

## Management Status of the Primary Cooperative in Northern Samar, Philippines

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**ABSTRACT:** This study attempted to determine the management Status of the primary cooperatives in Northern Samar in terms of the five aspects namely, Administrative, organizational, financial, Marketing and Technical aspects. A descriptive survey design was done and employed a research-made questionnaire coupled with focus group discussion (FDG) to validate the answer of the respondents. The findings revealed that management status of the 33 existing primary cooperative as assessed by the respondents fairly good, the number of employees, the assignment of the tasks to employees. BOD and the officers, members' share capital, cooperatives' income, product distributions and promotion of product. Based on the over-all assessment of the respondents marketing aspects got the highest mean rating of 2.86 followed by organizational and financial aspects with a mean rating of 2.62. Training behind is technical aspect with a mean rating 2.37. This implies that the respondents considered the distribution and promotion of the cooperatives' product to be fairly good followed by the organizational aspects and financial aspect which show strong points per assessment. The respondents are with the opinion that cooperatives' expertise & skills need to be improved.

**KEYWORDS:** Administrative, Organizational, Marketing, Financial, and Technical.

### 1 INTRODUCTION

Primary cooperatives are there to help enterprising poor in the province improve their economic plight. They are more accessible than banks to the poor who are in need of capital for economic endeavor. But the question is the primary cooperatives in Northern Samar really in a position to effectively provide financial assistance to its member? At present, there are scare data that would help answer this question.

This study, therefore, aims to unearth relevant and updated data that would provide a picture on the status, especially management aspects, of the existing primary cooperatives in Northern Samar. Management aspects were considered, namely administrative, organizational, financial, marketing and technical.

The data that the study hopes to gather, when place on proper perspective, would be utilized in helping these primary cooperatives improved their management operations, thereby be more effective and efficient in providing assistance to the members.

The basic intention of this research is to determine the Management Status of the Primary Cooperative in Northern Samar in terms of the five aspects namely Administrative, Organizational, Financial, Marketing and Technical aspects.

### 2 MATERIALS AND METHODOLOGY

The descriptive survey design was adopted in the study. It employed a researcher-made questionnaire in gathering the data and was pre-tested. It was administered to three representatives each (a board of director, employee, and a member of the 33 primary cooperatives' in Northern Samar which served as subjects of the study with the duration of three (3) months from October to December 2010.

The gathered data were treated utilizing frequency distribution, weighted mean, and ranking.

### 3 RESULTS AND DISCUSSIONS

The table presents (p.7) the over-all results of the study after the data had been treated by the prescribed statistical tools.

#### 3.1 ADMINISTRATIVE ASPECTS

Under administrative aspect, six factors were considered, namely: leadership, recruitment, salaries, linkages, promotion of employees, and fund utilization.

As shown in the table (p.7) the leadership of the board of directors and officers, recruitment, and salaries of employees got mean rating of 3.075, 3.07 and 2.83, respectively that are equivalent to a “minimally agree” evaluation from the respondents. This suggests that these three factors may be considered strong points of the primary cooperatives in Northern Samar in fair measure. Probably, because cooperative is own and manage entirely by the members which was also confirmed in the study paper of Cooperative Management and Administration [Galor, 1988]. There were cases studied and was merely based from the experience of the proponents testifying that management of the cooperative was entirely operated by the members, officers and board of directors. The owner themselves participate in the economic activities which may cause the operation more gainful.

The other three factors have mean rating which are equivalent to “disagree”, which suggests that improvement on these areas is in order. Linkages, was one factor that was rated least from among other variables. The encouragement of Aisha Y. Bako, as cited by Alabi, who urged the Micro Small Medium Enterprises (MSME) operators especially women to open email accounts to enable them register for sale of their goods on made in Nigeria (MIN) website as well as register their products with NAFDAC and Corporate Affairs Commission (CAC) so that they can get buyers within and beyond the shores of Nigeria. This would give opportunities for other enterprises to link and be known to the prospect customers of their products this is also true to cooperative which is operated like business entity to guarantee for its sustainability.

#### 3.2 ORGANIZATION ASPECTS

Six factors were included in assessing the strength of the primary cooperatives and these are as follows number of employees, tasks assigned to employees, BOD and officers relationship, tasks assigned to BOD & Officers, Employees officers relationship, and the number of BOD and officers.

Findings showed that the number of employees, tasks assigned to employees, BOD and officers relationship, and number of BOD and officers were given a fairly good assessment by the respondents, these are the strong points of their cooperatives. The findings warrants the observation made by Madulid in her study where the Number of employees and Staff found out to be a key factor that determines the viability of cooperative in Northern Samar implying that it is the strengths of the cooperative in Northern Samar.

Negative assessment was the results after evaluating the responses of the respondents implying the unique duties and responsibilities of the BOD & Officers were not taken deeper attention by them. According to Sedo, on her article on Unique duties and responsibility directors has to be sensitive to the needs of the members in the sense that director decisions are based not only on what is most profitable, but also on what the needs of the members are as stipulated in one of the principles of cooperative which is the concern of the community.

The rest got mean rating equivalent to “disagree”. Hence were given negative assessment by the respondents in suggestion that these are the weak areas as far as the organizational aspect of their respective cooperatives.

#### 3.3 FINANCIAL ASPECTS

Of the three factors considered under financial aspect, share capital has a mean rating of 2.92 and income has 2.67, both equivalent to “minimally agree”. This suggests that the respondents believed that these are the strong points in a fair measure of their respective cooperatives under financial aspect. Collection rate has a mean rating equivalent to “disagree” which suggests that it was poorly assessed by the respondents.

John Parker from Texas A&M University, pointed out in his message that “Business enterprises of all types, whether proprietorship, partnership, corporation or cooperative, require the effective use of its assets in order to secure financial and

organizational success. The collectors or anyone assign to the task of keeping secure the assets of the cooperative shall take care for the continuous financial stability of the said endeavor.

A cooperative is no different from other firms in needing strong financial condition (ability to pay bills, make good investments and pay returns to owners). As owners, members have a fiduciary responsibility to be sure their cooperatives have strong financial condition. This responsibility is directly overseen by the cooperative’s board of directors (Peterson 2011).

The financial aspects of each cooperative is unique. There is a need to look into the specifics of the pricing, monthly fees and equity structure at the cooperatives you are interested in. The following is a general guide to the financial arrangements of senior housing cooperatives: share, monthly fee, repairs, maintenance and fund reserves, taxes, equity and resale. What is common whatever types of cooperative is the share capital , fund reserve , monthly fee for the services that the member has availed and equity (www.seniorcoop.org.). To keep safe the financial aspect one has to be a responsible member by fulfilling all his financial obligations to the cooperative such behavior would be worth emulating to every member to assure good financial returns.

Cash and related funds are the life blood of any firm. If their flow is not handled properly, the firm suffers. If the flow is handled well, the firm is in a position to prosper. The finance function within a firm ensures to the extent possible that the flow of funds fully supports the needs of the business for successful performance (Peterson,2012).

**3.4 MARKETING ASPECTS**

The factors under marketing aspect, namely: product distribution and promotion of products were rated 2.95 and 2.77, respectively, which are equivalent to “minimally agree” This indicates that the respondents considered the distribution and promotion of the cooperatives’ products to be fairly good. However, Chiang’s findings may shade light in terms of the product availability in competitive and cooperative dual channel distribution of cooperative product. In his investigation of customer’s stock-out based substitution may increased or decrease the efficiency of a decentralized supply chain. It was found that while the integrated supplier- retailer may consolidate the based-stock levels to benefit from stock out based substitution, independent supplier and retailer are more in attentive to customer’s stock- out based substitution. This findings is completely new and may give idea to the cooperators in other parts.

**3.5 TECHNICAL ASPECTS**

Cooperative’s expertise and skills was the lone factor considered under technical aspect. This factor got a negative assessment from the respondent: since the mean ration it got: is equivalent to “disagree” The respondents are with the opinion that this area needs to be improved.

Based on the over-all assessment of the respondents, marketing aspect got the highest mean rating of 2.86 followed by organizational and financial aspect with a mean rating of 2.63, administrative aspect with a mean rating 2.60. Training behind is technical aspect with a mean rating of 2.37.

**Table 1 Mean and Descriptive Interpretation of Respondents  
Response on Management Status of Primary Cooperatives as perceived by the representatives (BOD & Officers Employees and Members)**

<b>Management Status</b>	<b>Weighted Mean</b>	<b>Descriptive Interpretation</b>	<b>Top 3 &amp; Least 3</b>
1-Management Aspects			
1.1 Leadership	3.20	Minimally Agree	1
1.2 Recruitment	3.07	Minimally Agree	2
1.3 Salaries	2.82	Minimally Agree	3
1.4 Linkages	2.20	Disagree	1
1.5 Promotion of employees	2.25	Disagree	2
1.6 Fund Utilization	<u>2.32</u>	Disagree	3
	<b>2.60</b>	<b>Minimally Agree</b>	
2- Organizational & Management Aspects			
2.1 Number of Employees	3.12	Minimally Agree	1
2.2 The Tasks assigned to employees	2.76	Minimally Agree	2

2.3 BOD& Officer relationship	2.60	Minimally Agree	3
2.4 The Tasks assigned to BOD & officers	2.32	Disagree	1
2.5 Employees & Officers' Relationship	2.46	Disagree	2
2.6 The number of BOD & Officers	<u>2.50</u>	Minimally Agree	3
	<b>2.62</b>	<b>Minimally Agree</b>	
3- Financial Aspects			
3.1 Share Capital	2.92	Minimally Agree	1
3.2 Income	2.67	Minimally Agree	2
3.3 Collection Rate	<u>2.27</u>	Disagree	3
	<b>2.62</b>	<b>Minimally Agree</b>	
4- Marketing Aspects			
4.1 Product distribution	2.92	Minimally Agree	1
4.2 Promotion of Products	<u>2.77</u>	Minimally Agree	2
	<b>2.86</b>	<b>Minimally Agree</b>	
5- Technical Aspect			
5.1 Cooperatives' Expertise & Skills	<u>2.37</u>	Disagree	1
<b>Grand Mean</b>	<b>2.61</b>	<b>Minimally Agree</b>	

#### 4 CONCLUSIONS AND IMPLICATIONS

The findings of the study generally revealed that the management status of the 33 existing primary cooperatives in Northern Samar as assessed by the respondents is fairly good and in terms of leadership of the BOD and officers, recruitment policies, salaries of employees, the number of BOD members and officers, members' share capital, cooperatives' income, product distribution and promotion of product.

The fair evaluation of the respondents suggests that there is still a room for improvement on this area. They are in the opinion that there is still a need to further strengthen the recruitment policies, the task assignment of employees, the number of BOD members and officers have to be looked into. They also believe that the share capital the cooperative's income and the effectiveness of product distribution and promotion need review for further improvement.

The other identified factors, such as promotion of employees, fund utilization, linkages, tasks assigned to BOD and officers, employees and officers the respondents relationship, collection rate and cooperatives' expertise and skills which were not favorably evaluated by the respondents.

This indicates that these areas need improvement. If they are ignored and not given due attention and consideration by the management of the cooperatives, chances are the operations of the cooperatives would stay below par, much to the detriment of providing quality service to the members and the community.

The overall assessment of the primary cooperatives as shown in the table per grand mean computation prevailed to be minimally agreed.

#### RECOMMENDATIONS

Based from the findings the following are recommended:

1. Leaders of primary cooperatives in Northern Samar should undergo continuous leaders' training to acquire updated and new strategies on leadership. Present leaders as well as potential leaders should be considered for leaders' training annually.
2. Policies on recruitment, promotion and salaries of employees, and fund utilization should undergo constant and regular review to determine to keep them attuned to the need of time and demand of the cooperatives' stakeholders.
3. Proper staffing in the cooperatives should be observed so that employees will not be overburdened with tasks and responsibility which could result in the deterioration of their efficiency.
4. Although good working relationship among BOD members and officers is observed, measure should be undertaken to maintain this. On the other hand, in order to develop good relationship between the officers and employees, a sensitivity training may be conducted on annual basis Regular social activities; Such as sports fest, picnics, parties, etc., may be organized to remove social barriers between the two groups.

5. The Management of the cooperative should formulate strategies for capital build-up, as well as seriously implement these strategies.
6. Policies on the distribution of products and services must be reviewed for possible improvement. All cooperative stakeholders should be involved in this. Review may be done.
7. The present collection strategies of the cooperatives must be reviewed in terms of effectiveness and efficiency. If the strategies found ineffective or inefficient, it should be discarded and replaced by other strategies used by more successful cooperative in the country. The BOD and officers may study and observe these cooperative in a field trip.

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