

Managerial Competencies of Officers and Financial Performance of Selected Agricultural Micro Cooperatives in The Province of Isabela

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ABSTRACT

Cooperatives in the Philippines to this present day already existed for more than a century since its legislated amalgamation to the socio-economic governance of the country in 1916. Throughout those more than 100 years, it has its successes and failures of which management is a crucial factor. This study investigated further the managerial competency of cooperative officers and financial performance of selected agricultural micro cooperatives in the province of Isabela. Data were gathered from all the selected 37 only compliant cooperative

represented by 185 officers as respondents. The study mainly sought to answer if there is relationship between cooperative officers and managerial performance, cooperatives profile and financial performance and core managerial competency and cooperative financial performance of cooperatives. The study revealed that majority of the selected agricultural micro cooperatives served as respondents of this study had a fair financial performance rating, that only educational attainment variable had significant correlation with managerial competency. The cooperative cooperatives profile and financial performance was found of having no significant relationship and there is no significant correlation of the managerial competencies and cooperative financial performance. Based on the findings of the study a proposed action plan was formulated for the agricultural micro cooperatives. Notably recommended that the Cooperative Development Authority and other government and private entities and stakeholders in the administration, supervision and supporting the cooperatives may conduct necessary, relevant and timely trainings or continuing education and other development initiatives and actions to assist more the agricultural micro cooperative to have a reliable and accurate Management Information System and data analytics useful in decision-making specially to achieve a sound financial performance.

Keywords: Agricultural Micro Cooperatives, Cooperative Officers, Managerial Competency, Financial Performance.

INTRODUCTION

In spite of the relatively successes of cooperatives in the Philippines cooperatives, however at present there are still critical and immediate factors to be explored and necessitating an in depth study essential in decisions and actions leading in taking more advantage of the opportunities in cooperatives for its continuing and sustainable contribution to the country's socio-economic development. Notably per Cooperative Development Authority (CDA) records there is a concerning substantial decrease of the number of cooperatives in the country from the past years, from more the 25,000 in 2015 down to more than 20,000 cooperatives in 2022 (CDA Annual Reports, 2015, 2022). The decline is caused by already commonly identified known factors such as management incompetency, inadequate understanding of cooperative principles and practices and purposes, improper use of credits by the borrowers (Ballesteros & Acheta, 2020). Additionally, political "dynamics", the still strong influence of individualistic attitude over the essence of cooperation among people and several limiting factors of the government and other cooperative stakeholders in promoting and advancing of cooperativism exacerbate the common plagues affecting the cooperative movement in the country.

Success and failure of organization such as cooperatives in achieving its purpose and mandate depends upon several factors and other variables affecting its management and operation, that premise was based on a long and substantial experience since the onset of scientific management. The factors and variables includes human behavior in organization, developed, practiced and emerging management principles, practices and theories such as competency based management competency in peoples' organization like cooperatives.

Rationale

This study on cooperatives in the province of Isabela was conceptualized on the framework of determining the managerial competency of cooperative officers and its correlative effect to the financial performance of selected agricultural micro cooperatives in the province.

Cooperatives by history emerged in Europe in the 18th century as socio- economic movement evolved into organization by group of people with a common bond of interest, existed and thriving with a certain degree of autonomy.

In the Philippines, it was in 1916 under the Rural Credit Law that gave birth to cooperatives, recognized as of the movement in Southeast Asia. Since then its impact to the socio-economic progress and development of the Philippines is remarkable. Already existing for more than a century since it began, the government and the Filipino people sustainably enliven the progress and development of cooperatives in the country. It is exhibited in the enabling government policies and laws such as the RAs' 9520, the Philippine Cooperative Code of 2008, 11384, the Cooperative Development Authority Charter of 2019 and recently RA 11535 of 2021 mandating the creation of the position of Cooperative Development Officer (CDO) in the municipal, city, and provincial level

of local governance. Indeed cooperative is an inevitable and effective instrumentality to spur and drive further the socio-economic development of the country.

Considering the cooperatives unfortunate experiences, which are certainly akin around the world, the commonly identified fundamental cause of problems and failure of cooperatives is rooted in the incompetency of management. Numerous studies both local and foreign conclusively validates that fundamental cause. As commented by a prominent Filipino economist “The larger cooperatives have increased in number, but the smaller ones have decreased. The determining factor is management capability.” (Ordenez, 2021).

This study was premised on the major factor causing the failures and decline of Philippines cooperatives, incompetency in management. Facts such as above cited implies that there is a necessity for a continuing to investigate and study the causal factors. Findings and result of this study is purposely aimed to shed and acquire further knowledge and understanding of certain aspects in cooperative management in the Philippines. Lastly, an ultimate objective of this proposed study is to provide information and knowledge necessary for possibly resolving some issues, problems and to effect innovative changes in the governance of cooperative in the Philippines.

LITERATURE REVIEW

This literature review appraises, substantiate and partially validates prior or existing knowledge and understanding of cooperatives both in the Philippines and around the world. It is also the main basis of the motivation, goals and objectives of the intent of proposing this study. Moreover, these related literatures served as references in formulation the conceptual framework of this proposed study.

Cooperative Officers Managerial Competency and Organizational Performance

A study on managers’ competency and improving cooperative performance and sustainability in China by Yu et al. (2022) suggested that authorities and advocates of cooperatives should look more upon the impact of cooperatives managers’ competencies related to performance and to broaden the performance evaluation and incentive initiatives for agricultural cooperative managers. The study also suggested that cooperatives may consider providing avenues for motivation of cooperative managers to improve their competencies as it may correlate with organizational performance. The study further recommended that agricultural cooperative managers’ competency evaluation result could be used as a strong basis in granting and distribution of benefits, thus developing a system or culture of higher competency results to higher performance and so with higher benefits and rewards.

A study in Kenya by Ngumo (2021) about management competency and performance cited that competencies could be used to determine the individual manager job performance as it is not affected by socio-economic factors like race, gender, etc. The study posited that business organizations’ performance is a factor of quality of management which is significantly a result of management competence, it is because organization generate more and more benefits from organization’s assets if core managerial competences utilize the potentials of those resources maximally. The study emphasizes that management competencies necessary be develop and cultivated into organizational core competencies that will provide to competitive advantages resulting to an improved organizational performance.

In a study by Haryono et al. (2020) conducted in Indonesia concluded that “the implementation of a more effective business strategy will be able to improve the welfare of members of women cooperatives that are sustainable. Besides, the application of this business strategy is also able to mediate the effect of competence on improving the welfare of women cooperative members. This means that increasing the welfare of women cooperative members will be more effective when the competencies of business actors are improved and subsequently the skills of the business actors are applied by practicing business strategies which will further improve the welfare of the members of the sustainable business actors”.

A study by Hailemariam (2019) in Ethiopia about competencies of cooperative committees found out that cooperatives management committees were ineffective in leading certain aspects such as strategic leadership

and other task management of cooperatives. As to leadership competencies, the study found out that few cooperative managers have substantial experience and interest in leadership that mostly of the cooperative leaders' have insufficient knowledge about cooperation and management. Additionally, the study revealed that mostly of cooperative leaders possessed more of human skills, however they are insufficient both in conceptual and technical skills. Lastly, the study recommended that to enhance the leadership of cooperative managers' effectiveness and competencies, a training and development program should be provided by the government and other cooperative stakeholders.

A study by Velju and Manxhari (2017) on the impact of managerial competencies on business performance of small and medium enterprises in Kosovo, the study supported the management theoretical model of espousing that a more managerial competencies attributes are intermediaries among personal and professional characteristics with business performance. The correlation between managerial competencies were observed to have significantly affect business performance. The study found out that some factors influenced managerial competencies toward better organizational performance. The study recommended that further research to be conducted to determine managerial competency focused on specific level of management. The study cited emphatically the importance of looking beyond individual basic skills. The study premised that if organizations work rigorously to actualize necessary managerial competencies and implement appropriate tasking it prevent unnecessary costs, unsatisfied customers and lost opportunities leading to demand creation and business enterprise position in the market. Lastly, the study concluded that evidently combinations of managerial competencies (professional, social and personal) have significant effect on the performance of small and medium business enterprises in Kosovo.

A study by Masuku et al. (2016) on the performance of multipurpose cooperatives in Swasiland concluded that there is a high level of accountability in multi-purpose cooperatives. Committees are significantly knowledgeable on managing cooperatives and as employees had appropriate and relevant training for their respective jobs. The study revealed that committee's resiliency and hard work leads toward attaining profitability. However, the study also found out that Multi-Purpose Cooperatives (MPCs) lacks in strong coordination between members of the committee and cooperative general membership. The study also found out weakness in accountability in cooperatives, such work shortfall in accountability for the work performed in the cooperatives resulted to a low general membership participation in the overall affairs and management of cooperatives. Inability to comprehend the cooperatives financial reports as a consequence of inadequate education of cooperative membership may lead to below par performance of multi-purpose cooperatives. The study found out that respectively gender and accountability affects the multi-purpose cooperatives performance negatively and positively. Lastly, the study concluded similarly with other types of cooperatives, the performance of multi-purpose cooperatives were adversely weak or inadequate capital base, aging members failing to satisfactorily perform their duties and responsibilities aggravating more the effect of cooperatives mismanagement of funds and occurrence pilferage and burglary.

In Philippines, currently there is limited studies from the past decade regarding managerial competencies specifically its correlation with cooperative operational performance. Latest published study conducted in the province of Ifugao by Chungyas, and Trinidad (2022), The study found a significant relationship between cooperatives strategic management and financial performance. It is evident in the analysed cooperatives financial statements where there is a progression on the trend of Net Profit Margin, Return on Asset (ROA) and Return on Equity (ROE) financial performance indicators. The respondent multi-purpose cooperatives in Ifugao also shown a strong relationship between their strategic management and operational performances

Additionally, a study conducted in the province of Isabela by Cammayo (2018) problems encountered by cooperatives were identified, are manageable though appeared to effect limitations to the cooperatives in achieving financial viability and sustainability. Foremost in the identified problems is the insufficiency of operational capital as observed by cooperative senior managers. Study results also show that there was no intensified capital build up programs of the cooperatives. Furthermore, significant portion of the cooperative net surpluses were given back as patronage refund and interest on share capital to the cooperative members. Though the scheme is the foremost wealth generation mechanism of cooperatives, study revealed it has no significant impact on the growth of cooperatives membership.

Lastly, a study conducted in Oroquieta City by Binaoro (2015), assessment the cooperative officers' leadership competencies. The study objectives focused in determining the cooperative officers' leadership competencies, specifically in directing and initiating change, leadership and results-oriented and determining the relationship among cooperative officers' demographic, socio-economic attributes and their leadership competencies. A total of 100 cooperative officers served as respondents of the study from the 13 cooperatives in Oroquieta City. Study results shows that officers were mostly at the above average level in competency aspects being examined as revealed by the overall mean. The study concluded and recommended that possible interventions should focus more in cooperatives goal attainment and developing cooperative officers to be more proactive and vibrant in the aspect of leading.

History of Cooperative

Cooperation existed together with the dawn of human being, as the adage saying "No man is an island". Human being survive and evolve finding ways to further strive and improve their lives. Basically, hunting for food, construct shelter, and created devices for protection are the means of the earliest human civilizations to thrive and further develop.

The earliest known documented existence of a formal group cooperative movement was from Fenwick, Scotland in March 14, 1761, a group of local cottage weavers processed sacks of oatmeal and marketed at a discounted price. The group coherently developed a bond and became known as the Fenwick Weavers' Society.

Succeeding records of formal cooperation for socio-economic reason began from small countryside organizations in Western Europe, North America and Japan from late eighteenth to middle of the nineteenth century. Well documented and known of which the Rochdale Pioneers of Scotland is recognized and exemplified the operation and management as an ideal cooperative society in 1844. Succeeding, in Germany a group led by Friedrich Wilhelm Raiffeisen and Franz Hermann Schultz Delitsch. Raiffeisen and Schultz-Delitsch organized an independent credit union which operates in a cooperative system eventually becoming a model of credit unions starting in 1862. The model successfully grew and replicated in other sectors of economy eventually spreading the growth of financial cooperatives throughout the world.

(<https://www.ica.coop/en/cooperatives/history-cooperative-movement>, 2018):

Philippine Cooperatives

Sourced from the publications of the Cooperative Development Authority (CDA) of the Philippines, the government agency mandated for governance of the country's cooperatives, the beginnings of the Philippine cooperative movement was documentarily foremost recognized from its national hero Dr. Jose P. Rizal. Influenced from his dwellings in Europe, he was motivated with the achievement of a new economic initiative, the cooperatives as it substantially changed the Europeans economic and social way of life. He organized the first known documented organized cooperative in 1896 purposely for agricultural marketing in Dapitan, Zamboanga del Norte, it was an actualization of his knowledge and effort to practice and cultivate cooperation among Filipinos. He also established a school for the economically unfortunates on a entirely system of cooperation, additionally a cooperative store was also established. He also organized and managed a group of abaca farmers into cooperative known then as the La Sociedad de los Abacaleros (Society of Abaca Producers).

Furthermore, Teodoro Sandiko, a legislator from Bulacan province influenced by the German cooperative banking model, the Raiffeisen movement prepared and proposed the 1915 Rural Credit Act. In 1916 under the Bureau of Agriculture the first rural credit associations to help farmers were formed. The Act was eventually made into law recognizing Teodoro Sandiko already a governor at that time as the forefather of cooperation or formal cooperative movement in the country.

The Rural Credit Law was initially administered by the Bureau of Agriculture. Under the law the first rural credit association was organized October 18, 1916. Also in the same year, in the College of Agriculture, Los Baños, Laguna, the first Consumers Cooperative was organized.

It was on December 9, 1927 enacted and approved Cooperative Marketing Law (Act 2425). In Vigan, Ilocos, Sur, the first Credit Union was established in 1938. The Commonwealth Act No. 565 or The Cooperative Law was passed in 1940 it regulates the organization and operation of Credit and Consumers Cooperative. Philippines Congress in 1952 approved the Republic Act 821 recognizing the important role of farmers in the social structure and their significant contribution to the country's economic development. The law also created an administrative agency Agricultural Credit and Cooperative Financing Administration (ACCFA). Farmers' Cooperative Marketing Associations (FACOMAs) were organized and created by the government through ACCFA, financed thru provision of collateral free loans. In 1957, the Philippine Non-Agricultural Cooperative Act (RA No. 2023) was passed by the Philippines congress. The law enabled the people to develop their enterprises thru cooperatives. In 1960, the Agricultural Credit Cooperative Institute (ACCI) was established.

PD No. 175, Letter of Instruction (LOI) 23 was promulgated in 1973. The LOI consolidated all cooperative laws to unify and harmonized the administration and further development of cooperatives thru establishment of the Bureau of Cooperative Development. In 1987, the Bureau of Agricultural Cooperatives Development (BACO) was established under the Ministry of Agriculture and Food per Executive Order No. 116. BACO was tasked to come-up with a coordinating integrated system for development, evaluation and extending assistance in the organization and administration of agricultural cooperatives in the countryside. Republic Acts No. 6938, the Cooperative Code of the Philippines and No. 6939 creating the Cooperative Development Authority (CDA) were both signed into law in 1990. RA 6938 was to rationalize and unify all existing cooperative laws and CDA was created as authority for the regulation and governance of cooperatives in the country, RA 6939 was repealed by RA 11364, the Cooperative Development Authority Charter of 2019, reorganizing and strengthening the CDA. In February 17, 2009, the Republic Act No. 9520 or the Philippine Cooperative Code of 2008 was signed into law, which amended RA 6938 purposely to cope up with the challenges of domestic and global economic development specially the onset of information technology. Moreover, the enactment of RA 11535 of 2021 mandating the creation of the position of Cooperative Development Officer (CDO) in the municipal, city, and provincial level expectedly this is to spur the establishment of more cooperatives and strengthening the existing one and to enable cooperatives to contribute more to the country's socio-economic growth (Cooperative Development Association, 2021).

Competency

Concept and application of competence are traced back as far as 3000 years ago. It was in China when a written civil service examination was required to replace the customary recommendations from authority or superiors as basis for qualification for government employment. Apprenticeship training was a traceable beginning in the medieval age, apprentices acquire skills by working with a master after acquiring and reaching a set of specific workmanship standard a competency credential is awarded. On the onset of industrial era, significant socio-economic transformation took place in major economic sectors such as agriculture, production, manufacturing and transportation also scientific approach to work and jobs and the needed skills emerged which is the birth scientific management . On the 20th century, social efficiency flourished led by the United States. In 1991, modern management theorists and proponents led by the acclaimed father of scientific management, Frederick W. Taylor, proposed the practice of division of labor, jobs simplification, extending of managerial control throughout the workplace and application of systematic time and motion study for cost accounting. Along with other elements of scientific approach to management had driven further the advancement of concept of competence specially its application to management (Wilcox, 2012).

Management Competency and Skill

The term competence and skill were often used interchangeably specially in its application to management. Based from numerous and extensive studies including pioneering authorities and experts, defined competency as *“an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation”* (Spencer & Spencer, 1993) or *“the underlying characteristics of a person that lead to or cause effective and outstanding performance”* (Boyatzis, 1982).

As abovementioned, the terms competence and skills are often used interchangeably and are close enough also to unavoidably generate confusion. Oxford dictionary defined skill as *“the ability to do something well; an*

expertise” and *competency* defined as “*the ability to do something successfully or efficiently*”. Interpretably concluding, a skill is a specific and specialized ability while competency is the underlying ability to use skill/s with additional and combinative analytical, logical, interpretive, etc. abilities toward efficiency, effectiveness and success in which it is measurable and comparative.

Management competency are the possessed collective managerial knowledge and skills applied with enabling and reinforcing abilities that is necessary to achieved organizational productivity and success while management skills are specific and often individual based often demanded management abilities (Aslan & Pamucku, 2017).

Theoretical Framework

In spite of vast literatures worldwide, currently still suggests that no one true or recognized right set of managerial competencies which applicable universally to general management. Until now several theories or models related to managerial competencies are available. This study postulated from known theories and other universally accepted knowledge in management competency. Considerably of these served as the theoretical basis of this study, foremost is the notably what was introduced in 1957 by American psychologist Robert W. White, the motivational concept of competence emphasizing the biological significance of such behavior in management. He further emphasized the learning process of effective interaction with the environs of management. Another theory or model corollary followed-up in 1960 by the equally known motivational theorist David Mac Cleland, highlighting the inevitable significance of demonstrated competencies in the area of work and the necessity of people to perform. Lastly, fundamental theories and models was enhanced further by Richard E. Boyatzis in 1982 who argued that for performance to be maximized he believed to occur when the person’s capability or talent is consistent with the needs of the job demands and the organizational environment specially in management.

This study theoretical framework is mainly grounded to the theory of competence-based strategic management by (Sanchez & Heene, 2004). The theory is defined as “*an integrative strategy that incorporates economic, organizational and behavioral concerns in a framework that is dynamic, systemic, cognitive and holistic*”. The theory defined competence as “*the ability to sustain the coordinated deployment of resources in ways that helps an organization achieve its goals (creating and distributing value to customers and stakeholders)*”. The definition encompasses important aspects of the theory of competence-based strategic management, emphasizing to explore the dynamic, systemic, cognitive and holistic nature of organizational competences.

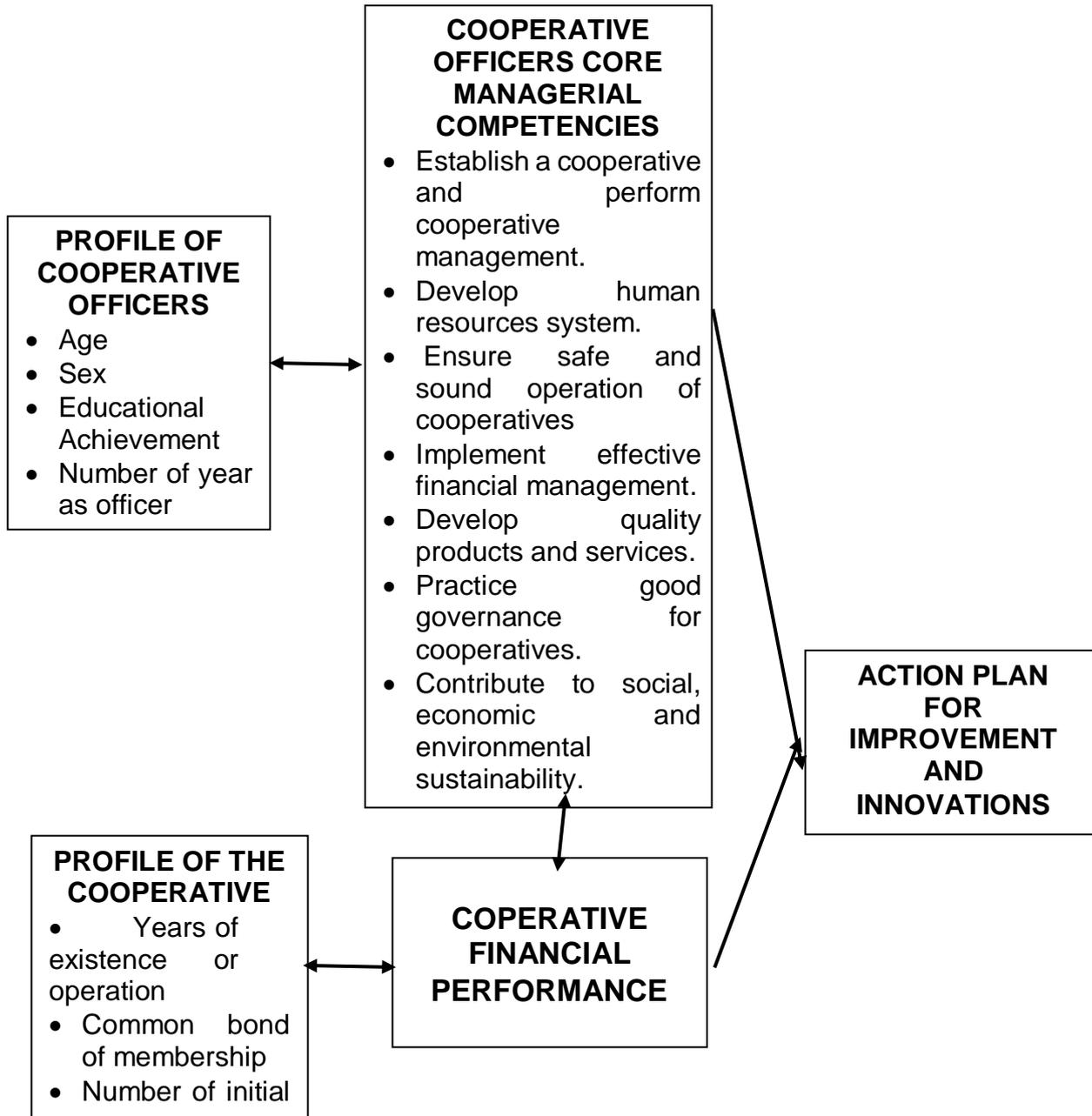
Conceptual Framework

The study is conceptualized based on competence-based strategic management theory in its behavioral concern and cognitive aspects which deals with managers of organization exploring their competency to manage in relation to the overall competence of organization to exist and operate. The theory context described above is where three main approaches to competency is derived. “*The behavioral approach is primarily based on outstanding performers. Competence assessed actual behavior, defined in terms of underlying characteristics, knowledge skills and motives, and was causally related to superior performance*”. The study framework dwell in the determining and measuring the possible causal relationships of key variables in the management and operation of selected agricultural micro cooperatives in the province of Isabela. The key variables are: Independent Variable-Cooperative officers’ core managerial competencies, the officers are foremost in managing the cooperative. Cooperative officers composed both elected and appointed (BOD, Committee Chairman, Manager & Staff) functioning as both policy making and implementing entity of cooperatives. Another Independent Variable is the profile of the agricultural micro cooperatives, profile includes, cooperative years of existence or operation, common bond of membership, number of initial cooperators.

The Dependent Variable-Cooperative Financial Performance, it is the result of the cooperative operation guided by the policies and other operational guidelines provided and implemented by the cooperative management. The measured level or degree of key variables will be the basis determining their possible cause and effect relationship. Based on the findings, a knowledge and conclusion was generated and recommendations suggested for possible necessary, appropriate, timely and innovative actions and interventions towards capability

enhancement and improvement of the current core managerial competencies of cooperative officers specifically to the agricultural micro cooperatives.

Figure 1.1



Study Conceptual Framework Diagram

Statement of the Problem

This proposed study aimed to answer the following questions in the management of selected agricultural micro cooperative of the province of Isabela.

1. What are the demographic profiles of officers of selected agricultural micro cooperative of the province of Isabela in terms of the following:
 - 1.1. age;
 - 1.2. sex;
 - 1.3. educational achievement;

- 1.4. number of years as cooperative officer (BOD member, Committee Chairman, Manager & Staff)?.
2. What is the profile of agricultural micro cooperatives in the province of Isabela in terms of the following:
 - 2.1. years of existence or operation;
 - 2.2. common bond of membership;
 - 2.3. number of initial cooperators?.
3. What is the level of competency of officers of selected agricultural micro cooperatives in the province of Isabela in terms of the following cooperative core managerial competencies :
 - 3.1. establish a cooperative and perform cooperative management;
 - 3.2. develop human resources system;
 - 3.3. ensure safe and sound operation of cooperatives;
 - 3.4. implement effective financial management;
 - 3.5. develop quality products and services;
 - 3.6. practice good governance of cooperatives;
 - 3.7. contribute to social, economic and environmental sustainability?.
4. What is the financial performance of selected agricultural micro cooperatives in the province of Isabela in terms of the overall rating from Stability, Turn-Over Ratio, Efficiency, Profitability, Structure of Assets (STEPS) financial performance measure.
5. Is there significant relationship between the profile of the cooperative officers and the core managerial competencies?
6. Is there significant relationship between the profile of the cooperatives and financial performance of the cooperatives?
7. Is there significant relationship between the core managerial competencies and financial performance of the cooperatives?
8. What action plan maybe proposed based from the findings of the study.

Hypotheses

1. There is no significant relationship between the profile of the cooperative officers and the core managerial competencies?
2. There is no significant relationship between the profile of the cooperatives and financial performance of the cooperatives?
3. There is no significant relationship between the core managerial competencies and financial performance of the cooperatives?

Operational Definition of Terms

Agricultural Cooperative – *“refers to a primary cooperative which or whose members are involve/engage in raising/culture of plants, animals, fungi, and other living organism for productive and economic purpose and in related activities that lead to the reduction of cost and/or value addition of outputs”.*

(CDA-MC No 2015-05).

Competency - the ability to do something successfully or efficiently.

Contribute to social, economic and environmental sustainability – Cooperative managerial competency focuses in advocating the Gender and Development (GAD) and environmental programs, institutionalizing Youth Development Program (YDP) and to contribute to the national cooperative thrusts.

Cooperative – *“refers to an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles”.* (CDA-MC No 2015-05).

Cooperative Manager and Staff – The cooperative personnel mainly in-charge for the daily supervision of cooperative operation, the General Manager/Manager, Finance Officer/Treasurer, Production. Marketing, etc. staffs.

Cooperative Officers – elected and appointed cooperative officers, the members of the Board of Directors (BOD), Committee chairmen and members and composition of the manager and staff of cooperatives.

Develop human resources system – A core managerial competency required required to be able to develop, implement and administer a Human Resource Management Systems (HRM).

Develop quality products and services - the core managerial competency necessary in creating cooperative products and services, formulate and apply marketing strategy. Enhance internal cooperative business operations, and implement the Total Quality Management (TQM principles and practices.

Ensure safe and sound operation of cooperatives - a core managerial competency needed for implementing and updating a Management Information System (MIS) promoting, implement accounting and internal control system, develop business continuity plan, promote sourcing out of capital and deposits and manage effectively cooperative assets and liabilities.

Establish a cooperative and perform cooperative management – a core managerial competency required to formulate cooperative policies, establish partnership with other cooperatives, perform networking and/or linkages with cooperative stakeholders, conduct lobbying and advocacy.

Implement effective financial management – Managerial competency necessary for understanding the basic concepts of cooperative financial management. Able to perform budgeting, understand the elements cooperative accounting system, analyze and interpret cooperative financial statements. Compliance with the mandated cooperative Performance Audit Report (PAR)

Managerial Competencies – exclusively important or necessary knowledge and skills in management and the ability perform it efficiently and effectively expectedly to contribute toward cooperatives productivity and success

Financial Performance - Financial performance is a subjective measure of how a cooperative utilized its assets from its operation to generate revenues or increase its assets. Measurement standard in the Philippine cooperative is set/mandated by the Cooperative Development Authority (CDA).

Micro Cooperative – A cooperative asset based category in the Philippines, with total asset amounting to three million Philippine peso (P3,000,000) and below.

Practice good governance of cooperatives – a cooperative managerial competency for abiding with polices, regulations and standards in implementing good governance, directing management strategic objectives and observing ethical practices.

Significance of the Study

Findings of this study is purposely intended to the following entities specially in providing the needed relevant information and knowledge for plans, programs and polices necessary in coping-up and initiating changes and innovation to the aspect of cooperative management in the Philippines.

Academe

Findings of this proposed study will surely in support and basis in strengthening the implementation of the Commission of Higher Education (CHED) Memorandum No. 09 series 2013, the Enhanced Polices and Guidelines on Student Affairs and Services, encouraging the establishment of student or laboratory cooperatives. Also, Republic Act No. 11364 of 2019, An Act Reorganizing and Strengthening the Cooperative Development Authority, under Rule VI, Cooperatives and Educational System of the law Implementing Rules and Regulation (IRR) Section 1. Legal Basis, stipulated that *“Cooperatives development and administration may be offered as a field of study in the baccalaureate, post baccalaureate and masteral programs in State, Universities and Colleges (SUCs): Provided, That SUCs may also offer the courses on a non-traditional approach under the equivalency program of such SUCs accrediting the equivalent training that an officer has undertaken to the relevant subject offering in the curriculum: Provided, further That in cases where the SUCs do not offer a separate academic program in cooperative development and administration, the SUCs shall include a three (3) unit subject in the curricula of accountancy, agribusiness, agriculture, agricultural economics, business, community development, economics, education, environmental sciences, social sciences, political economy and other curricula that can be instrumental in the development of cooperatives.”* Additionally, Section 2. states that *“Promotion and integration of cooperatives in the education system. The Authority and the concerned stakeholders shall advocate and conduct activities that will promote cooperatives in educational institutions. Further, the Authority shall enter into an agreement with the Commission on Higher Education (CHED).”*

Government

To the Cooperative Developed Authority (CDA) the government regulatory agency for the creation and supervision of cooperatives will provide additional and further knowledge from findings of this study as to management competencies of specially the officers of agricultural micro cooperatives specifically in the province of Isabela. Additionally, with RA 11535 of 2021 which mandates the creation of the position of Cooperative Development Officer (CDO) in the municipal, city, and provincial level of local governance. Results of this study will contribute information and insights in the formulation and preparation for trainings and manpower development as a whole for cooperative officers in the local government units.

Cooperatives

The management competencies, specifically officers of cooperatives, will surely be benefited from the findings of this study. Additionally, findings and results of this study be utilized as basis and/or reference for enhancing and improving the training and other educational intervention and assistance to be provided for cooperative officers' managerial competencies towards an effective and successful management of cooperatives.

Cooperative Officers

Results of this study will contribute significantly to the furtherance and enhancement knowledge, skills and competencies of Cooperative Development Officers (CDO) specially in the formulation and development of interventions such trainings, assistance and support to their managerial knowhow and/or performance in supervising and administration of cooperatives.

Private Sector and Other Stakeholders for Cooperatives

Utilizing the information and knowledge as well as the results and recommendations of this be the basis for appropriate guidance as to the provision of assistance, support and intervention to be extended to the cooperatives in the country.

Future Researchers and/or Studies

Currently, locally and worldwide there is still wide and deep avenues to study and investigate as to the management of cooperatives specifically in the aspect of managerial and even management competency. This study fairly may contribute some relevant and significant theoretical considerations, knowledge and further understanding specifically in the aspect of cooperative management. Findings of this study may foster further motivation and interest for a continuing investigation and study specially in the management of cooperatives.

RESEARCH METHODOLOGY

Research Design

This dissertation study employed the descriptive-correlational research design. The study initially identified and described the subject variables followed by determining its causal relationship or correlation. The study mainly measured the core managerial competencies of officers of the subject agricultural micro cooperatives. Based from the mandated and adopted rating standard, the financial performance of selected agricultural micro cooperatives in the province of Isabela was determined. The study also employed the customarily analysis and interpretation of the following statistical tools: frequency and percentage, overall weighted mean, mean and standard deviation and Pearson product moment correlation. The independent variable in this study is the core managerial competencies of cooperative officers and the dependent variable is the cooperatives financial performance (Chungyas & Trinidad, 2022).

Research Locale and Sampling Procedures

The study geographical coverage is the whole province of Isabela, which is the second largest province of the Philippine in terms of land area. Purposive sampling procedure was employed as the overall subject of the study are the compliant agricultural micro cooperatives of the province of Isabela. The list of subject cooperatives (Appendix A) was obtained from the Cooperative Development Authority (CDA) Region 02 (Cagayan Valley) Extension Office. Purposive sampling was employed using the criteria of selecting all the 37 compliant agricultural micro cooperatives in year 2023 in the province of Isabela.

Scope and Delimitation

Geographical scope of the study is the whole province of Isabela, the province is composed of 34 municipalities, 2 component cities and 1 independent city. The overall subject of the study are compliant agricultural micro cooperatives as it comprises majority of micro cooperatives in the province. Subject individual respondents of the study are the officers of the cooperatives, cooperative officers are both elected and appointed, the officers are the main managing body of the cooperatives, the members of the Board of Directors, Committees Chairman and the Manager and Staff which directly lead and supervise the overall management and daily operation of the cooperative. As to the scope of the variables of the study, it focused in the measurement of the level of core competencies of the cooperative officers, the mode in measuring the competencies is self-rated. Another variable is the financial performance of the cooperatives, which is an annual or yearly Performance Audit Report (PAR)

as required by the Cooperative Development Authority (CDA) with mandated/prescribed rating standard for financial performance evaluation and reporting for cooperatives.

The subject cooperative respondents was purposely selected with classification status as active or compliant cooperative and only those registered from the past five (5) years 2018 to 2022. For the subject individual respondents, the cooperatives officers are those only who are duly or legally elected and appointed officers and the employed or recognized cooperative management staffs or team.

Research Instrument

A developed or crafted study questionnaire was used in the study (Appendix B) specially in determining the core managerial competencies of cooperative officers. The data for level of core managerial competencies are the primary data. In developing the questionnaire cooperative experts were consulted, current government policies, processes/procedures in training and training materials for cooperative management competencies were utilized. The questioner was pre-tested as part of its validation employing the principles and adopted standards in pre-testing such as actual pilot-testing in filling-up of the study questionnaire, respondent debriefing and expert evaluation. The questionnaire is composed of three parts, first part is composed of obtaining the demographic profile of the cooperative officers as the study individual respondents, the second part is the profile of the cooperative and the last part is the core cooperative managerial competencies in which the respondents self-rate their respective core managerial competencies. The rating scale for the managerial competencies of cooperative officers was based and patterned from the Likert Rating Scale with adjectival description of ratings as: 1 - No knowledge and unable to perform (NK); 2 - Minimal knowledge and ability to perform (MK); 3 - Partial knowledge and ability to perform (PK); 4 - Enough knowledge and ability to perform (EK) and 5 - Completely knowledgeable and very able to perform (CK). The cooperative financial performance, a secondary data was requested from the Cooperative Development Authority (CDA) a mandated report submitted annually by the cooperatives, the Performance Audit Report (PAR) of cooperatives. The Financial Performance Report of the PAR was rated and evaluated thru a corresponding formulated equivalent rating scale and evaluation result description (Appendix B).

Data Gathering Procedures

The data gathering was conducted for 8 months, January-August 2024. Prior information or request was communicated specially to the subject individual respondents of the study as to the purpose of obtaining their primary personal data and information from them. The main subject cooperative respondents were the selected agricultural micro cooperatives in the province was chosen thru purposive sampling from the list of cooperatives requested from and provided by the Cooperative Development Authority (CDA) Regional Extension Office 02 (Cagayan Valley), the respondent cooperative officers were from the selected cooperatives. The study questionnaire for the respondent cooperative officers was administered in person. The needed secondary data which are the cooperatives municipal addresses, year registered, category, type, status and asset size and cooperative financial performance were requested from the Cooperative Development Authority (CDA) Regional Extension Office 02 (Cagayan Valley).

Data Management and Analysis

The primary derived data and/or information from the respondents was encoded and analyzed with the applicable computer statistical software applications. It was analyzed following the commonly adopted standard and principles in analysis and interpretation with the use of the following statistical tools; for study problem number 1 and 2 frequency and percentage was used. The mean, weighted mean and standard deviation was used for problem number 3. Lastly, for problems 4,5 and 6, the Pearson product moment correlation was used.

Ethical Considerations in the Conduct of the Research Study, the Treatment of the Study Respondents/Participants, Data and Information.

The study was conducted following the generally accepted ethical considerations and principles below, specially the provisions of Data Privacy Act of 2022 and its Implementing Rules and Regulations (IRR).

Properly inform and obtain voluntary consent from the subject individual respondents. Additionally assuring them that they understand the purpose of the study and the necessity of obtaining personal data and information from them.

In compliance with the existing laws, rules and regulation appropriate confidentiality and anonymity of the respondents was observed and maintained throughout the research process up to the final output.

The study adhered to ethical guidelines and regulations set forth by the Wesleyan University-Philippines, the researcher’s Higher Education Institution (HEI) employer and other government and legal entities governing the conduct of research studies.

RESULTS AND DISCUSSION

This chapter provides the presentation of statistical data relative to the problems posted in Chapter I. Analysis and interpretation regarding these presented data were likewise incorporated in this portion of this study.

Demographic Profile of Officers in Selected Agricultural Micro Cooperative

The data gathered on the demographic profile of officers in selected agricultural micro cooperative included sex, age, educational attainment and number of years as cooperative officers.

Table 3.1

Demographic Profile of Officers in Selected Agricultural Micro Cooperative

Sex	Frequency	Percentage
Male	96	51.89
Female	89	48.11
Total	185	100.00
Age	Frequency	Percentage
18-25	6	3.24
26-33	27	14.59
34 - 42	38	20.54
43 - 50	38	20.54
56 - above	76	41.08
Total	185	100.00
Educational Attainment	Frequency	Percentage
Elementary	6	3.24
Secondary	45	24.32
College graduate	118	63.78
Post College/Graduate	16	8.65

Total	185	100.00
Number of years as cooperative Officer	Frequency	Percentage
less than 1 year	2	1.08
1 - 3 years	108	58.38
4 - 6 years	70	37.84
7 - above	5	2.70
Total	185	100.00

1.1 Sex

Out of 185 respondents, 96 or 51.89 percent were male and 89 or 48.11 percent were female. It is evident that the officers of selected agricultural micro cooperative within the locality of the study were dominated by male. Cooperatives can be male-dominated due to cultural norms, male are suitable for leadership roles because of their argentic characteristics as aggressive, ambitious, dominant, forceful, independent, self-sufficient, self-confident, and prone to act as a leader. The perception of dominant male leaders as the norm helps male leaders to be perceived as leaders (Kim et al., 2020).

1.2 Age

In terms of age, there were 76 or 41.08 percent were belonged within the age range of 56 – above, followed by 38 or 20.54 percent were belonged within the age bracket of 34 – 42 and 43 – 50 years old respectively, and 27 or 14.59 percent belonged within the age range of 26 – 33 years old. Meanwhile, 6 or 3.24 percent recorded that they were belonged within the age bracket of 18 – 25 years old. This result indicates that most of the respondents belonged within the age bracket of 56 – above years old. This age bracket belongs to middle adulthood according to Erik Erikson's eight Stages of Psychosocial Development as reviewed by Cherry (2024). In this stage, they strive to create or nurture things that will outlast them, often by fostering positive changes that benefit others. Contributing to society and doing things to promote future generations are important needs at the stage of development (Rubinstein et al., 2015).

1.3 Educational Attainment

As to educational attainment, 118 or 63.78 percent were college graduate, followed by 45 or 24.32 percent secondary graduate and 16 or 8.65 percent were post college/graduate. Similarly, 6 or 3.24 percent recorded that they were elementary graduate. This result indicates that most of the officers in selected agricultural micro cooperative were college graduate. Having a majority of college graduates among officers of the cooperative can bring numerous benefits such as enhanced decision-making and leadership skills, stronger financial management and planning, improved communication and interpersonal skills and increased professionalism and credibility. This result confirmed with the result of the study of Onate (2015).

1.4 Number of years as cooperative Officer

Finally, in terms of number of years as cooperative officers, 108 or 58.38 percent recorded that they were cooperative officers for a period of 1 – 3 years, followed by 70 or 37.84 percent 4 -6 years and 5 or 2.70 percent were cooperative officers for more than 7 years. Relatively, 2 or 1.08 percent recorded that they serve the cooperative for about less than 1 year. This result implies that most of the respondents was cooperative officers for a period of 1 – 3 years. This implies that the cooperative officers have a short period of time to get familiarized with the by laws and policies and limited understanding of cooperative operations. In like manner, even though they are new, they have fresh perspective and ideas, new skills and expertise and has diverse experiences and

backgrounds. A study by the National Cooperative Business Association (NCBA) found that 71% of new cooperative members remain active after one year, and 55% after three years (NCBA, 2020).

Profile of Agricultural Micro Cooperatives

The data gathered on the profile of the agricultural micro cooperatives include years of cooperative existence, common bond membership and number of initial cooperators.

Table 3.2

Profile of Agricultural Micro Cooperatives

Years of Coop Existence	Frequency	Percentage
1 - 3 years	15	40.54
4 - 6 years	22	59.46
Total	37	100.00
Common Bond of Membership	Frequency	Percentage
Residential	32	86.49
Occupational	3	8.11
Associational	2	5.41
Institutional	0	0.00
Total	37	100.00
Number of Initial Cooperators	Frequency	Percentage
15 - 24	19	51.35
25 - 34	13	35.14
35 - 44	3	8.11
45 - 54	2	5.41
55 - above	0	0.00
Total	37	100.00

Years of Cooperative Existence

Data show that out of 37 agricultural micro cooperatives, 22 or 59.46 percent existed for a period of 4 – 6 years and 15 or 40.54 percent existed for a period of one to three years. The result indicates that most of the agricultural micro cooperatives were existed for a period of 4 – 6 years. Results further denote that cooperatives with 4 -6 years of existence often experience significant growth, consolidation and maturation. A National Cooperative Business Association (NCBA) survey found that 55% of cooperatives with 4-6 years of tenure report increased membership, and 45% report increased revenue (NCBA, 2020).

Common Bond of Membership

In terms of common bond of membership, 32 or 86.49 percent had a residential common bond of membership, followed by 3 or 8.11 percent occupational and 2 or 5.41 percent recorded that they had associational common bond of membership. It can be inferred from the data that most of the cooperatives had a common residential bond of membership which means that they are living in a neighborhood and are engage in social connections and foster mutual support and cooperation among them. A study by the University of Wisconsin-Madison found that 75% of housing cooperative members reported feeling a sense of community and connection with their neighbors (UW-Madison, 2018).

Number of Initial Cooperators

Finally, in terms of initial cooperators, 19 or 51.35 percent had a number of cooperators from 15 – 24, followed by 13 or 35.14 percent 25 – 34, and 3 or 8.11 percent has a number of initial cooperators of 35 – 44. Meanwhile, 2 or 5.41 percent recorded that they had a number of initial cooperators of 44 -54. This result indicates that most of the agricultural micro cooperatives had an initial cooperator of 15 – 24. Results further denote that this number of cooperators confirmed that the cooperative was classified under micro-cooperative. One of the benefits of this cooperative are enhanced social capital and community engagement and increased innovation and adaptability (International Cooperative Alliance, 2020).

Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives

The data gathered on the core managerial competencies of officers of selected agricultural micro cooperatives which includes eestablish a cooperative and perform cooperative management, develop human resources system, ensure safe and sound operation of cooperatives, implement effective financial management, develop quality products and services, practice good governance of cooperatives and contribute to social, economic and environmental sustainability.

Establish a Cooperative and Perform Cooperative Management

Table 3.3

Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Establish a Cooperative and Perform Cooperative Management

1. Establish A Cooperative and Perform Cooperative Management.	Mean	SD	Adjectival Description
1.1 Able to judiciously implement and enforce cooperative fundamental governing laws (RA 9520, 11364, etc.) rules and regulations (CDA MCs) of cooperatives.	3.52	1.11	EK
1.2 Able to formulate relevant and effective cooperative, vision, mission, goals, objectives (VMGO), plans, programs and policies.	3.55	1.02	EK
1.3 Able to establish networking and linkages with government entities and other cooperative stakeholders.	3.43	1.14	EK
1.4 Able to establish and strengthen partnership with other cooperatives.	3.38	1.03	PK
1.5 Able to provide support in the conduct of research and evaluation of cooperative operation.	3.44	0.99	EK

1.6 Able to nourish a cooperative identity.	3.63	0.99	EK
1.7 Able to foster cooperative culture.	3.59	0.93	EK
1.8 Able to develop effective cooperative communication plan.	3.59	0.94	EK
1.9 Able to formulate and implement a cooperative business continuity plan.	3.58	0.92	EK
Overall Weighted Mean	3.52	0.90	EK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondent’s assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of establish a cooperative and perform cooperative management obtained an overall weighted mean of 3.52 (SD=0.90) which was verbally described as “Enough knowledge and ability to perform.” The item got the highest mean was “Able to nourish a cooperative identity,” with a mean of 3.63 (SD=0.99) translated as “Enough knowledge and ability to perform, while the item got the lowest mean was “Able to establish and strengthen partnership with other cooperatives,” with a mean of 3.38 (SD=1.03) which was verbally described as “Partial knowledge and ability to perform.” The calculated standard deviation of overall weighted mean and item got the highest mean was homogenous and the item got the lowest mean was a little bit fluctuate based on the responses of the respondents.

This result indicates that the respondents able to manage the cooperative because of their broad skills including financial knowledge, people skills and the ability to plan, organize, staff, direct and control. They were able to make a sound strategic plan with able manager that suggests strategies and analyze alternatives. Similarly, they were able to nurture the cooperative identity through their cooperative values based on the value of self-help, self-responsibility, democracy, equality, equity, and solidarity. In addition, they were able to promote ethical values of honesty, openness, social responsibility and caring for others. In the same vein, the respondents perceived that they need to improve and enhance their collaboration and partnership with other cooperatives to carry out in the form of capitalization, coaching, and assistance in improving cooperative efforts.

Iceberg Competency Model by Hay McBer explains that there are three main components of competency, namely knowledge, skills, and attitude (personality). Knowledge competency means an individual’s ability to continuously improve their knowledge to effectively improve their individual performance. Meanwhile, skills competency is an individual’s ability to utilize and take advantage of their knowledge and skills to successfully perform a task. Next, attitude competency is the personal values and traits that are embodied and practiced by a working individual (Abdullah, 2017).

Develop Human Resource System

Table 3.4

Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Develop Human Resource System

2. Develop Human Resources System	Mean	SD	Adjectival Description
2.1 Able to develop Human Resources Management (HRM) systems and processes for cooperatives.	3.50	0.96	EK
2.2 Able to apply, administer, and manage HRM systems and processes.	3.45	0.93	EK
2.3 Able to develop and implement human resource capacitation (entrepreneurial skills, competencies and activities) plan for cooperatives.	3.50	0.96	EK
2.4 Able to improve a HRM systems and processes of cooperative.	3.54	0.89	EK
Overall Weighted Mean	3.50	0.88	EK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondents assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of develop human resource system obtained an overall weighted mean of 3.50 (SD=0.88) which was verbally described as “Enough knowledge and ability to perform.” In this indicator, the item got the highest mean was “Able to improve a HRM systems and processes of cooperative,” with a mean of 3.54 (SD=0.88) translated as “Enough knowledge and ability to perform,” while the item got the lowest mean was “Able to apply, administer, and manage HRM systems and processes,” with a mean of 3.45 (SD=0.93) which was verbally described as “Enough knowledge and ability to perform.” The calculated standard deviation was homogenous based on the responses of the respondents.

This result implies that the cooperative officers able to exercise human resource system that are aligned to the cooperative development and management. They were able to have an strategic thinking that align their initiative to their cooperative goals that yielded a competitive advantage. Effective communication skills that develop open communications and mutual understanding among officers and members. In like manner, they were able to upgrade themselves by attending capacity building and cooperative trends that enhance their ability to improve their human resource needs. The cooperative officers able to translate a workplace culture that the develop health workplace, motive employees and able to create a positive working environment. Drawing on interviews with human resources managers in social cooperatives, Cisi and Centrone (2021) elaborate that these organizations prioritize the ethical dimension of work, valuing individuals based on their alignment with the organization’s mission and values rather than solely their skills and performance. As transformative entities, cooperatives adopt novel management patterns, and foster social and labor relationships (Rincon-Roldan & Lopez-Cabrales, 2022).

Ensure Safety and Sound Operation of Cooperatives

Table 3.5

Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Ensure Safety and Sound Operation of Cooperatives

3. Ensure Safe and Sound Operation for Cooperatives	Mean	SD	Adjectival Description
3.1 Able to satisfy the roles, perform the duties, responsibilities, accept accountabilities and integrate good Filipino values in leading the cooperative.	3.72	0.99	EK
3.2 Able to apply parliamentary procedures in conducting meeting.	3.63	0.96	EK
3.3 Able to develop a mediation and conciliation program.	3.47	1.05	EK
3.4 Able to formulate approaches in implementing the mediation and conciliation program.	3.56	1.00	EK
3.5 Able to establish records management.	3.49	1.09	EK
3.6 Able to integrate/implement necessary technologies (computerization, digitization. etc.) to the cooperative operation.	3.27	1.10	PK
3.7 Able to establish an updated Management Information System (MIS) and data analytics.	3.22	1.05	PK
3.8 Able to comply with statutory and other documentary reportorial requirements of CDA & BIR.	3.43	1.03	EK
Overall Weighted Mean	3.47	0.92	EK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondents assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of ensure safety and sound operation of cooperatives obtained an overall weighted mean of 3.47 (SD=0.92) which was verbally described as “Enough knowledge and ability to perform.” In this indicator, the item got the highest mean was “Able to satisfy the roles, perform the duties, responsibilities, accept

accountabilities and integrate good Filipino values in leading the cooperative,” with a mean of 3.72 (SD=0.99) translated as “Enough knowledge and ability to perform,” while the item got the lowest mean was “Able to establish an updated Management Information System (MIS) and data analytics,” with a mean of 3.22 (SD=1.05) which was verbally described as “Partial knowledge and ability to perform.” The calculated standard deviation on the overall weighted mean and the item got the highest mean was homogenous and a little bit fluctuated on the item got the lowest mean.

This result indicates that the respondents able to ensure safe and sound operation by following regulations of the CDA that enforces cooperative laws, rules and regular review of the regulatory standards to maintain satisfactorily performance. Similarly, they regularly monitor the cooperative performance through regular reporting and review of feedbacks from its members. They see to it that they regularly submit reports and ensure compliance to the CDA cooperative requirements. Also, they ensure safe and sound operations by implementing policies, systems and procedures in a timely manner.

In Republic Act 9520 of the CDA they assure that every cooperative in the Philippines shall conduct its affairs in accordance with Filipino culture, good values and experience and the universally accepted principles of cooperation which include, but are not limited to, the voluntary and open membership, democratic member control, cooperation among cooperatives and concern for the community. Meanwhile, the cooperative officers try to establish MIS and data analytics that can be useful in the operation of the cooperative, by allowing themselves to train themselves in the latest innovation in handing records and analyzing data that can be used in decision making. Coursera (2024) postulated that MIS is a system that provides managers with the necessary information to make decisions about an organization's operations. The MIS gathers data from various sources and processes it to provide information tailored to the managers' and their staff's needs.

Implement Effective Financial Management

Table 3.6

Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Implement Effective Financial Management

4. Implement Effective Financial Management.	Mean	SD	Adjectival Description
4.1 Able to perform basic cooperative budgeting.	3.36	1.08	PK
4.2 Able to generate capital and deposits.	3.39	1.09	PK
4.3 Able to establish and supervise an accounting, auditing and internal control system for cooperatives.	3.28	1.00	PK
4.4 Able to develop and implement effective credit collection strategies.	3.44	0.94	EK
4.5 Able to manage effectively the cooperative assets and liabilities.	3.43	1.09	EK
4.6 Able to comply with standard cooperative Performance Audit Report (PAR)-Governance & Management Report and Financial Performance Report (Stability, Turn-Over Ratio, Efficiency, Profitability, Structure of Assets (STEPS).	3.24	1.08	PK

4.7 Able to identify investment opportunities for cooperatives.	3.37	1.00	PK
Overall Weighted Mean	3.36	0.97	PK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondent’s assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of implement effective financial management obtained an overall weighted mean of 3.36 (SD=0.97) which was verbally described as “Partial knowledge and ability to perform.” The item got the highest mean was “Able to develop and implement effective credit collection strategies,” with a mean of 3.44 (SD=0.94) translated as “Enough knowledge and ability to perform,” while the item got the lowest mean was “Able to comply with standard cooperative Performance Audit Report (PAR)-Governance & Management Report and Financial Performance Report (Stability, Turn-Over Ratio, Efficiency, Profitability, Structure of Assets (STEPS),” with a mean of 3.24 (SD=1.08) which was verbally described as “Partial knowledge and ability to perform. The calculated standard deviation on the overall weighted mean and the item got the highest mean was homogenous and a little bit fluctuated on the item got the lowest mean.

This result indicates that the overall assessment of the cooperative officers in this aspect of their operations was limited based on their experiences in handling financial controlling and management. They need to improve their financial management capabilities by involving themselves in the planning, organizing, controlling and monitoring of their financial resources to meet business objectives. On the other hand, they were able to improve credit collection strategies through consistent communication to those members with loans and always offer payment options to facilitate their payments. In the same vein, they try to comply with the standards of cooperative, and systematic reporting of finances for audit and analysis of the financial performance. The financial management of cooperatives must be fair, transparent, and accountable. Organizations are microfinance institutions. Microfinance institutions face a low risk of liquidity. Microfinance institutions have the potential to maintain liquidity. Microfinance institutions can operate activities in paying off obligations in the short term (Gietzen, 2017). Collaborative management must be professional to improve performance. Proper organizational management can give trust to the owner about the return on investment invested. In the cooperative, the owner is a member of the collective. Returns on investment in the form of organizations in the way of remaining business results — investment in cooperative members in the form of maximum savings, mandatory savings, and voluntary savings (Peña-Miguel et al., 2017).

Develop Quality Products and Services

Table 3.7 *Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Develop Quality Products and Services*

5. Develop Quality Products and Services	Mean	SD	Adjectival Description
5.1 Able to initiate, create and innovate products and services for cooperatives.	3.43	1.00	EK

5.2 Able to develop a cooperative marketing program.	3.46	0.91	EK
5.3 Able to implement a cooperative marketing program and strategies.	3.41	1.00	EK
5.4 Able to improve internal cooperative business processes.	3.38	0.96	PK
5.5 Able to adopt and adapt Total Quality Management (TQM) principles and practices for cooperatives.	3.37	1.01	PK
Overall Weighted Mean	3.41	0.91	EK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondent’s assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of develop quality products and services obtained an overall weighted mean of 3.41 (SD=0.91) which was verbally described as “Enough knowledge and ability to perform.” In this indicator the item got the highest mean was “Able to develop a cooperative marketing program,” with a mean of 3.46 (SD=0.91) translated as “Enough knowledge and ability to perform,” while the item got the lowest mean was “Able to improve internal cooperative business processes,” with a mean of 3.38 (SD=0.96) which was verbally described as “Partial knowledge and ability to perform.” The calculated standard deviation was homogenous based on the responses of the respondents. This result implies that the respondents had an enough knowledge and ability to perform in developing products and services. They were able to define quality standards, implement quality assurance and perform quality control to meet cooperative member’s needs.

In like manner, the officers train themselves to deliver quality products and services and for continuous improvement within the cooperative. They systematically document quality control activities and results to detect or deviates for the standards. Quality is important for a company's long-term growth and profitability. Recalls and other quality issues can result in significant financial losses and damage to brand's reputation. Improving product quality is integral to company success. Quality management has become a reality that businesses can no longer ignore or take lightly, as they need it for their long-term growth and profitability both now and in the future. This means embedding these practices into routine processes so everyday operations are based on high-quality workmanship instead of an afterthought (Philip, 2022).

Practice Good Governance of Cooperatives

Table 3.8 *Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Practice Good Governance of Cooperatives*

6. Practice Good Governance for Cooperatives	Mean	SD	Adjectival Description
6.1 Able to promote good governance, implement labor and other related laws.	3.49	1.01	EK

6.2 Able to promote cooperative ethical practices.	3.61	1.02	EK
6.3 Able to apply principles of management in cooperative.	3.63	1.01	EK
6.4 Able to develop cooperative strategic plan.	3.46	0.98	EK
6.5 Able to direct a cooperative strategic thrust.	3.49	1.00	EK
Overall Weighted Mean	3.54	0.95	EK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondent’s assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of practice good governance of cooperatives yielded an overall weighed mean of 3.54 (SD=0.95) which was verbally described as “Enough knowledge and ability to perform.” In this indicator the item got the highest mean was “Able to apply principles of management in cooperative,” with a mean of 3.63 (SD=1.01) translated as “Enough knowledge and ability to perform,” while the item got the lowest mean was “Able to develop cooperative strategic plan,” with a mean of 3.46 (SD=0.98) which was verbally described as “Enough knowledge and ability to perform.” The calculated standard deviation on the overall weighed mean and item with the lowest mean homogenous, while the standard deviation for the item got the lowest mean was a little bit fluctuate based on the responses of the respondents.

This result indicates that the officers of the cooperative attests that they practice good governance by establishing and understand their roles within the organization. They create shaves vision and work with the stakeholders to develop shared understanding on the cooperative goals. They build legitimacy to ensure decisions are recognized as having authority by the majority of the stakeholders. Similarly, they exercise transparency to provide members with relevant information so they make informed decisions. They likewise encourage member’s participation in the annual general meeting. Lastly, they show flexibility to adapt the governance system in to evolving situations. Integrating a good governance strategy is a competitive necessity for cooperatives.

Cooperative governance answers key business questions, defines roles and responsibilities, establishes processes for setting expectations and ensures accountability and steers community-owned business enterprises towards socio-economic and cultural success. Good cooperative governance enables sustainable business growth and long-term competitive advantage, awards opportunities to manage risks and adds value for efective monitoring of business activities. Innovation and fexibility facilitate changed circumstances towards registering competitive advantage (Bishwas, 2015)

Contribute to Social, Economic and Environmental Sustainability

Table 3.9

Core Managerial Competencies of Officers of Selected Agricultural Micro Cooperatives in terms of Contribute to Social, Economic and Environmental Sustainability

7. Contribute to Social, Economic and Environmental Sustainability	Mean	SD	Adjectival Description
7.1 Able to advocate, develop and implement Gender and Development (GAD) program.	3.47	0.93	EK
7.2 Able to institutionalize a Youth Development Program (YDP) in the cooperative.	3.40	1.00	EK
7.3 Able to advocate an environmental program for cooperative.	3.56	1.07	EK
7.4 Able to initiate contribution to national cooperative plans and goals.	3.52	1.06	EK
7.5 Able to initiate cooperative projects and programs that contributes to the social development of the community.	3.57	0.99	EK
Overall Weighted Mean	3.50	0.95	EK
Legend:			
4.20 - 5.00 Completely knowledgeable and very able to perform (CK)			
3.40 - 4.19 Enough knowledge and ability to perform (EK)			
2.60 - 3.39 Partial knowledge and ability to perform (PK)			
1.80 - 2.59 Minimal knowledge and ability to perform (MK)			
1.00 - 1.79 No knowledge and unable to perform (NK)			

The respondent's assessment on the core managerial competencies of officers of selected agricultural micro cooperatives in terms of contribute to social, economic and environmental sustainability yielded an overall weighed mean of 3.50 (SD=0.95) which was verbally described as "Enough knowledge and ability to perform." In this indicator, the item got the highest mean was "Able to initiate cooperative projects and programs that contributes to the social development of the community," with a mean of 3.57 (SD=0.99) translated as "Enough knowledge and ability to perform," while the item got the lowest mean was "Able to institutionalize a Youth Development Program (YDP) in the cooperative," with a mean of 3.40 (SD=1.00) which was verbally described as "Enough knowledge and ability to perform." The calculated standard deviation on the overall weighed mean and item got the highest mean was homogenous and the standard deviation for the item got the lowest mean was fluctuate based on the responses of the respondents.

This result implies that the respondents able to put into action individual actions that can contribute to social, economic and environmental sustainability by teaching members to participate in the sustainable activities like waste management, conservation and sustainable agriculture. Likewise, they engage in decision-making process to ensure development plans align with community priorities. Cooperative also contribute to economic sustainability by creating jobs that contribute to the local economic growth and stimulate economic activity. The respondents also assure the cooperative promote social inclusion and promote workers and members well-being. Lastly, they also ensure that the cooperative emphasizes environmental sustainability and community development and play a vital role in addressing climate change and the US Sustainable Development Goal (SDG # 13: Climate Action. On the other hand, the cooperative needs to prioritize also youth development program as a collaborative program to enhance youth partnership to various community engagements. Cooperatives are highly relevant and important in the realization of the proposed sustainable development goals. This brief highlights the actual contribution of cooperatives to the twelve SDGs proposed by the High-Level Panel of

Eminent Persons in the Post2015 Development Agenda in their report of 2013. Though the specific goals, targets and indicators will not be agreed upon until September 2015 as part of the ongoing process, these twelve proposed goals reflect the range of themes that will likely be covered by the SDGs (ILO, 2024). Constantly, cooperatives in Ifugao, Philippines are contributory to economic, environmental and social welfare by diminishing poverty, creating employment, improving food security, empowering societies, creating rural markets and developing human capital (Pagaddut, 2023).

Financial Performance of Selected Agricultural Micro Cooperatives

Table 3.10

Financial Performance of Selected Agricultural Micro Cooperatives

Performance of the Cooperative	Frequency	Percentage
78 - 100 (Excellent)	0	0.00
58 - 77 (Very Satisfactory)	0	0.00
38 - 57 (Satisfactory)	2	5.41
20 - 37 (Fair)	35	94.59
1 - 19 (Needs Improvement)	0	0.00
Total	37	100.00
Mean Performance of the Cooperative: 29.51 (Fair)		

Table 3.10 presents the financial performance of selected agricultural micro cooperatives. Out of 35 respondents, 37 or 94.59 percent obtained a “fair” financial performance and 2 or 5.41 percent has a “very satisfactory” financial performance. This result indicates that most of the selected agricultural micro cooperatives had a fair financial performance. This result implies that the officers of the cooperatives need to improve their financial capabilities and cooperative financial stand. They need to follow the Philippine Financial Reporting Framework for Cooperatives that includes, financial statements, comparative financial statements and consistent presentation and classification of reports for the next period. They need to analyze financial statement to determine financial health in the areas of their strength and weaknesses.

Similarly, to monitor their financial performance, the cooperative may undergo a regular performance audit to determine the organizational economic and social aspects. Numerous evaluations of cooperative performance have focused mainly on the financial aspect of business operations. Pokharel et al. (2018) analyzed the effect of size and specialization on agricultural cooperatives in the United States, whereas Shamsuddin et al. (2018) uncovered financial ratios and non-financial indicators that contribute to cooperative financial performance. Masuku et al. (2016) evaluated multipurpose cooperatives in the Shiselweni Region, whereas Simkhada (2017) examined financial cooperative indicators in Nepal. Nevertheless, the majority of studies primarily focus on financial aspects, ignoring nonfinancial components of cooperative operations.

Correlation Analysis between the Profile of Cooperative Officers and Managerial Competencies

Table 3.11 Correlation Analysis between the Profile of Cooperative Officers and Managerial Competencies

Variable	Correlation	A	B	C	D	E	F	G
Sex	Pearson Correlation	0.007	-0.042	0.026	0.018	-0.005	0.007	-0.006

	Sig. (2-tailed)	0.921	0.571	0.73	0.807	0.941	0.929	0.934
	N	185	185	185	185	185	185	185
Age	Pearson Correlation	-0.051	0.017	0.001	0.016	-0.018	0.015	-0.018
	Sig. (2-tailed)	0.493	0.816	0.987	0.829	0.811	0.835	0.803
	N	185	185	185	185	185	185	185
Educational Attainment	Pearson Correlation	.248**	.234**	.304**	.331**	.278**	.251**	.280**
	Sig. (2-tailed)	0.001	0.001	0	0	0	0.001	0
	N	185	185	185	185	185	185	185
No. of Years as Cooperative Officer	Pearson Correlation	-0.114	-0.078	-0.088	-0.07	-0.093	-0.092	-0.08
	Sig. (2-tailed)	0.123	0.289	0.232	0.342	0.209	0.211	0.278
	N	185	185	185	185	185	185	185
**. Correlation is significant at the 0.01 level (2-tailed).								

Legend:

A = Establish A Cooperative and Perform Cooperative Management.

B = Develop Human Resources System.

C = Ensure Safe and Sound Operation of Cooperatives

D = Implement Effective Financial Management.

E = Develop Quality Products and Services.

F = Practice Good Governance of Cooperatives.

G = Contribute to Social, Economic and Environmental Sustainability.

Out of 4 profile variables of the cooperative officers tested for relationship to managerial competencies, only educational attainment was significantly correlated. This result indicates that the higher the educational attainment the respondents have, they most likely have better managerial competencies as to establish a cooperative and perform cooperative management ($r=.248$), develop human resources system ($r=.234$), ensure safe and sound operation of cooperatives ($r=.304$), implement effective financial management ($r=.331$), develop quality products and services ($r=.278$), practice good governance of cooperatives ($r=.251$) and contribute to social, economic and environmental sustainability ($r=.280$). The null hypothesis of no significant relationship is rejected. This result suggests that educational attainment of the respondents is a contributory factor of their managerial competencies. Officers with higher educational attainment tends to have better knowledge, skills and attitude. This shows that this element are vital to the person to perform better in the execution of their job roles. Education reflects the level of knowledge mastery an individual possesses in understanding a subject, particularly in academic settings. The higher an individual's education level, the higher their level of tolerance

to risks (Wahyuni & Pramono, 2021). This is due to the perception that higher education levels entail substantial knowledge and proficiency, enabling the individual to analyses and assess potential risks effectively. Highly educated individuals possess broad insights and knowledge (Anggraeni, 2017). Better educational background correlates with increased competence. Such individuals are more inclined and confident in decision-making, as well as more willing to take risks due to their acquired knowledge (Tanusdjaja, 2018).

Education is among the crucial factors in human resource development. It holds significant influence over an individual's productivity. A higher level of education tends to lead to greater individual productivity and contributes to better work quality as it enables a person to apply his/her knowledge to effectively complete tasks (Ukkas, 2017). The higher the education level, the greater the competence and quality of the workforce. Education reflects a level of wisdom that is connected to an individual's cognitive capacity; it broadens one's mind in accepting new ideas and encourages scientific thinking. Education teaches a person a variety of skills and abilities (Chaerani & Gusvita, 2022). In Malaysia, formal education is provided to students between the age of 6 to 17 years old. Both formal and informal education are critical in shaping an individual's behavior, ethics, values, and personality (Vasan, 2020). An individual's competencies, including skills and knowledge, can be nurtured through education and training (Manalu et al., 2017). A higher level of education makes it easier for a person to adapt to changes.

Correlation Analysis between Cooperatives Profile and Financial Performance

Table 3.12

Correlation Analysis between Cooperatives Profile and Financial Performance

Cooperative Profile	Correlation	Performance
Years of Cooperative Existence	Pearson Correlation	-0.025
	Sig. (2-tailed)	0.883
	N	37
Common Bond of Membership	Pearson Correlation	-0.088
	Sig. (2-tailed)	0.603
	N	37
Number of Initial Cooperators	Pearson Correlation	0.092
	Sig. (2-tailed)	0.587
	N	37

The correlation analysis between cooperatives profile and financial performance was found no significant relationship. Years of cooperative existence and performance ($r=-0.025$; $p>0.05$); common bond of membership and performance ($r=-0.088$; $p>0.05$) and number of initial co-operators and performance ($r=0.092$; $p>0.05$). The null hypothesis of no significant relationship is accepted. This result suggests that the years of cooperative existence do not mediate to their financial performance. The performance of the cooperative cannot be predicted by their year of existence, in can vary by year. The cooperative affect their financial performance by size, smaller cooperatives with lower total assets may have higher returns than larger cooperative. Share capital was also a factor for greater ability to improve their products and services. In like manner, the common bond of membership do not influence the financial performance as indicated in the result of the correlation coefficient. A common

bond of membership is a pre-existing condition that causes people to associate with each other, share common goals, and work together to achieve them. A cooperative can only have one common bond of membership, which can be residential, occupational, associational, or institutional. Weak member engagement and governance practices can lead to financial mismanagement and other challenges that can jeopardize a cooperative's financial stability. Finally, the number of initial cooperators do not intervene to the financial performance of the cooperative as indicated in the correlation coefficient result. This result indicates that number of members do not influence the cooperative financial performance.

Correlation Analysis between Managerial Competencies and Cooperative Financial Performance

Table 3.13

Correlation Analysis between Managerial Competencies and Cooperative Financial Performance

Managerial Competencies	Correlation	Performance
MCEstablish	Pearson Correlation	-0.053
	Sig. (2-tailed)	0.47
	N	185
MCDevHuman	Pearson Correlation	-0.081
	Sig. (2-tailed)	0.274
	N	185
MCEnsure	Pearson Correlation	-0.055
	Sig. (2-tailed)	0.455
	N	185
MCImplement	Pearson Correlation	-0.078
	Sig. (2-tailed)	0.291
	N	185
MCDevQua	Pearson Correlation	-0.092
	Sig. (2-tailed)	0.211
	N	185
MCPractice	Pearson Correlation	-0.06
	Sig. (2-tailed)	0.42
	N	185
MCContri	Pearson Correlation	-0.056
	Sig. (2-tailed)	0.447

	N	185	
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The correlation analysis between managerial competencies and cooperative financial performance was found no significant relationship. The null hypothesis of no significant relationship is accepted. This result suggests that the managerial competencies of cooperative officers do not influence the financial performance of the cooperative. Although the officers are educationally qualified for the position and possesses the required skills and knowledge to initiate programs that will improve the financial performance, there are some factors that the cooperative needs to consider meeting a fair performance. Similarly, the officers may use measurement system which they can use to determine the marginal benefits from a specific program. Besides, they should have viable measurement metrics for making informed decisions about the systems to adopt in order to improve the financial performance.

Literature is replete with many managerial competences-financial performance relationship studies; however these studies have always yielded differing results. For example, Ssekakubo et al. (2014) in their study on savings and credit cooperatives in Uganda report a positive and significant relationship between managerial competencies and financial performance. Similar findings are reported by Yahaya and Segbenya, (2023) and Apreku-Djan (2022). Conversely, Rivera and Melo (2022), and Wijaya and Irianto (2018), while studying same relationship found non-significant effects.

Based from the findings of the study and as to its purpose of recommending possible necessary, relevant and timely interventions such as innovative actions as to improve the management of agricultural micro cooperatives specifically on the aspect of management competency of its officers. The proposed action plan is presented herein provide emphasis to the following specific managerial competencies as notably found out in the results of the study; ability to establish and strengthen partnership with other cooperatives, ability to apply, administer, and manage HRM systems and processes, ability to establish an updated Management Information System (MIS) and data analytics, ability to comply with standard cooperative Performance Audit Report (PAR)-Governance & Management Report and Financial Performance Report (Stability, Turn-Over Ratio, Efficiency, Profitability, Structure of Assets (STEPS), ability to adopt and adapt Total Quality Management (TQM) principles and practices for cooperatives, ability to develop cooperative strategic plan and ability to institutionalize a Youth Development Program (YDP) in the cooperative.

Proposed Action Plan

Activities	Objectives	Persons Involved	Resources	Time Frame	Expected Outcomes
Establish and strengthen partnership with other cooperatives	<p>Foster collaborative relationships with other cooperatives to enhance mutual benefits.</p> <p>Increase cooperation and knowledge-sharing among cooperatives.</p> <p>Develop strategic partnerships to achieve common goals.</p> <p>Enhance collective influence and advocacy for cooperative interests.</p> <p>Promote inter-cooperative trade and business opportunities.</p>	BOD, Committee Chairmen, Manager and Coop Staff.	Cooperative self-generated and externally sourced out funds and other resources.	First quarter of annual calendar of operation. If possible all year round of operation.	100% collaboration and partnership with other cooperatives and stakeholders.

<p>Application of Human Resources Management systems and processes</p>	<p>Align HR practices with cooperative values and principles.</p> <p>Foster a culture of member-ownership and participation.</p> <p>Develop HR policies and procedures that support and enhance democratic decision-making.</p> <p>Enhance transparency and accountability in HR practices.</p> <p>Ensure compliance with cooperative laws and regulations.</p>	<p>BOD, Appropriate Committee/its Chairman and members, Manager and Coop Staff.</p>	<p>Cooperative self-generated and externally sourced out funds and other resources.</p>	<p>All year round of operation.</p>	<p>100% applied HRM systems and processes.</p>
<p>Establish an applicable and updated Management Information (MIS) and data analytics processes and system</p>	<p>Enhance decision-making with data-driven and based insights.</p> <p>Improve operational efficiency and effectiveness.</p> <p>Increase transparency and accountability.</p> <p>Support strategic planning and performance monitoring.</p> <p>Ensure data security and compliance.</p>	<p>Appropriate Committee/its Chairman and members, Manager and Coop Staff.</p>	<p>Cooperative self-generated and externally sourced out funds and other resources.</p>	<p>All year round of operation</p>	<p>100% updated management information system and data analytics.</p>
<p>Effective and Systematic Compliance in Reporting for mandated Annual Performance Audit Report (PAR).</p>	<p>Accurate evaluation of the effectiveness and efficiency of operations.</p> <p>Identify areas for improvement and optimization.</p> <p>Provide recommendations for corrective actions based from the result Performance Audit Report (PAR)</p> <p>Enhance transparency and accountability.</p> <p>Support strategic problem solving, decision-making and planning based from</p>	<p>Appropriate Committee/its Chairman and members, Manager and Coop Staff.</p>	<p>Cooperative self-generated and externally sourced out funds and other resources.</p>	<p>Last quarter of the calendar of operation.</p>	<p>100% compliance to the mandated Annual Performance Audit Report (PAR).</p>

	Performance Audit Reports (PAR).				
Establish or implement Total Quality Management (TQM) principles and practices for cooperatives	<p>Enhance operational efficiency and effectiveness thru implementation and practice of Total Quality Management (TQM).</p> <p>Improve member and client satisfaction and experience.</p> <p>Enhance transparency and accountability.</p> <p>Reduce costs and improve financial sustainability.</p> <p>Align management processes with cooperative values and principles.</p>	Appropriate Committee/its Chairman and members, Manager and Coop Staff.	Cooperative self-generated and externally sourced out funds and other resources.	All year round of operation.	100% improved internal cooperative business processes.
Develop a sound cooperative strategic plan	<p>Define and operationalize the cooperative's mission, vision, and values.</p> <p>Identify strategic goals and objectives.</p> <p>Develop a comprehensive business plan.</p> <p>Enhance member engagement and participation.</p> <p>Ensure long-term sustainability and growth.</p>	BOD, Appropriate Committee/its Chairman and members, Manager and Coop Staff.	Cooperative self generated and externally sourced out funds and other resources.	First quarter of the calendar of operation	100% completed cooperative strategic plan

<p>Institutionalization of a Youth Development Program (YDP) in the cooperative</p>	<p>Empower youth to participate in cooperative governance and decision-making.</p> <p>Develop young leaders and future cooperative leaders.</p> <p>Enhance youth engagement and participation in cooperative activities.</p> <p>Foster a culture of innovation and entrepreneurship among youth.</p> <p>Ensure cooperative sustainability and succession planning.</p>	<p>Appropriate Committee/ its Chairman and members, Manager and Coop Staff.</p>	<p>Cooperative self generated and externally sourced out funds and other resources.</p>	<p>First quarter and throughout all year round of operation.</p>	<p>100% programs on youth development initiated by the cooperative.</p>
<p>9. Strengthening Financial Performance</p>	<p>Develop and implement a long-term financial literacy program. Adopt and continue Financial Inclusion Through (FIT) cooperatives program.</p> <p>Improve financial sustainability and stability.</p> <p>Enhance profitability and return on investment (ROI).</p> <p>Increase financial transparency and accountability.</p> <p>Optimize resource allocation and utilization.</p> <p>Ensure compliance with financial regulations.</p>	<p>Appropriate Committee/ its Chairman and members, Manager and Coop Staff.</p>	<p>Cooperative self-generated and externally sourced out funds and other resources.</p>	<p>All year round of operation</p>	<p>100% sound financial performance</p>

CONCLUSION

Based on the findings of the study, the following conclusions were drawn:

1. The agricultural micro cooperative officers were dominated by male, middle adulthood, college graduate and with officers for a short period of time.
2. Most of the agricultural micro cooperatives respondents of this study existed for a period of 4 -6 years, majority had residential as basis of its common bond of membership and was consisted of 15 – 24 initial cooperators.
3. Six of the core managerial competencies of officers of selected agricultural micro cooperatives within the locality of the study these are; to establish a cooperative and perform cooperative management,

develop human resources system, ensure safe and sound operation of cooperatives, develop quality products and services, practice good governance of cooperatives and contribute to social, economic and environmental sustainability was rated and described by the respondents as with “enough knowledge and ability to perform.” Only, the core managerial competency indicator, to implement effective financial management was rated and described by the respondents as “partial knowledge and ability to perform” as to their core managerial competency.

4. Majority of the selected agricultural micro cooperatives served as respondents of this study had a fair financial performance rating.
5. Out of four profile variables of the cooperative officers tested for relationship to managerial competencies, only educational attainment has a significant correlation.
6. The correlation analysis between cooperatives profile and financial performance was found no significant relationship.
7. The correlation analysis between managerial competencies and cooperative financial performance was found no significant relationship.
8. The proposed action plan was formulated based on the findings of the study.

RECOMMENDATIONS

Based on the findings and conclusion of the study, the following recommendation were drawn:

1. The agricultural micro cooperative within the locality of the study may establish strong collaboration with other cooperatives to strengthen their linkages in terms of mutual benefits, knowledge sharing and partnership to achieve a common goal.
2. The Cooperative Development Authority including complementing provincial (PCLEDOs, etc) and municipal (CDOs) level agencies and other government agencies specially State, Universities and Colleges (SUCs) and private stakeholders on cooperatives may conduct orientation trainings with the use and implementation of Human Resource Management (HRM) system and processes that are aligned to the cooperative laws and regulations. Additionally, to conduct trainings and development interventions to assist the agricultural micro cooperative to implement a Management Information System (MIS) and data analytics useful in the management problem solving and decision-making.
3. The agricultural micro cooperative may develop a customized systematic performance audit report to comply with the CDA mandatory performance audit reports.
4. The agricultural micro cooperative may expert efforts to achieve a sound financial performance through vibrant financial literacy program of its members.
5. The conduct of similar or related study in a larger scope is hereby encourage to compare the findings of the study and to achieve better inferential results
6. The proposed action plan may be adopted as applicable by the agricultural micro cooperative within the locality of the study.
7. Future researches is highly recommended on the same study conceptual framework in a wider scope with the use of other methodology, locale and samples.

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APPENDICES

Appendix A. List of 2023 Compliant Agricultural Micro Cooperatives in the Province of Isabela

(Municipal Address, Year Registered, Category, Type, Status and Asset Size)

No.	Name of Cooperative	Municipal Address	Year Registered	Category	Type	Status	Asset Size
	Farm vestment Agriculture Cooperative	Alicia	2021	Primary	Agriculture	Compliant	Micro
	Lateral D2 Agriculture Cooperative	Alicia	2021	Primary	Agriculture	Compliant	Micro
	Lomboy Agriculture Cooperative (LOMBACO)	Angadanan	2019	Primary	Agriculture	Compliant	Micro
	East Isabela Agriculture Cooperative	Benito Soliven	2021	Primary	Agriculture	Compliant	Micro
	Dacque Farmers Agriculture Cooperative	Cabagan	2020	Primary	Agriculture	Compliant	Micro
	Cauayan Forest Region Agriculture Cooperative (CFRACO)	Cauayan City	2021	Primary	Agriculture	Compliant	Micro
	Isabela West Tanap Farmers Agriculture Cooperative	Cauayan City	2021	Primary	Agriculture	Compliant	Micro
	Jamas Agriculture Cooperative	Cordon	2019	Primary	Agriculture	Compliant	Micro
	Upper Forest Region Agrarian Reform Cooperative	Echague	2021	Primary	Agriculture	Compliant	Micro
	Blue Circle Grains Trading Agriculture Cooperative	Echague	2019	Primary	Agriculture	Compliant	Micro
	Morado Agriculture Cooperative	Ilagan City	2021	Primary	Agriculture	Compliant	Micro

Timpuyog Dagiti Mannalon Iti Hasyenda Santa Isabel Agriculture Cooperative	Ilagan City	2017	Primary	Agriculture	Compliant	Micro
Bigkis Diwa Agriculture Cooperative of Abulan	Jones	2019	Primary	Agriculture	Compliant	Micro
Mallig Plains Agrarian Reform Cooperative	Mallig	2021	Primary	Agriculture	Compliant	Micro
Sang-gir Iti Mannalon Agriculture Cooperative (SIMAC)	Naguilian	2021	Primary	Agriculture	Compliant	Micro
Timpuyog iti Rumaraep ti Quezon Agriculture Cooperative	Quezon	2017	Primary	Agriculture	Compliant	Micro
Quezon Isabela Tobacco Growers Agriculture Cooperative	Quezon	2018	Primary	Agriculture	Compliant	Micro
Ramon Cordon Council of Irrigators Association (RAMCOR CIA) Agriculture Cooperative	Ramon	2018	Primary	Agriculture	Compliant	Micro
Timpuyog Iti Mannalon Biag ket Agduras Agriculture Cooperative (TIMBAC)	San Isidro	2021	Primary	Agriculture	Compliant	Micro
San Isidro North Agrarian Reform Cooperative (SINARCO)	San Isidro	2018	Primary	Agriculture	Compliant	Micro
NDC-8 Agrarian Reform Beneficiaries Cooperative	San Manuel	2018	Primary	Agriculture	Compliant	Micro
Callang Grains Production And Trading Agriculture Cooperative	San Manuel	2020	Primary	Agriculture	Compliant	Micro
San Mariano Indigenous Farmers Agriculture Cooperative (SMIFAC)	San Mariano	2021	Primary	Agriculture	Compliant	Micro
Malaya Sustainable Agriculture Cooperative	San Mariano	2021	Primary	Agriculture	Compliant	Micro
San Pablo Bitabian Agriculture Cooperative (SABICO)	San Mariano	2021	Primary	Agriculture	Compliant	Micro
Marasat-Dagupan Rice Business Innovations System (BIS) Agriculture Cooperative	San Mateo	2021	Primary	Agriculture	Compliant	Micro
Dacque Upland Farmers Organization Agriculture Cooperative (DUFO)	Santa Maria	2021	Primary	Agriculture	Compliant	Micro
Mozzbuenas Farmers Agriculture Cooperative	Santa Maria	2017	Primary	Agriculture	Compliant	Micro
Divisoria Sta. Maria Farmers Agriculture Cooperative	Santa Maria	2017	Primary	Agriculture	Compliant	Micro

Paculagu Irrigators Association Agriculture Cooperative	Santa Maria	2018	Primary	Agriculture	Compliant	Micro
Namnama Ti Masakbayan Agriculture Cooperative	Santiago City	2020	Primary	Agriculture	Compliant	Micro
United BANGSPAVILCA Farmers Agriculture Cooperative (U-BANGS COOP)	Santiago City	2018	Primary	Agriculture	Compliant	Micro
Sinili Vegetable Growers Agriculture Cooperative (SIVEGRACO)	Santiago City	2019	Primary	Agriculture	Compliant	Micro
Northeast Luzon Farmers Agriculture Cooperative	Santiago City	2020	Primary	Agriculture	Compliant	Micro
La Salette High School Batch 81 Agriculture Cooperative (LSHS B81 COOP)	Santiago City	2020	Primary	Agriculture	Compliant	Micro
Mannalon Ti Tumauni Agriculture Cooperative	Tumauni	2019	Primary	Agriculture	Compliant	Micro
Nagkaisang Padre de Pamilya (NAPAdPA) Farmers Agriculture Cooperative	Tumauni	2020	Primary	Agriculture	Compliant	Micro

Appendix B. 2023 - Summary of Stability, Turn-Over, Equity, Profitability, (STEPS) Scores, Common Bond of Membership and Initial Number of Cooperators Upon Registration

No.	Name of Cooperative	Summary/ Total STEPS Score	Rating Adjectival Description	Bond Membership of	Initial Number of Cooperators Upon Registration
	Farmvestment Agriculture Cooperative	20	Fair	Residential	18
	Lateral D2 Agriculture Cooperative	29	Fair	Residential	33
	Lomboy Agriculture Cooperative (LOMBACO)	33	Fair	Residential	18
	East Isabela Agriculture Cooperative	38	Satisfactory	Residential	36
	Dacque Farmers Agriculture Cooperative	23	Fair	Residential	15
	Cauayan Forest Region Agriculture Cooperative (CFRACO)	33	Fair	Occupational	23

Isabela West Tanap Farmers Agriculture Cooperative	34	Fair	Residential	16
Jamas Agriculture Cooperative	33	Fair	Residential	15
Upper Forest Region Agrarian Reform Cooperative	27	Fair	Residential	30
Blue Circle Grains Trading Agriculture Cooperative	22	Fair	Residential	26
Morado Agriculture Cooperative	29	Fair	Residential	28
Timpuyog Dagiti Mannalon Iti Hasyenda Santa Isabel Agriculture Cooperative	34	Fair	Residential	29
Bigkis Diwa Agriculture Cooperative of Abulan	39	Satisfactory	Residential	21
Mallig Plains Agrarian Reform Cooperative	35	Fair	Residential	19
Sang-gir Iti Mannalon Agriculture Cooperative (SIMAC)	28	Fair	Residential	35
Timpuyog iti Rumaraep ti Quezon Agriculture Cooperative	25	Fair	Residential	32
Quezon Isabela Tobacco Growers Agriculture Cooperative	29	Fair	Residential	32
Ramon Cordon Council of Irrigators Association (RAMCOR CIA) Agriculture Cooperative	23	Fair	Residential	41
Timpuyog Iti Mannalon Biag ket Agdur-as Agriculture Cooperative (TIMBAC)	27	Fair	Residential	27
San Isidro North Agrarian Reform Cooperative (SINARCO)	29	Fair	Residential	23
NDC-8 Agrarian Reform Beneficiaries Cooperative	27	Fair	Associational	48
Callang Grains Production And Trading Agriculture Cooperative	34	Fair	Occupational	23
San Mariano Indigenous Farmers Agriculture Cooperative (SMIFAC)	30	Fair	Residential	28
Malaya Sustainable Agriculture Cooperative	26	Fair	Residential	15

	San Pablo Bitabian Agriculture Cooperative (SABICO)	26	Fair	Residential	21
z	Marasat-Dagupan Rice Business Innovations System (BIS) Agriculture Cooperative	28	Fair	Residential	17
	Dacque Upland Farmers Organization Agriculture Cooperative (DUFO)	20	Fair	Residential	23
	Mozzbuenas Farmers Agriculture Cooperative	32	Fair	Occupational	32
	Divisoria Sta. Maria Farmers Agriculture Cooperative	28	Fair	Residential	26
	Paculagu Irrigators Association Agriculture Cooperative	27	Fair	Residential	15
	Namnama Ti Masakbayan Agriculture Cooperative	37	Fair	Residential	37
	United BANGSPAVILCA Farmers Agriculture Cooperative (U-BANGS COOP)	35	Fair	Residential	30
	Sinili Vegetable Growers Agriculture Cooperative (SIVEGRACO)	37	Fair	Associational	18
	Northeast Luzon Farmers Agriculture Cooperative	29	Fair	Residential	15
	La Salette High School Batch 81 Agriculture Cooperative (LSHS B81 COOP)	29	Fair	Residential	50
	Mannalon Ti Tumauini Agriculture Cooperative	28	Fair	Residential	16
	Nagkaisang Padre de Pamilya (NAPAdPA) Farmers Agriculture Cooperative	29	Fair	Associational	21

Appendix C. Study Questionnaire

Disclaimer: Greetings!

I **ALAN V. BAUTISTA**, a **Ph.D. BA Student** at the **WESLEYAN university Philippines** in **Cabanatuan City**. I am currently conducting a thesis study about the managerial competency of officers and the financial performance of selected agricultural micro cooperatives in our province of Isabela. Your cooperative specially you as one of its officers is selected to respond by filling-up to the best of your knowledge and ability the prepared statements below. Your responses including other data and information obtained will be treated with utmost and corresponding confidentiality specially in accordance with the Data Privacy Act of 2012. Your participation and

cooperation with the abovementioned study is greatly appreciated as it will surely contribute to further understanding and exploring more knowledge specifically the management and financial performance of agricultural micro cooperatives.

Part I: Profile of Respondents

Direction: Please fill-up the required data and/or information as required applicably.

1. Name (optional): _____
2. Sex: Male Female
3. Age: _____
4. Educational Achievement:
 - Elementary
 - Secondary/High School
 - College
 - Post College/Graduate
5. Years as cooperative officer: _____

Part II: Profile of (your) Cooperative

Direction: Please fill-up the required data and/or information as required applicably.

1. Years of existence or operation: _____
2. Common bond of membership: _____
3. Number of initial co-operators: _____

Part III: Managerial Competencies

Please read the statements below carefully and rate each statement below from 1 to 5 as to the degree of how you personally agree or disagree based on your experience as officer of your cooperative.

- 1 – Completely knowledgeable and very able to perform (CK)
- 2 – Enough knowledge and ability to perform (EK)
- 3 – Partial knowledge and ability to perform (PK)
- 4 – Minimal knowledge and ability to perform (MK)
- 5 – No knowledge and unable to perform (NK)

CORE COOPERATIVE MANAGEMENT COMPETENCIES	Rating Scale				
	1	2	3	4	5
Establish A Cooperative and Perform Cooperative Management.					

Able to judiciously implement and enforce cooperative fundamental governing laws (RA 9520 & XXX) rules and regulations (CDA MCs) of cooperatives.					
Able to formulate relevant and effective cooperative, vision, mission, goals, objectives (VMGO), plans, programs and policies.					
Able to establish networking and linkages with government entities and other cooperative stakeholders.					
Able to establish and strengthen partnership with other cooperatives.					
Able to provide support in the conduct of research and evaluation of cooperative operation.					
Able to nourish a cooperative identity.					
Able to foster cooperative culture.					
Able to develop effective cooperative communication plan.					
Able to formulate and implement a cooperative business continuity plan.					
2. Develop Human Resources System					
Able to develop Human Resources Management (HRM) systems and processes for cooperatives.					
Able to apply, administer, and manage HRM systems and processes.					
Able to develop and implement human resource capacitation (entrepreneurial skills, competencies and activities) plan for cooperatives.					
Able to improve a HRM systems and processes of cooperative.					

3. Ensure Safe and Sound Operation for Cooperatives					
Able to satisfy the roles, perform the duties, responsibilities, accept accountabilities and integrate good Filipino values in leading the cooperative.					
Able to apply parliamentary procedures in conducting meeting.					
Able to develop a mediation and conciliation program.					
Able to formulate approaches in implementing the mediation and conciliation program.					
Able to establish records management.					
Able to integrate necessary technologies (computerization, digitization, etc.).					

Able to establish an updated Management Information System (MIS) and data analytics.					
4. Implement Effective Financial Management.					
Able to perform basic cooperative budgeting.					
Able to generate capital and deposits.					
Able to establish and supervise an accounting, auditing and internal control system for cooperatives.					
Able to develop and implement effective credit collection strategies.					
Able to manage effectively the cooperative assets and liabilities.					
Able to comply with standard cooperative Performance Audit Report (PAR)-Governance & Management Report and Financial Performance Report (Stability, Turn-Over Ratio, Efficiency, Profitability, Structure of Assets (STEPS)).					
Able to identify investment opportunities for cooperatives.					
5. Develop Quality Products and Services					
Able to initiate, create and innovate products and services for cooperatives.					
Able to develop a cooperative marketing program.					
Able to implement a cooperative marketing program and strategies.					
Able to improve internal cooperative business processes.					
Able to adopt and adapt Total Quality Management (TQM) principles and practices for cooperatives.					
6. Practice Good Governance for Cooperatives					
Able to promote good governance, implement labor and other related laws.					
Able promote cooperative ethical practices.					
Able to apply principles of management in cooperative.					
Able to develop cooperative strategic plan					
Able to direct a cooperative strategic thrust.					
Contribute to Social, Economic and Environmental Sustainability					
Able to advocate, develop and implement Gender and Development (GAD) program.					
Able to institutionalize a Youth Development Program (YDP) in the cooperative.					

Able to advocate an environmental program for cooperative.					
Able to initiate contribution to national cooperative plans and goals.					
7.5 Able to initiate cooperative projects and programs that contributes to the social development of the community.					

Appendix D. Cooperative Financial Performance Rating Evaluation

(Formulated equivalent performance rating for STEPS per Cooperative Development Authority (CDA) Memorandum Circular No. 2021-04 Series 2021, Subject: Performance Audit Report (PAR) for Cooperatives.)

STEPS Summary/Total

(Stability, Turn-Over Ratio, Efficiency, Profitability and Structure of Assets)

Financial Performance Rating Scale	Adjectival Description
78-100	Excellent
58-77	Very Satisfactory
38-57	Satisfactory
20-37	Fair
19 & Below	Needs Improvement