. Having a detailed short-term action plan as the basis for its day-to-day operations in response to the goals and objectives set by the board.	0.63	4.53	Very High

7. Preparing detailed strategic plans based on available and factual information and assumptions regarding the future.	0.58	4.57	Very High
8. Having its Board members/management committee participate actively in meetings regularly.	0.49	4.72	Very High
9. Complying with the rules and regulations set by the government.	0.45	4.79	Very High
10. Following administrative and operational manuals.	0.56	4.62	Very High
Category Mean	0.39	4.67	Very High

Management Structure and Accounting System

1. Having an effective organizational structure.	0.62	4.55	Very High
2. Having delineated duties and responsibilities of the employees in their contract.	0.58	4.51	Very High
3. Having a grievance resolution procedure observed whenever conflict arises.	0.69	4.40	Very High
4. Implementing management training provided to managers, secretaries, and treasurers to perform their tasks productively.	0.56	4.63	Very High

5. Having a functional computerized accounting system to ensure the accuracy of reports.	0.55	4.64	Very High
6. Having regularly scheduled the internal and external audits.	0.59	4.65	Very High
7. Conducting analysis and discussion on the financial statements	0.53	4.68	Very High
8. Publishing and distributing copies of the financial reports to members during the general assembly.	0.52	4.68	Very High
9. Considering the duly approved laws for electing officers of the cooperative,	0.54	4.70	Very High
10. Including the status of the operation of the cooperative as part of the agenda during the annual general assembly.	0.48	4.70	Very High
Category Mean	0.41	4.61	Very High

Production and Quality of Outputs

1. Employees have been properly trained in efficient production and delivery of services.	0.60	4.52	Very High
---	------	------	-----------

2. Providing training and technical support to improve production methods and delivery of services among its employees	0.61	4.49	Very High
3. Capacitating its employees to distribute goods and services based on customer's expectation	0.59	4.52	Very High
4. Developing and applying up-to-date technology to make the production of goods/delivery of services more efficient	0.60	4.47	Very High
5. Offering additional goods and services to expand its business operations and meet the needs of its members	0.57	4.52	Very High
6. Ensuring growth in cooperative production due to an increase in market demand.	0.56	4.54	Very High
7. Maintaining inventory of goods to ensure that the member's needs are met.	0.70	4.43	Very High
8. Having physical facilities appearance is well maintained	0.62	4.46	Very High
9. Having documented procedures on the production process and/or service delivery.	0.61	4.44	Very High
10. Providing prompt service to its members/customers.	0.55	4.58	Very High

	Category Mean	0.46	4.50	Very High
Market and Linkages				
1. Regularly conducting a market study to meet client expectations.	0.77	4.31	Very High	
2. Developing marketing materials like business cards, name plaques for exhibitions, office signposts, tarpaulins, and leaflets.	0.72	4.41	Very High	
3. Having a marketing plan.	0.68	4.56	Very High	
4. Having a marketing committee to provide market information to members	0.69	4.50	Very High	
5. Establishing a good working relationship with suppliers.	0.58	4.56	Very High	
6. Working with other cooperatives to serve their members most effectively and strengthen the cooperative movement.	0.60	4.55	Very High	
7. Reaching out to the community through corporate social responsibility programs.	0.58	4.62	Very High	

8. Having written criteria in choosing the suppliers of its goods and services.	0.75	4.41	Very High
9. Having contracted with suppliers to ensure timely delivery of goods and services.	0.61	4.47	Very High
10. Considering feedback of customers/members to ensure the quality of goods and services rendered	0.60	4.56	Very High
Category Mean	0.51	4.50	Very High

Recruitment and Member Retention

1. Having clearly defined membership criteria	0.52	4.68	Very High
2. Having a functional strategy for member recruitment	0.64	4.50	Very High
3. Integrating the needs of the members into the planning process	0.59	4.52	Very High
4. Providing awards to top-performing members such as top purchasers, top savers, among others	0.75	4.52	Very High
5. Providing incentives to active members	0.78	4.43	Very High
6. Having an accurate record of member activities	0.72	4.50	Very High

7. Using a referral system to increase the number of members.	0.70	4.50	Very High
8. Having a system for monitoring the performance of each member as the basis for granting dividends, rebates, and other forms of incentives	0.56	4.62	Very High
9. Regularly contacting and communicating with members	0.65	4.49	Very High
10. Providing pre-membership seminars to all interested individuals who want to become a member.	0.60	4.67	Very High
Category Mean	0.49	4.54	Very High
OVERALL	0.39	4.56	Very High

In Table 3, cooperative performance received a very high evaluation from respondents, with an overall mean of 4.56. Specifically, legal status and planning strategy obtained a mean score of 4.67, reflecting a very high level of performance. This indicates that the cooperative promptly meets CDA requirements, maintains updated documentation, submits financial reports on time, provides leadership and financial training for board effectiveness, prepares annual budgets and short-term action plans aligned with board goals, formulates strategic plans using accurate information, ensures active Board participation in meetings, and consistently adheres to government regulations and operational manuals. These findings support Okoye and Obiora (2022), who reported that registered cooperatives demonstrate better financial performance, member satisfaction, and governance practices than unregistered ones. Similarly, Lerman (2015) emphasized that legal frameworks are vital in enabling successful cooperative development.

The cooperative performance in terms of management structure and accounting system, which gained a mean of 4.61, reflects a very high or very satisfactory rating. This entails that cooperatives' strong governance through structure, contracts, fair process, training, digital accounting, audits, financial transparency, by-law elections, and open communication builds trust and empowers members. This finding is consistent with the observation of Castro & Rocha (2019) that effective management structures and a supportive institutional environment led to positive social impacts like improved working conditions for farmers, higher local income generation, and greater community engagement. A management structure can be participatory (Davis & Reynolds, 2012), emphasizes member participation in decision-making, leadership, and governance, decentralized (Bolton & Dews, 2000), emphasizes horizontal collaboration and knowledge sharing among members, or a hybrid (Chizema & Stouten, 2019) that emphasizes flexibility and adaptability that can be tailored to the specific needs and context of each cooperative.

In addition, the cooperative performance regarding production and quality of outputs registered a mean of 4.50, which shows a very high or satisfactory rating. This means the cooperatives have empowered employees, adopting current technology and market-aligned operations, fuel-efficient production, expanded services, and satisfied members/customers. This is explained by Rabbani et al. (2018), who state that placing a premium on quality can enhance competitiveness, increase market share, and achieve lasting success (Hatakka and Maula, 2012). Initiatives such as investing in research and development, adopting new technologies, and continuously adjusting their practices based on data and feedback, according to Chizema and Chitiyo (2017), can maintain high-quality production and adapt to changing market demands.

Consequently, the cooperative performance in market linkages and business relations garnered a mean of 4.50 and has a very high or very satisfactory rating. The cooperative navigates the market with comprehensive research, compelling marketing materials, a focused plan guided by a dedicated committee, robust supplier relationships, cooperative partnerships, ethical sourcing practices, timely deliveries, and prioritizing customer/member feedback for continuous quality optimization. Thus, according to the findings of Abate and Walelign (2019), effective market linkages can provide cooperatives access to larger markets, leading to increased sales, higher prices for their products, and improved profitability. Defourny and Develtere (2019) identified that marketing and brand-building initiatives such as jointly participating in trade fairs, developing shared marketing campaigns, and creating unified brand identities

can increase visibility, reach new markets, and strengthen brand reputation.

Lastly, the cooperative performance in recruitment and member retention, with a mean of 4.54, resulted in a very high or satisfactory rating. Cooperatives drive member loyalty and growth through targeted recruitment, needs-driven planning, rewarding excellence, meticulous record-keeping, referral networks, performance-based rewards, consistent engagement, and pre-membership education. As a result, the findings of Cobia and Donnelly (2018) revealed that recruitment and retention are essential aspects of cooperative administration because they determine the organization's sustainability and growth. In the study of Davis and Reynolds (2012), they emphasized the importance of involving potential members in the recruitment process, providing clear information about the cooperative's values and goals, and ensuring transparency in selection criteria.

Table 4
Correlations between variables

Variables	R-value	p-value	Sig. Level
Management Practices (IV1) and Cooperative Performance (DV)	0.772*	.000	Significant
Managerial Skills (IV2) and Cooperative Performance (DV)	0.609*	.000	Significant

* $p<.05$

The data presented in Table 4 shows the correlation between management practices and managerial skills on cooperative performance. Based on the results, both the independent variables – management practices and managerial skills have a significant correlation ($p<0.05$) with cooperative performance, with Pearson r of .772 and .609, respectively.

Table 5
Significance on the Influence of Management Practices and Managerial Skills on Cooperative Performance

Cooperative Performance					
(Variables)	B	β	t	Sig.	Remarks
Constant	1.63		11.36	.00	
	1		7	0	
Management Practices	.591	.71	12.96	.00	Significan
		2	2	0	t
Managerial Skills	.064	.08		.14	Not
		0	1.458	6	Significan
					t
R	.774				
R ²	.598				
ΔR	.596				
F	221.				
	223				
ρ	.000				

*p<.05

As a model, the r2 of 0.598 connotes that 59.8% of the variation in cooperative performance can be attributed to management practices. This result implies that this study did not cover other variables equivalent to 40.2% that may significantly influence cooperative performance. It can be gleaned from Table 5 that, separately, the management practices significantly influence cooperative performance (p<.05). This means that a unit increase in the management practices is an equivalent increase of cooperative performance of 0.591, holding other variables constant. As a result, the findings are consistent with those of Raynolds et al. (2017), who found a positive relationship between management practices and cooperative performance. Furthermore, Valdez et al. (2018) found a positive correlation between management practices and

performance. This implies that effective management practices, such as regular communication among members, participation in external networks, and formal accounting systems, resulted in higher production, sales, and profitability levels. Finally, Teklewold et al. (2013) made similar findings, showing that cooperatives prioritizing effective management practices have higher product quality, sales, and profitability.

CONCLUSION

Regarding management practices, managerial skills, and cooperative performance, cooperative employees agreed that their management practices and cooperative performance were very satisfactory, while managerial skills were very favorable. All the indicators for management practices, managerial skills, and cooperative performance were very high.

The findings indicated that the combined IVs, management practices, and managerial skills significantly influence cooperative performance. However, only management practices influence cooperative performance in a singular capacity, as supported by a high beta coefficient. It can be deduced that management practices, including planning, organizing, directing, and controlling, significantly influence cooperative performance.

This study strongly supports Resource-Based Theory (RBT), Administrative Management Theory, and Contingency Theory in understanding cooperative performance. According to RBT, highlighting the influence of managerial skills on performance emphasizes the crucial role of harnessing unique resources and their skills on motivation and values, analytical, interpersonal, and emotional skills. Moreover, the study affirms Administrative Management Theory, which stresses the importance of implementing effective management practices like planning, organizing, directing, and controlling. Finally, the study confirms the Contingency Theory as it highlights finding the fit between a cooperative's strategy, structure, and environment for better performance. The confirmation of all theories underscores that holistically addressing internal strengths, streamlining administrative practices, and adapting strategically to external contingencies promotes resilience and sustained success.

REFERENCES

- Abate, G. T., & Walelign, W. S. (2019). The role of market linkages and business relations in the performance of agricultural cooperatives: Evidence from Ethiopia. *Journal of Co-operative Organization and Management*, 7(2)
- Adewuyi, S.A. and Akomolafe, K.J. (2019). Impact of Analytical Skills on Performance of Agricultural Cooperatives in Nigeria. *Journal of Agribusiness and Rural Development*, 53(3)
- Ajaero, C., & Emejulu, C. (2021). Managerial Skills and Cooperative Performance: A Study of Agricultural Cooperatives. *Journal of Agricultural Science*, 13(6). doi: 10.5539/jas.v13n6p1
- Asante, K.O., Amanor, K., Boateng, G.O., & Owusu, A. (2022). The Impact of Managerial Skills on the Performance of Agricultural Cooperatives in Ghana. *International Journal of Economics and Business Research*, <https://www.ajol.info/index.php/ajempr/article/view/228068/215313>
- Ayako, M. (2014). Impact of cooperative management on the performance of agricultural cooperatives in Japan. *International Journal of Business and Social Science*, 5(7)
- Baguilat, A. G., & Trinidad, P. M. (2022). Strategic management practices and business performance of cooperatives in Ifugao, Philippines: Basis for strategic planning model. *International Journal of Management & Entrepreneurship Research*, 4(2)
- Basu, K., & Basu, S. (2014). Cooperative organizations in developing countries: A review of the literature. *Journal of Economic Surveys*, 28(2).
- Boland, K., & O'Gorman, K. (2011). Building strategic capability in cooperatives: A process framework. *Journal of Co-operation*, 53(3-4)
- Bolton, R. H., & Dews, I. (2000). Collective intelligence and distributed leadership in high performing cooperatives. *Management Decision*, 38(3)
- Castro, E. B. C., & Rocha, D. S. (2019). The Role of Institutional Environment in Promoting

- Sustainable Development: Analysis of Agricultural Cooperatives in Brazil. *Sustainability*, 11(13)
- Chizema, A., & Chitiyo, M. (2017). Gender diversity and leadership effectiveness in Zimbabwean agricultural cooperatives. *International Journal of Gender and Society*, 10(2)
- Chizema, A., & Stouten, J. (2019). Horizontal coordination and knowledge sharing: Organizing mechanisms for high-performance cooperatives. *Journal of Management Studies*, 56(8)
- Cobia, D. W., & Donnelly, W. A. (2018). Cooperatives and the importance of recruitment and retention. *Journal of Cooperatives*, 33(1).
- Cortes, R. G., & Muñoz, I. B. (2018). Performance of cooperatives in Mindanao, Philippines. *Journal of International Development Cooperation*, 23(2)
- Creswell, J. W. (2014). *A concise introduction to mixed methods research*. SAGE publications.
- Curtis, Charles F. and Lintner, James M. "The Organization and Management of Cooperatives." 3rd Edition, Iowa State University Press, 2018.
- Davis, J. R., & Reynolds, M. (2012). Democratic ownership and member participation: Organizing principles for successful cooperatives. *Journal of Business Ethics*, 105(3)
- Davis, J. R., & Reynolds, M. (2012). The role of leadership in cooperative success: A comparative study of cooperatives in the UK and France. *Journal of Management Studies*, 49(2)
- De Vega-Alonso, P., & Jurado-Ruiz, C. (2019). Planning and performance in worker cooperatives: A theoretical model. *Journal of Management Studies*, 56(8)
- Defourny, J., & Develtere, P. (2019). The power of networks: How inter cooperative collaboration contributes to success. *Journal of Co-operation*, 61(1)
- Dyzel De Guzman-Asi (2021). Performance of Multipurpose Cooperatives in Batangas: Basis for Business Sustainability Framework. *Asia Pacific Journal of Multidisciplinary Research*, Vol. 8, No. 1, February, 2020

- Hanisch, M., Mußhoff, O., & Schulte, G. (2016). The impact of managerial skills on the economic performance of German agricultural cooperatives. *Journal of Agricultural Economics*, 67(1)
- Hatakka, M., & Maula, M. (2012). Quality certification in cooperatives: Why and how? *Journal of Rural Studies*, 28(3).
- Hisrich, Robert D. and Peters, Michael P. "Entrepreneurship: Starting, Developing, and Managing a New Enterprise." 10th Edition, McGraw-Hill Education, 2013.
- Irma Emperatriz Arrascue-Lino, Luis E. Podestá-Gavilano, Juan P. Matzumura-Kasano, Hugo F. Gutiérrez-Crespo, Raúl A. Ruiz-Arias. Employees' perception of management skills at Hospital Municipal Los Olivos. *Rev. Fac. Med. Hum.* Abril 2021; 21(2):275-282. DOI:10.25176/RFMH.v21i2.3715
- Kebreab, E. (2018). Sustainable Development and Economic Empowerment: The Role of Cooperatives. *Journal of Cooperatives*, 32(1)
- Kiptum, J. K., & Ochieng, I. J. (2019). The relationship between analytical skills and financial performance of dairy cooperatives in Bomet County, Kenya. *Journal of Co-operative Management and Development*, 2(2)
- Lee, K., & Yu, D. (2020). Cooperative leadership and member satisfaction: The mediating role of emotional intelligence. *International Journal of Management & Entrepreneurship Research*, 2(4)
- Lerman, Z. (2015). Legal frameworks for agricultural cooperatives: A comparative analysis. *Journal of Agribusiness in Developing and Emerging Economies*, 5(2) doi: 10.1108/JADEE-08-2013-0031
- Li, M., & Liang, Y. (2016). Factors Influencing Performance of Agricultural Cooperatives: Evidence from China. *Sustainability*, 8(10)
- Maria, S., Darma, D. C., & Nurfadillah, M. (2019). The Factors that Affect Toward Performance and Cooperative Success. *Archives of Business Research*, 7(12)
- Mina, J.C., Domingo, A.V. and Quijano, M.F.T. (2022) Management Practices of Cooperatives

- in Nueva Ecija: A Basis for a Sustainable Development Program. Open Access Library Journal, 9:e8515. <https://doi.org/10.4236/oalib.1108515>
- National Cooperative Development Authority (CDA). (2018). The State of Cooperatives in the Philippines. Manila, Philippines: CDA.
- O'Boyle, Edward J. and Brosig, Linda C. "Cooperative Principles and Practices in the 21st Century." 6th Edition, Purdue University Press, 2014.
- Okoye, V.C., & Obiora, S.C. (2022). Impact of Cooperative Registration on the Performance of Savings and Credit Cooperatives in Nigeria. Journal of Finance and Economics, 13(2)
- Plouffe, L., & Pelletier, F. (2010). Effective internal structures and governance mechanisms in cooperatives: A review of the literature. Journal of Co-operation, 52(3-4)
- Rabbani, F., Rizwan, M., & Lodhi, S. A. (2018). Production and quality impact on cooperative performance: Evidence from textile cooperatives in Pakistan. Journal of Co-operative Organization and Management, 6(2). <https://doi.org/10.1016/j.jcom.2018.06.002>
- Saenger, C., Mecagni, A., & Emenanjo, L. (2018). Governance, management and performance in agricultural cooperatives: A systematic review. Journal of Rural Studies, 63. doi:10.1016/j.jrurstud.2018.08.01
- Sarker, S., Palash, M. S., & Uddin, M. M. (2017). Emotional intelligence and cooperative performance: A study of the agricultural cooperatives in Bangladesh. Journal of Co-operative Organization and Management, 5(1)
- Serra, C. E., & Kunc, M. (2015). The impact of management practices on employee outcomes in a professional service context: A multi-level examination. Journal of Business Research, 68(2), 352-359.
- Shakir, K.A., Ramli, A., Pulka, B.M., & Ghazali, F.H. (2020). The link between human capital and cooperatives performance. Journal of Entrepreneurship Education, 23(1).
- Singh, S. (2016), Problems and Prospects of the Cooperative Movement in India

- under the
Globalization Regime. *International Journal of Indian Psychology*, 3
(4), DIP: 18.01.073/20160304, DOI: 10.25215/0304.073
- Singh, R. (2017). Emotional intelligence and cooperative management. *Indian Journal of Marketing*, 47(7)
- Singh, R., & Jain, S. (2021). Challenges and opportunities for the growth of cooperatives in India. *International Journal of Innovative Technology and Exploring Engineering*, 10(4), 2881-2884.
- Smith, J. (2020). The role of managerial skills in effective management. *Journal of Business and Management*, 8(3)
- Soto-Silva, W. E., Becerra-Mayorquin, L. M., & Bernal-Jiménez, L. E. (2016). The impact of cooperative managerial skills on the performance of rural organizations. *Revista de la Facultad de Ciencias Económicas: Investigación y Reflexión*, 24(2)
- Teklewold, H., Bezabih, M., & Kassie, M. (2013). Management practices and cooperative performance: Evidence from farmer cooperatives in Ethiopia. *Journal of African Economies*, 22(1)
- Tosi, H., & Slocum, J. W. (1984). Contingency theory: Some suggested directions. *Journal of Management*, 10(2)
- Ugwu, O. I., Agu, F. A., & Udeh, F. N. (2017). The impact of effective directing on the performance of agricultural cooperative societies in Nigeria. *International Journal of Business and Management Invention*, 6(4)
- Valdez, J. I., Campi, M., & Ibáñez, A. M. (2018). Management practices and the performance of producer organizations in the Dominican Republic. *World Development*, 103
- Van Der Vliet, Daniel J. and Gloy, Brent A. "Cooperatives and Local Development: Theory and Applications for the 21st Century." Routledge, 2018.
- Zhang, Y., Wu, J., & Zhang, F. (2017). Management innovation and performance in agricultural cooperatives in China. *Sustainability*, 9(5)